Pennsylvania Compensation Rating Bureau

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September 6, 2007

BUREAU CIRCULAR NO. 1537

To All Members of the Bureau:

Re: 2007 NOTICES OF ASSESSMENT AMOUNTS TO BE COLLECTED FOR UNINSURED EMPLOYERS GUARANTY FUND

The Department of Labor & Industry, Bureau of Workers' Compensation, recently issued the captioned notices to insurance carriers and to self-insured employers. This circular is to provide some background information pertaining to those notices and to advise Bureau members of steps that will be taken to account for and recoup the amounts of those assessments.

Authority for the imposition of assessments for the benefit of the Uninsured Employers Guaranty Fund was provided to the Department of Labor & Industry by HB 2738, enacted in 2006. Such assessments are intended to provide sufficient funds to pay outstanding and anticipated claims for the forthcoming year and to cover the costs of administering the Uninsured Employers Guaranty Fund. Annual assessments are limited to 0.1 percent of the total compensation paid by all insurers or self-insured employers during the previous calendar year.

Based on its own reading of applicable legislation and statutory provisions and with the benefit of further discussion with the Pennsylvania Insurance Department, the Bureau has concluded that assessments for the Uninsured Employers Guaranty Fund are includable in the Employer Assessment filed annually by the Bureau and approved by the Insurance Department for use in the Commonwealth.

Accordingly, members are advised that the Bureau will incorporate the 2007 Uninsured Employer Guaranty Fund assessments in the base for promulgating the Employer Assessment Factor for our April 1, 2008 Loss Cost Filing. This approach will effectively recognize Fiscal Year 2007/2008 budgetary amounts for the Administration Fund, Supersedeas Fund, Subsequent Injury Fund and Uninsured Employers Guaranty Fund in the Employer Assessment Factor effective April 1, 2008.

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