

Pennsylvania Compensation Rating Bureau

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November 29, 2017

### PCRB CIRCULAR NO. 1694

To All Members of the PCRB:

#### Re: APRIL 1, 2018 F-CLASSIFICATION FILING

The PCRB submitted a rating value filing for Pennsylvania F-Classifications with a proposed effective date of April 1, 2018. That filing, PCRB Filing C-371, was submitted on November 29, 2017 and proposes an overall average rate decrease of 9.97 percent. The current (approved effective October 1, 2016) and proposed April 1, 2018 rating values are displayed on the pages attached to this circular for reference.

The United States Longshore and Harbor Workers' Compensation Coverage Percentage, currently 74.43 percent, is proposed to change to 60.68 percent, and the tax multiplier applicable to the F-Classification business is proposed to change from 1.1226 to 1.0867, both effective April 1, 2018. Please also note that this filing incorporates an adjustment for the Pennsylvania Supreme Court's decision in Protz v. WCAB (*Derry Area School District*). Full details are contained in the Actuarial Memorandum and supporting exhibits.

Policies issued with effective dates on and after April 1, 2018 must be qualified as carrying tentative rates, and the Pending Rate Change Endorsement is to be used for this purpose. Note that such policies issued at current rates or on a "to be determined" basis must be endorsed subsequently with the new carrier rates.

The filing proposal and supporting information is available on the PCRB's website (<u>www.pcrb.com</u>). Questions concerning this filing should be directed to John Pedrick, Vice President – Actuarial Services at <u>jpedrick@pcrb.com</u>, or to Ken Creighton, Chief Actuary at <u>kcreighton@pcrb.com</u>.

William V. Taylor President

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

#### PENNSYLVANIA UNITED STATES LONGSHORE AND HARBOR WORKERS RATES MANUAL RATES AND EXPECTED LOSS RATES

CURRENT EFFECTIVE OCTOBER 1, 2016 ON NEW AND RENEWAL							
			Experience Rating Plan				
Code	Manual	Minimum	Expected Loss Rate Tables *				
No.	Rate	Premium	A-1	A-2	A-3		
6824F	11.30	3,000	3.60	5.39	6.29		
6826F	11.82	3,000	3.77	5.64	6.58		
6843F	14.84	3,000	4.73	7.08	8.26		
6872F	34.15	3,000	10.89	16.28	19.00		
7309F	58.59	3,000	18.68	27.94	32.60		
7313F	12.39	3,000	3.95	5.91	6.89		
7317F	30.97	3,000	9.87	14.77	17.23		
7327F	24.10	3,000	7.68	11.49	13.41		
7366F	12.53	3,000	3.99	5.97	6.97		
8709F	6.46	1,890	2.06	3.08	3.59		
8726F	3.62	1,190	1.15	1.73	2.01		

# CURRENT EFFECTIVE OCTOBER 1, 2016 ON NEW AND RENEWAL

## PROPOSED EFFECTIVE APRIL 1, 2018 ON NEW AND RENEWAL

			Experience Rating Plan		
Code	Manual	Minimum	Expected Loss Rate Tables *		
No.	Rate	Premium	A-1	A-2	A-3
6824F	10.21	2,919	3.67	4.89	5.63
6826F	10.68	3,000	3.84	5.11	5.89
6843F	13.54	3,000	4.86	6.48	7.46
6872F	30.85	3,000	11.08	14.76	17.00
7309F	52.53	3,000	18.87	25.14	28.95
7313F	11.05	3,000	3.97	5.29	6.09
7317F	27.95	3,000	10.04	13.38	15.40
7327F	22.51	3,000	8.09	10.77	12.41
7366F	11.17	3,000	4.01	5.35	6.16
8709F	5.76	1,784	2.07	2.76	3.17
8726F	3.26	1,146	1.17	1.56	1.80

\* Table A-1 applies to the most current policy year, Table A-2 to the first prior policy year, and Table A-3 to the second prior policy year.