



Pennsylvania Compensation Rating Bureau

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March 27, 2017

VIA SERFF

The Honorable Theresa D. Miller
Insurance Commissioner
Commonwealth of Pennsylvania
Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

Attention: Mark J. Lersch, Director, Property & Casualty Bureau

**RE: PCRB Filing No. 283 - Section 1 Rule IX H.
Pennsylvania Construction Classification Premium Adjustment Program
Revisions to Qualifying Wages, Table of Hourly Wages and Premium Credits**

Dear Commissioner Miller:

On behalf of the members of the Pennsylvania Compensation Rating Bureau (PCRB), we hereby submit this filing to clarify the filing record regarding recent filing activity undertaken by the PCRB related to the Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP).

The proposed changes are made to the PCRB Workers Compensation Manual of Rules, Classifications and Rating Values for Workers Compensation and for Employers Liability Insurance (Manual). These revisions are proposed to be effective 12:01 a.m., May 1, 2017 for new and renewal policies.

On April 1, 2016, PCRB Filing No. 272 RULE (the ARD filing), a filing to eliminate the Anniversary Rating Date, was submitted to the Pennsylvania Insurance Department (Department) with a proposed effective date of May 1, 2017. The ARD filing included Manual pages containing PCCPAP provisions effective October 1, 2015, which were taken from the most recently approved PCCPAP filing at that time.

On April 8, 2016, PCRB Filing No. 273 (the 2016 PCCPAP filing), the annual filing to update provisions of the PCCPAP was submitted to the Department with an effective date of October 1, 2016, and approved by the Department on April 22, 2016. Subsequently, the ARD filing was approved on May 11, 2016.

As a result, the ARD filing included Manual pages with PCCPAP provisions that, while correct at the time of filing, were replaced by the 2016 PCCPAP filing.

To update the current filing record, the PCRB is submitting, for approval, Manual pages with a proposed effective date of May 1, 2017. These pages contain approved PCCPAP provisions effective October 1, 2016, instead of October 1, 2015.

The PCRB respectfully requests a prompt approval of this filing as presented.

The Honorable Theresa Miller
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Page 2 of 2

The PCRB will be pleased to answer any questions you or the Insurance Department staff may have.

Sincerely,

A handwritten signature in black ink that reads "William V. Taylor". The signature is written in a cursive style with a large, prominent initial "W".

William V. Taylor
President

WVT/jf

PENNSYLVANIA WORKERS COMPENSATION MANUAL

Proposed Effective May 1, 2017

RULE IX – SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE

A. EXECUTIVE OFFICERS

1. Definition

Items **A. through G.** – remain unchanged

H. PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM

- The Pennsylvania Construction Classification Premium Adjustment Program provides for a premium credit for up to one year for a policy which contains one or more construction classifications.

For policies subject both to a Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP) credit and any retrospective rating plan, the PCCPAP credit shall be applied in determining standard premium. Such adjusted standard premium shall then be used wherever standard premium would otherwise apply in determining retrospective rating plan values and amounts for the retrospective rating plan applicable to the same risk if no PCCPAP credit were applicable. PCCPAP credits shall not be applied to final retrospective premium either in lieu of or in addition to the above prescribed procedure.

The basis for determining the credit is the total payroll (including overtime premium pay) and hours worked for each construction classification as reported to taxing authorities. The applicable report periods vary according to the policy effective date of each policy, as set forth below:

Policy Effective Dates	Reporting Period for Qualifying Wages
May 1, 2017 and later	Third calendar quarter of 2015

Policy Effective Dates – May 1, 2017 and later

Average Hourly Wage	Credit From Standard Premium	Average Hourly Wage	Credit From Standard Premium
28.34 or less	None	35.25 – 35.84	18%
28.35 – 28.79	5%	35.85 – 36.49	19%
28.80 – 29.24	6%	36.50 – 37.14	20%
29.25 – 29.74	7%	37.15 – 37.84	21%
29.75 – 30.24	8%	37.85 – 38.54	22%
30.25 – 30.74	9%	38.55 – 39.24	23%
30.75 – 31.24	10%	39.25 – 39.99	24%
31.25 – 31.79	11%	40.00 – 40.74	25%
31.80 – 32.34	12%	40.75 – 41.54	26%
32.35 – 32.89	13%	41.55 – 42.34	27%
32.90 – 33.44	14%	42.35 – 43.19	28%
33.45 – 34.04	15%	43.20 – 44.04	29%
34.05 – 34.64	16%	44.05 and over	30%
34.65 – 35.24	17%		

Average	Credit From Standard	Average	Credit From Standard
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PENNSYLVANIA WORKERS COMPENSATION MANUAL

Proposed Effective May 1, 2017

Hourly Wage		Premium	Hourly Wage		Premium
<u>29.14 or less</u>		<u>None</u>	<u>36.20</u>	<u>36.84</u>	<u>18%</u>
<u>29.15</u>	<u>29.59</u>	<u>5%</u>	<u>36.85</u>	<u>37.49</u>	<u>19%</u>
<u>29.60</u>	<u>30.09</u>	<u>6%</u>	<u>37.50</u>	<u>38.19</u>	<u>20%</u>
<u>30.10</u>	<u>30.59</u>	<u>7%</u>	<u>38.20</u>	<u>38.89</u>	<u>21%</u>
<u>30.60</u>	<u>31.09</u>	<u>8%</u>	<u>38.90</u>	<u>39.59</u>	<u>22%</u>
<u>31.10</u>	<u>31.59</u>	<u>9%</u>	<u>39.60</u>	<u>40.34</u>	<u>23%</u>
<u>31.60</u>	<u>32.14</u>	<u>10%</u>	<u>40.35</u>	<u>41.09</u>	<u>24%</u>
<u>32.15</u>	<u>32.69</u>	<u>11%</u>	<u>41.10</u>	<u>41.89</u>	<u>25%</u>
<u>32.70</u>	<u>33.24</u>	<u>12%</u>	<u>41.90</u>	<u>42.69</u>	<u>26%</u>
<u>33.25</u>	<u>33.79</u>	<u>13%</u>	<u>42.70</u>	<u>43.54</u>	<u>27%</u>
<u>33.80</u>	<u>34.39</u>	<u>14%</u>	<u>43.55</u>	<u>44.39</u>	<u>28%</u>
<u>34.40</u>	<u>34.99</u>	<u>15%</u>	<u>44.40</u>	<u>45.24</u>	<u>29%</u>
<u>35.00</u>	<u>35.59</u>	<u>16%</u>	<u>45.25</u>	<u>and over</u>	<u>30%</u>
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Proposed Effective May 1, 2017

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