



Pennsylvania Compensation Rating Bureau

United Plaza Building • Suite 1500
30 South 17th Street • Philadelphia, PA 19103-4007
(215)568-2371 • FAX (215)564-4328 • www.pcrb.com

April 23, 2012

BUREAU CIRCULAR NO. 1599

To All Members of the PCRB:

Re: **MANUAL REVISIONS - SECTION 1 RULE IX H.**
PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM
EFFECTIVE OCTOBER 1, 2012

The Pennsylvania Compensation Rating Bureau has filed and the Insurance Commissioner has approved Manual revisions to Section 1, Rule IX, H. Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP). These revisions are **effective 12:01 a.m., October 1, 2012** with respect to new and renewal business only.

For policies with anniversary rating dates on or after October 1, 2012 the following changes to the PCCPAP plan are applicable:

- First, qualifying wages will be based on the Third Quarter of 2011, as this data is now or soon will be available and represents a more current level of employment and wage activity for construction employers.
- Second, the minimum hourly wage eligible for premium credit has been updated in accordance with the most recent change in the Statewide Average Weekly Wage (SAWW). This change revises the minimum wage eligible for PCCPAP premium credit to \$26.50 per hour.

This qualifying wage has been rounded to the nearest \$0.05, consistent with past practices.

- Third, consistent with procedural changes previously approved pursuant to PCRB filings pertaining to the PCCPAP 1995 through 2011, revisions have been made in the increments in qualifying wages used in constructing the PCCPAP table of premium credits.

A copy of the complete PCCPAP credit table effective for normal anniversary rating dates on or after October 1, 2012 in the text of Section 1, Rule IX, H. is shown at the end of this circular.

Bureau Circular No. 1599
Page 2

Questions about PCCPAP should be directed to the Rating Rules & Policy Reporting Department at Extension 4445.

The Manual will be updated on our website (www.pcrb.com) at a future date.

The PCRB will continue to advise qualifying employers and their insurers of record of PCCPAP credits using normal procedures.

Timothy L. Wisecarver
President

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Remember to visit our web site at www.pcrb.com for more information about this and other topics.

MANUAL REVISIONS

SECTION 1

RULE IX – SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE

H. PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM

1. The Pennsylvania Construction..... as set forth below:

<u>FROM</u>	<u>TO</u>
Normal Anniversary Reporting Period for <u>Rating Dates</u> <u>Qualifying Wages</u>	No Change
[October 1, 2007 - Third calendar September 30, 2008 quarter of 2006]	Delete
October 1, 2008 - Third calendar September 30, 2009 quarter of 2007	No Change
October 1, 2009 - Third calendar September 30, 2010 quarter of 2008	No Change
October 1, 2010 - Third calendar September 30, 2011 quarter of 2009	No Change
October 1, 2011 Third calendar [and later] quarter of 2010	October 1, 2011 - <u>September 30, 2012</u> Third calendar quarter of 2010
No current entry	<u>October 1, 2012</u> and later <u>Third calendar</u> <u>quarter of 2011</u>

If the insured is listed below: No Change

DELETE table for *Normal Anniversary Rating Dates – October 1, 2007 – September 30, 2008*

NO CHANGE to tables for the following *Normal Anniversary Rating Dates*:

- October 1, 2008 – September 30, 2009*
- October 1, 2009 – September 30, 2010*
- October 1, 2010 – September 30, 2011*

FROM

TO

Normal Anniversary Rating Dates -
October 1, 2011 [and later]

Normal Anniversary Rating Dates –
October 1, 2011 – September 30, 2012

Table Values Unchanged

The following **NEW** table has been added:

Normal Anniversary Rating Dates - October 1, 2012 and later

<u>Credit From Average Hourly Wage</u>	<u>Standard Premium</u>	<u>Credit From Average Hourly Wage</u>	<u>Standard Premium</u>
\$26.49 or less	None	\$32.90-\$33.49	18%
\$26.50-\$26.89	5%	\$33.50-\$34.09	19%
\$26.90-\$27.34	6%	\$34.10-\$34.69	20%
\$27.35-\$27.79	7%	\$34.70-\$35.34	21%
\$27.80-\$28.24	8%	\$35.35-\$35.99	22%
\$28.25-\$28.69	9%	\$36.00-\$36.64	23%
\$28.70-\$29.19	10%	\$36.65-\$37.34	24%
\$29.20-\$29.69	11%	\$37.35-\$38.04	25%
\$29.70-\$30.19	12%	\$38.05-\$38.79	26%
\$30.20-\$30.69	13%	\$38.80-\$39.54	27%
\$30.70-\$31.24	14%	\$39.55-\$40.34	28%
\$31.25-\$31.79	15%	\$40.35-\$41.14	29%
\$31.80-\$32.34	16%	\$41.15 and over	30%
\$32.35-\$32.89	17%		

The total construction..... premium adjustment credit.

“Construction classifications” are those classifications subject to the following code numbers:

601	609	648	656	663	670	681
602	611	649	657	664	673	691
603	615	651	658	665	674	693
605	617	652	659	666	675	695
606	645	653	660	667	676	
607	646	654	661	668	677	
608	647	655	662	669	679	

Balance of the Rule remains unchanged.