

GENERAL RULES OF THE GOVERNING BOARD
OF THE PENNSYLVANIA COMPENSATION RATING BUREAU

(Adopted As Of March 8, 1993)
(Revised As Of January 25, 1995)
(Revised As Of August 23, 1996)
(Revised As Of January 24, 2001)
(Revised As Of April 27, 2005)
(Revised As Of July 1, 2013)

GENERAL RULE NUMBER 1

STANDING COMMITTEES

The Governing Board shall appoint the following Standing Committees, determine their composition, and assign to them such powers and duties as the Governing Board shall deem appropriate.

A. CLASSIFICATION AND RATING COMMITTEE

The Classification and Rating Committee shall consist of seven (7) PCRB members, each serving terms expiring at the Annual Meeting occurring three (3) years after their respective appointment and seven (7) Employer Organization representatives, each serving terms expiring at the Annual Meeting occurring three (3) years after their respective appointment.

To the extent required or permitted by or not contrary to law, the Classification and Rating Committee shall review classification studies and proposals for changes in the classification system and review filings which the PCRB proposes to make. Review of the PCRB's filing of workers compensation rates and rating plans that are limited to provisions for claim payment shall be limited to review of "provision for claim payment," as defined pursuant to the Workers' Compensation Act.

The Committee may only provide comments in an advisory capacity in the course of these reviews and shall not vote on matters pertaining to such filings. The President shall have final authority to determine the content of all filings.

PCRB members of the Committee shall designate two knowledgeable individuals as their representative and alternate, respectively. No two PCRB members of the Committee may designate the same individual(s) to be their representative and/or alternate.

Pursuant to the provisions of Section 717 of the Workers' Compensation Act, as amended, or the corresponding provisions of any successor statutes thereto, an Appeals Subcommittee of the Committee shall conduct hearings on appeals from individual classification assignments made by PCRB staff and on other written requests by any person aggrieved by the application of the PCRB's rating system (except any disputes relating to test audits). An Appeals Subcommittee shall consist of an equal number of PCRB members of the Classification and Rating Committee and Employer Organization representatives of the Classification and Rating Committee. The PCRB may designate membership to the Appeals Subcommittee on a rotating basis.

The Appeals Subcommittee shall review written appeals of a classification assignment or other application of the rating system and, by vote of the members present, grant or reject the aggrieved person's request in whole or in part and, if applicable, decide the proper classification, subject to the right of appeal by the aggrieved person to the Insurance Commissioner. The aggrieved person or its authorized representative shall upon written request have an opportunity to be heard in person and shall receive not less than ten (10) days' notice of the hearing date, time and place. The decision of the Appeals Subcommittee shall be in writing concisely setting forth the action determined and notice thereof shall promptly be sent to the aggrieved person or its authorized representative by first class United States mail together with notice of the right to appeal to the Insurance Commissioner within thirty (30) days of the date the decision is rendered.

B. ACTUARIAL COMMITTEE

The Actuarial Committee shall consist of nine (9) PCRB members, each serving terms expiring at the Annual Meeting occurring three (3) years after their respective appointment.

To the extent required or permitted by or not contrary to law, the Actuarial Committee shall review proposed filings and components thereof, including actuarial methodologies. The Committee's review shall be in an advisory capacity only.

Members of the Committee shall designate knowledgeable individuals as their representatives and alternates who shall be casualty actuaries with the designation of Fellow or Associate in the Casualty Actuarial Society. No two PCRB members of the Committee may designate the same individual(s) to be their representative and/or alternate.

C. AUDIT COMMITTEE

The Audit Committee shall consist of six (6) PCRB members, each serving terms expiring at the Annual Meeting occurring three (3) years after their respective appointment.

To the extent required or permitted by or not contrary to law, the Audit Committee shall provide technical expertise to the PCRB's Test Audit Program, such as reviewing current procedures and making recommendations for future procedures. The Committee shall also hear appeals to resolve test audit disputes between the members and PCRB staff.

Members of the Committee shall designate knowledgeable individuals as their representative and alternate, respectively. No two PCRB members of the Committee may designate the same individual(s) to be their representative and/or alternate.

D. NOMINATING COMMITTEE

The Nominating Committee shall consist of five (5) members who shall be PCRB members, each serving terms expiring at the Annual Meeting occurring three (3) years after their respective appointment.

Members of the Committee shall designate knowledgeable individuals as their representative and alternate, respectively. No two PCRB members of the Committee may designate the same individual(s) to be their representative and/or alternate. Prior to each Annual Meeting of the PCRB, the Committee shall propose a slate of candidates selected from the nominations made by all PCRB members for the vacancies on the Governing Board and all its Committees after the Committee has reviewed a compilation of all nominating ballots received from the members.

In proposing candidates for service on the Governing Board and its Committees, except as otherwise provided in the By-laws or General Rules, the Committee shall propose no more than one member to succeed itself unless there have not been sufficient nominations otherwise received to fill the remaining vacancies.

In proposing candidates, the Committee shall consider the following principles:

- (1) Equitable rotation of membership on the Governing Board and its Committees;
- (2) Breadth of representation;
- (3) Adequate representation from those insurers providing the major financial support to the PCRB.

GENERAL RULE NUMBER 2

Ballots for nominations to fill all vacancies on the Governing Board and Committees shall be sent to all members. The PCRB staff will record all ballots received, with or without nominations. The PCRB shall consider all nominations received on or before the response date specified in the ballots and may consider any subsequent nominations.

GENERAL RULE NUMBER 3

Each insurer member seeking nomination to serve on the Governing Board or a Committee shall designate in writing two knowledgeable employees, from specific disciplines when required, as its Committee representative and alternate, respectively.

GENERAL RULE NUMBER 4

Notice of all Committee meetings shall be given to all Committee members by mail, facsimile, electronic mail (e-mail) or telephone at least seven (7) calendar days prior to a meeting. Attendance at a meeting shall be a waiver of such notice of that meeting.

LEF/pj
LEGCOM
RESTRUCT
REVISED
2/3/93
REVISED (KG)
9/11/96
1/24/01
4/27/05
7/1/13