

PENNSYLVANIA COMPENSATION RATING BUREAU, INC.

Policy Year Loss Ratio Summary

Contains the calculation of the loss ratios used in the filing by policy year.

**POLICY YEAR LOSS RATIO 2021**

(1)	Standard Earned Premium Reported (Table I)			1,319,707,102
(2)	Premium Development Factor to Ultimate Level (Exhibit 5)			1.0046
(3)	Expense Constant Removal Factor			1.0000
(4)	PCCPAP On-Level Factor			1.0055
(5)	Factor to Remove Loss Based Assessments			0.9862
(6)	* Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,275,626,065
(7)	Loss Cost Change to 04/1/23 Level			0.8980
(8)	Expected Loss at Current Level (6) * (7)			1,145,512,206
<b>Losses - Paid-to-20th Method</b>				
		<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(9)	Paid Losses Reported (Table I-D-Reported & I-E-Reported)	227,818,305	372,525,029	600,343,334
(10)	Loss Development Factor to Ultimate Valuation (Exhibit 5)	2.5355	1.5711	
(11)	Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0000	1.0000	
(12)	Ultimate Incurred Losses (9) * (10) * (11)	577,633,312	585,274,073	1,162,907,385
(13)	Benefit Level Factor	1.0000	1.0000	
(14)	Adjusted Losses (12) * (13)	577,633,312	585,274,073	1,162,907,385
(15)	Policy Year Ratio of Losses to Expected Losses (14) / (8)	0.5043	0.5109	1.0152
<b>Losses - Incurred Method</b>				
(16)	Incurred Losses Reported (Table I-B-Reported & I-C-Reported)	373,378,549	516,997,165	890,375,714
(17)	Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.4784	1.1009	
(18)	Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0000	1.0000	
(19)	Ultimate Incurred Losses (16) * (17) * (18)	552,002,847	569,162,179	1,121,165,026
(20)	Benefit Level Factor	1.0000	1.0000	
(21)	Adjusted Losses (19) * (20)	552,002,847	569,162,179	1,121,165,026
(22)	Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.4819	0.4969	0.9788
<b>Losses - Average of Incurred and Paid-to-20th Method</b>				
(23)	Adjusted Ultimate Incurred Losses ((14) + (21)) / 2	564,818,080	577,218,126	1,142,036,206
(24)	Policy Year Ratio of Losses to Expected Losses (23) / (8)	0.4931	0.5039	0.9970
(25)	Normalized Claim Frequency (Exhibit 1)	0.5343	0.5343	
(26)	Severity Ratio ** (24) / (25)	0.9228	0.9431	1.8659

\* Adjusted Standard Earned Premium for 1% excess wage trend compared to historical averages due to the effects of the pandemic

\*\* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

**POLICY YEAR LOSS RATIO 2020**

(1) Standard Earned Premium Reported (Table I)				1,266,925,259
(2) Premium Development Factor to Ultimate Level (Exhibit 5)				0.9979
(3) Expense Constant Removal Factor				1.0000
(4) PCCPAP On-Level Factor				1.0062
(5) Factor to Remove Loss Based Assessments				0.9866
(6) * Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)				1,230,081,341
(7) Loss Cost Change to 04/1/23 Level				0.8494
(8) Expected Loss at Current Level (6) * (7)				1,044,831,091
<b>Losses - Paid-to-20th Method</b>				
	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>	
(9) Paid Losses Reported (Table I-D-Reported & I-E-Reported)	380,092,524	437,053,633		817,146,157
(10) Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.4212	1.2760		
(11) Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0000	1.0000		
(12) Ultimate Incurred Losses (9) * (10) * (11)	540,187,495	557,680,436		1,097,867,931
(13) Benefit Level Factor	1.0000	1.0000		
(14) Adjusted Losses (12) * (13)	540,187,495	557,680,436		1,097,867,931
(15) Policy Year Ratio of Losses to Expected Losses (14) / (8)	0.5170	0.5338		1.0508
<b>Losses - Incurred Method</b>				
(16) Incurred Losses Reported (Table I-B-Reported & I-C-Reported)	478,992,144	510,528,083		989,520,227
(17) Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.1131	1.0561		
(18) Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0000	1.0000		
(19) Ultimate Incurred Losses (16) * (17) * (18)	533,166,155	539,168,708		1,072,334,863
(20) Benefit Level Factor	1.0000	1.0000		
(21) Adjusted Losses (19) * (20)	533,166,155	539,168,708		1,072,334,863
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5103	0.5160		1.0263
<b>Losses - Average of Incurred and Paid-to-20th Method</b>				
(23) Adjusted Ultimate Incurred Losses ((14) + (21)) / 2	536,676,825	548,424,572		1,085,101,397
(24) Policy Year Ratio of Losses to Expected Losses (23) / (8)	0.5136	0.5249		1.0385
(25) Normalized Claim Frequency (Exhibit 1)	0.5653	0.5653		
(26) Severity Ratio ** (24) / (25)	0.9086	0.9286		1.8372

\* Adjusted Standard Earned Premium for 1% excess wage trend compared to historical averages due to the effects of the pandemic

\*\* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

**POLICY YEAR LOSS RATIO 2019**

(1)	Standard Earned Premium Reported (Table I)			1,403,773,755
(2)	Premium Development Factor to Ultimate Level (Exhibit 5)			0.9991
(3)	Expense Constant Removal Factor			1.0000
(4)	PCCPAP On-Level Factor			1.0062
(5)	Factor to Remove Loss Based Assessments			0.9866
(6)	* Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,378,372,805
(7)	Loss Cost Change to 04/1/23 Level			0.7526
(8)	Expected Loss at Current Level (6) * (7)			1,037,363,373
<b>Losses - Paid-to-20th Method</b>				
		<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(9)	Paid Losses Reported (Table I-D-Reported & I-E-Reported)	487,847,587	500,092,474	987,940,061
(10)	Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.1865	1.2127	
(11)	Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0000	1.0000	
(12)	Ultimate Incurred Losses (9) * (10) * (11)	578,831,162	606,462,143	1,185,293,305
(13)	Benefit Level Factor	1.0000	1.0000	
(14)	Adjusted Losses (12) * (13)	578,831,162	606,462,143	1,185,293,305
(15)	Policy Year Ratio of Losses to Expected Losses (14) / (8)	0.5580	0.5846	1.1426
<b>Losses - Incurred Method</b>				
(16)	Incurred Losses Reported (Table I-B-Reported & I-C-Reported)	550,835,502	558,731,709	1,109,567,211
(17)	Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0469	1.0539	
(18)	Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0000	1.0000	
(19)	Ultimate Incurred Losses (16) * (17) * (18)	576,669,687	588,847,348	1,165,517,035
(20)	Benefit Level Factor	1.0000	1.0000	
(21)	Adjusted Losses (19) * (20)	576,669,687	588,847,348	1,165,517,035
(22)	Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.5559	0.5676	1.1235
<b>Losses - Average of Incurred and Paid-to-20th Method</b>				
(23)	Adjusted Ultimate Incurred Losses ((14) + (21)) / 2	577,750,425	597,654,746	1,175,405,171
(24)	Policy Year Ratio of Losses to Expected Losses (23) / (8)	0.5569	0.5761	1.1330
(25)	Normalized Claim Frequency (Exhibit 1)	0.5923	0.5923	
(26)	Severity Ratio ** (24) / (25)	0.9402	0.9726	1.9128

\* Adjusted Standard Earned Premium for 1% excess wage trend compared to historical averages due to the effects of the pandemic

\*\* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

**POLICY YEAR LOSS RATIO 2018**

(1) Standard Earned Premium Reported (Table I)			1,738,796,221
(2) Premium Development Factor to Ultimate Level (Exhibit 5)			1.0001
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			1.0063
(5) Factor to Remove Loss Based Assessments			0.9864
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,726,126,624
(7) Loss Cost Change to 04/1/23 Level			0.5931
(8) Expected Loss at Current Level (6) * (7)			1,023,765,701
<b>Losses - Paid-to-20th Method</b>			
	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(9) Paid Losses Reported (Table I-D-Reported & I-E-Reported)	557,933,680	572,828,478	1,130,762,158
(10) Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.1120	1.1832	
(11) Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0010	1.0000	
(12) Ultimate Incurred Losses (9) * (10) * (11)	621,027,169	677,770,655	1,298,797,824
(13) Benefit Level Factor	1.0000	1.0000	
(14) Adjusted Losses (12) * (13)	621,027,169	677,770,655	1,298,797,824
(15) Policy Year Ratio of Losses to Expected Losses (14) / (8)	0.6066	0.6620	1.2686
<b>Losses - Incurred Method</b>			
(16) Incurred Losses Reported (Table I-B-Reported & I-C-Reported)	600,892,041	651,733,160	1,252,625,201
(17) Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0336	1.0565	
(18) Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0009	1.0000	
(19) Ultimate Incurred Losses (16) * (17) * (18)	621,644,282	688,556,084	1,310,200,366
(20) Benefit Level Factor	1.0000	1.0000	
(21) Adjusted Losses (19) * (20)	621,644,282	688,556,084	1,310,200,366
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.6072	0.6726	1.2798
<b>Losses - Average of Incurred and Paid-to-20th Method</b>			
(23) Adjusted Ultimate Incurred Losses ((14) + (21)) / 2	621,335,726	683,163,370	1,304,499,096
(24) Policy Year Ratio of Losses to Expected Losses (23) / (8)	0.6069	0.6673	1.2742
(25) Normalized Claim Frequency (Exhibit 1)	0.6610	0.6610	
(26) Severity Ratio * (24) / (25)	0.9182	1.0096	1.9278

\* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

**POLICY YEAR LOSS RATIO 2017**

(1) Standard Earned Premium Reported (Table I)			1,602,398,761
(2) Premium Development Factor to Ultimate Level (Exhibit 5)			1.0001
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			1.0068
(5) Factor to Remove Loss Based Assessments			0.9863
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,591,352,049
(7) Loss Cost Change to 04/1/23 Level			0.6136
(8) Expected Loss at Current Level (6) * (7)			976,453,617
<b>Losses - Paid-to-20th Method</b>	<b>Indemnity</b>	<b>Medical</b>	<b>Total</b>
(9) Paid Losses Reported (Table I-D-Reported & I-E-Reported)	545,185,335	541,939,057	1,087,124,392
(10) Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0885	1.1726	
(11) Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0056	1.0000	
(12) Ultimate Incurred Losses (9) * (10) * (11)	596,767,437	635,477,738	1,232,245,175
(13) Benefit Level Factor	1.0000	1.0000	
(14) Adjusted Losses (12) * (13)	596,767,437	635,477,738	1,232,245,175
(15) Policy Year Ratio of Losses to Expected Losses (14) / (8)	0.6112	0.6508	1.2620
<b>Losses - Incurred Method</b>			
(16) Incurred Losses Reported (Table I-B-Reported & I-C-Reported)	577,581,979	570,033,265	1,147,615,244
(17) Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0327	1.0602	
(18) Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0053	1.0000	
(19) Ultimate Incurred Losses (16) * (17) * (18)	599,631,239	604,349,268	1,203,980,507
(20) Benefit Level Factor	1.0000	1.0000	
(21) Adjusted Losses (19) * (20)	599,631,239	604,349,268	1,203,980,507
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.6141	0.6189	1.2330
<b>Losses - Average of Incurred and Paid-to-20th Method</b>			
(23) Adjusted Ultimate Incurred Losses ((14) + (21)) / 2	598,199,338	619,913,503	1,218,112,841
(24) Policy Year Ratio of Losses to Expected Losses (23) / (8)	0.6126	0.6349	1.2475
(25) Normalized Claim Frequency (Exhibit 1)	0.6859	0.6859	
(26) Severity Ratio * (24) / (25)	0.8932	0.9257	1.8189

\* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

**POLICY YEAR LOSS RATIO 2016**

(1) Standard Earned Premium Reported (Table I)			1,562,465,530
(2) Premium Development Factor to Ultimate Level (Exhibit 5)			1.0000
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			1.0078
(5) Factor to Remove Loss Based Assessments			0.9853
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,551,505,366
(7) Loss Cost Change to 04/1/23 Level			0.5859
(8) Expected Loss at Current Level (6) * (7)			909,026,994
<b>Losses - Paid-to-20th Method</b>			
	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(9) Paid Losses Reported (Table I-D-Reported & I-E-Reported)	523,827,042	513,669,669	1,037,496,711
(10) Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0708	1.1568	
(11) Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0108	1.0000	
(12) Ultimate Incurred Losses (9) * (10) * (11)	566,951,532	594,213,073	1,161,164,605
(13) Benefit Level Factor	1.0000	1.0000	
(14) Adjusted Losses (12) * (13)	566,951,532	594,213,073	1,161,164,605
(15) Policy Year Ratio of Losses to Expected Losses (14) / (8)	0.6237	0.6537	1.2774
<b>Losses - Incurred Method</b>			
(16) Incurred Losses Reported (Table I-B-Reported & I-C-Reported)	543,500,511	537,659,321	1,081,159,832
(17) Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0281	1.0570	
(18) Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0104	1.0000	
(19) Ultimate Incurred Losses (16) * (17) * (18)	564,569,654	568,305,902	1,132,875,556
(20) Benefit Level Factor	1.0000	1.0000	
(21) Adjusted Losses (19) * (20)	564,569,654	568,305,902	1,132,875,556
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.6211	0.6252	1.2463
<b>Losses - Average of Incurred and Paid-to-20th Method</b>			
(23) Adjusted Ultimate Incurred Losses ((14) + (21)) / 2	565,760,593	581,259,488	1,147,020,081
(24) Policy Year Ratio of Losses to Expected Losses (23) / (8)	0.6224	0.6394	1.2618
(25) Normalized Claim Frequency (Exhibit 1)	0.7257	0.7257	
(26) Severity Ratio * (24) / (25)	0.8576	0.8811	1.7387

\* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

**POLICY YEAR LOSS RATIO 2015**

(1)	Standard Earned Premium Reported (Table I)			1,568,693,734
(2)	Premium Development Factor to Ultimate Level (Exhibit 5)			0.9999
(3)	Expense Constant Removal Factor			1.0000
(4)	PCCPAP On-Level Factor			1.0076
(5)	Factor to Remove Loss Based Assessments			0.9853
(6)	Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,557,225,016
(7)	Loss Cost Change to 04/1/23 Level			0.5709
(8)	Expected Loss at Current Level (6) * (7)			889,019,762
<b>Losses - Paid-to-20th Method</b>				
		<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(9)	Paid Losses Reported (Table I-D-Reported & I-E-Reported)	566,780,064	527,274,259	1,094,054,323
(10)	Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0601	1.1486	
(11)	Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0136	1.0000	
(12)	Ultimate Incurred Losses (9) * (10) * (11)	608,986,573	605,627,214	1,214,613,787
(13)	Benefit Level Factor	1.0000	1.0000	
(14)	Adjusted Losses (12) * (13)	608,986,573	605,627,214	1,214,613,787
(15)	Policy Year Ratio of Losses to Expected Losses (14) / (8)	0.6850	0.6812	1.3662
<b>Losses - Incurred Method</b>				
(16)	Incurred Losses Reported (Table I-B-Reported & I-C-Reported)	583,441,402	557,597,326	1,141,038,728
(17)	Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0254	1.0567	
(18)	Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0132	1.0000	
(19)	Ultimate Incurred Losses (16) * (17) * (18)	606,137,297	589,213,094	1,195,350,391
(20)	Benefit Level Factor	1.0000	1.0000	
(21)	Adjusted Losses (19) * (20)	606,137,297	589,213,094	1,195,350,391
(22)	Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.6818	0.6628	1.3446
<b>Losses - Average of Incurred and Paid-to-20th Method</b>				
(23)	Adjusted Ultimate Incurred Losses ((14) + (21)) / 2	607,561,935	597,420,154	1,204,982,089
(24)	Policy Year Ratio of Losses to Expected Losses (23) / (8)	0.6834	0.6720	1.3554
(25)	Normalized Claim Frequency (Exhibit 1)	0.7755	0.7755	
(26)	Severity Ratio * (24) / (25)	0.8812	0.8665	1.7477

\* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

**POLICY YEAR LOSS RATIO 2014**

(1)	Standard Earned Premium Reported (Table I)			1,578,851,875
(2)	Premium Development Factor to Ultimate Level (Exhibit 5)			1.0000
(3)	Expense Constant Removal Factor			1.0000
(4)	PCCPAP On-Level Factor			1.0066
(5)	Factor to Remove Loss Based Assessments			0.9857
(6)	Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,566,545,704
(7)	Loss Cost Change to 04/1/23 Level			0.5383
(8)	Expected Loss at Current Level (6) * (7)			843,271,552
<b>Losses - Paid-to-20th Method</b>				
		<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(9)	Paid Losses Reported (Table I-D-Reported & I-E-Reported)	596,340,979	578,670,083	1,175,011,062
(10)	Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0551	1.1415	
(11)	Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0146	0.9981	
(12)	Ultimate Incurred Losses (9) * (10) * (11)	638,387,386	659,294,226	1,297,681,612
(13)	Benefit Level Factor	1.0000	1.0000	
(14)	Adjusted Losses (12) * (13)	638,387,386	659,294,226	1,297,681,612
(15)	Policy Year Ratio of Losses to Expected Losses (14) / (8)	0.7570	0.7818	1.5388
<b>Losses - Incurred Method</b>				
(16)	Incurred Losses Reported (Table I-B-Reported & I-C-Reported)	613,548,149	608,503,023	1,222,051,172
(17)	Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0218	1.0541	
(18)	Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0142	0.9982	
(19)	Ultimate Incurred Losses (16) * (17) * (18)	635,821,535	640,261,658	1,276,083,193
(20)	Benefit Level Factor	1.0000	1.0000	
(21)	Adjusted Losses (19) * (20)	635,821,535	640,261,658	1,276,083,193
(22)	Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.7540	0.7593	1.5133
<b>Losses - Average of Incurred and Paid-to-20th Method</b>				
(23)	Adjusted Ultimate Incurred Losses ((14) + (21)) / 2	637,104,461	649,777,942	1,286,882,403
(24)	Policy Year Ratio of Losses to Expected Losses (23) / (8)	0.7555	0.7705	1.5260
(25)	Normalized Claim Frequency (Exhibit 1)	0.8413	0.8413	
(26)	Severity Ratio * (24) / (25)	0.8980	0.9158	1.8138

\* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

**POLICY YEAR LOSS RATIO 2013**

(1) Standard Earned Premium Reported (Table I)			1,572,035,228
(2) Premium Development Factor to Ultimate Level (Exhibit 5)			1.0000
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			1.0067
(5) Factor to Remove Loss Based Assessments			0.9853
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,559,304,116
(7) Loss Cost Change to 04/1/23 Level			0.5127
(8) Expected Loss at Current Level (6) * (7)			799,455,220
<b>Losses - Paid-to-20th Method</b>	<b>Indemnity</b>	<b>Medical</b>	<b>Total</b>
(9) Paid Losses Reported (Table I-D-Reported & I-E-Reported)	596,577,371	569,055,440	1,165,632,811
(10) Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0505	1.1340	
(11) Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0153	0.9936	
(12) Ultimate Incurred Losses (9) * (10) * (11)	636,284,701	641,196,072	1,277,480,773
(13) Benefit Level Factor	1.0000	1.0000	
(14) Adjusted Losses (12) * (13)	636,284,701	641,196,072	1,277,480,773
(15) Policy Year Ratio of Losses to Expected Losses (14) / (8)	0.7959	0.8020	1.5979
<b>Losses - Incurred Method</b>			
(16) Incurred Losses Reported (Table I-B-Reported & I-C-Reported)	607,941,384	598,636,191	1,206,577,575
(17) Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0223	1.0473	
(18) Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0150	0.9939	
(19) Ultimate Incurred Losses (16) * (17) * (18)	630,821,476	623,153,330	1,253,974,806
(20) Benefit Level Factor	1.0000	1.0000	
(21) Adjusted Losses (19) * (20)	630,821,476	623,153,330	1,253,974,806
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.7891	0.7795	1.5686
<b>Losses - Average of Incurred and Paid-to-20th Method</b>			
(23) Adjusted Ultimate Incurred Losses ((14) + (21)) / 2	633,553,089	632,174,701	1,265,727,790
(24) Policy Year Ratio of Losses to Expected Losses (23) / (8)	0.7925	0.7908	1.5833
(25) Normalized Claim Frequency (Exhibit 1)	0.9196	0.9196	
(26) Severity Ratio * (24) / (25)	0.8618	0.8599	1.7217

\* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.

**POLICY YEAR LOSS RATIO 2012**

(1) Standard Earned Premium Reported (Table I)			1,581,588,670
(2) Premium Development Factor to Ultimate Level (Exhibit 5)			1.0000
(3) Expense Constant Removal Factor			1.0000
(4) PCCPAP On-Level Factor			1.0067
(5) Factor to Remove Loss Based Assessments			0.9858
(6) Standard Earned Premium on Level (1) * (2) * (3) * (4) * (5)			1,569,576,283
(7) Loss Cost Change to 04/1/23 Level			0.4894
(8) Expected Loss at Current Level (6) * (7)			768,150,633
<b>Losses - Paid-to-20th Method</b>			
	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(9) Paid Losses Reported (Table I-D-Reported & I-E-Reported)	582,431,696	548,642,586	1,131,074,282
(10) Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0452	1.1264	
(11) Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0153	0.9922	
(12) Ultimate Incurred Losses (9) * (10) * (11)	618,051,398	613,170,881	1,231,222,279
(13) Benefit Level Factor	1.0000	1.0000	
(14) Adjusted Losses (12) * (13)	618,051,398	613,170,881	1,231,222,279
(15) Policy Year Ratio of Losses to Expected Losses (14) / (8)	0.8046	0.7982	1.6028
<b>Losses - Incurred Method</b>			
(16) Incurred Losses Reported (Table I-B-Reported & I-C-Reported)	599,594,928	588,064,325	1,187,659,253
(17) Loss Development Factor to Ultimate Valuation (Exhibit 5)	1.0217	1.0508	
(18) Adjustment to Post-HB 1840 & HB 1846 Loss Levels	1.0148	0.9927	
(19) Ultimate Incurred Losses (16) * (17) * (18)	621,690,968	613,441,375	1,235,132,343
(20) Benefit Level Factor	1.0000	1.0000	
(21) Adjusted Losses (19) * (20)	621,690,968	613,441,375	1,235,132,343
(22) Policy Year Ratio of Losses to Expected Losses (21) / (8)	0.8093	0.7986	1.6079
<b>Losses - Average of Incurred and Paid-to-20th Method</b>			
(23) Adjusted Ultimate Incurred Losses ((14) + (21)) / 2	619,871,183	613,306,128	1,233,177,311
(24) Policy Year Ratio of Losses to Expected Losses (23) / (8)	0.8070	0.7984	1.6054
(25) Normalized Claim Frequency (Exhibit 1)	0.9381	0.9381	
(26) Severity Ratio * (24) / (25)	0.8602	0.8511	1.7113

\* Severity Ratio represents loss ratio adjusted to a common level of claim frequency.