



Pennsylvania Compensation Rating Bureau

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April 21, 1997

BUREAU CIRCULAR NO. 1358

To All Members of the Bureau:

Re: **PENNSYLVANIA CONSTRUCTION CLASSIFICATION
PREMIUM ADJUSTMENT PROGRAM
SECTION 1 RULE IX G. REVISIONS TO QUALIFYING WAGES,
TABLE OF HOURLY WAGES AND PREMIUM CREDITS
EFFECTIVE JULY 1, 1997**

The Pennsylvania Compensation Rating Bureau has filed and the Insurance Commissioner has approved updates in provisions of the Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP), effective 12:01 a.m. July 1, 1997 with respect to new and renewal business only.

For policies with anniversary rating dates on or after July 1, 1997 the following changes to the PCCPAP plan are applicable:

- First, qualifying wages will be based on the Third Quarter of 1996, as this data is now available and represents a more current level of employment and wage activity for construction employers.
- Second, the minimum hourly wage eligible for premium credits will be 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 \$16.25 per hour.
- Third, consistent with procedural changes first approved in 1995 (see Bureau Circular No. 1317), revisions will be made in the increments in qualifying wages used in constructing the PCCPAP table of premium credits.

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A copy of the complete PCCPAP credit table effective for normal anniversary rating dates on or after July 1, 1997 is shown in the attached text of Section 1, Rule IX H. Reprints will be available at a later date.

The Bureau will advise qualifying employers and their insurers of record of credits using normal procedures.

Timothy L. Wisecarver
President

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Attachment

SECTION 1

FROM

TO

RULE IX H.

No Change

1. The Pennsylvania Construction Classification Premium Adjustment Program . . .

July 1, 1996 --
[and later]

Third calendar quarter
of 1995

July 1, 1996 --
June 30, 1997

Third calendar quarter
of 1995

No current entry

July 1, 1997
and later

Third calendar quarter
of 1996

Normal Anniversary Rating Dates -
July 1, 1996 [and later]

Normal Anniversary Rating Dates -
July 1, 1996 - June 30, 1997

Table Unchanged

The following new table has been added:

Normal Anniversary Rating Dates - July 1, 1997 and later

<u>Average Hourly Wage</u>	<u>Credit From Standard Premium</u>	<u>Average Hourly Wage</u>	<u>Credit From Standard Premium</u>
\$16.24 or less	None	\$20.15 - \$20.49	18%
\$16.25 - \$16.49	5%	\$20.50 - \$20.84	19%
\$16.50 - \$16.74	6%	\$20.85 - \$21.24	20%
\$16.75 - \$16.99	7%	\$21.25 - \$21.64	21%
\$17.00 - \$17.29	8%	\$21.65 - \$22.04	22%
\$17.30 - \$17.59	9%	\$22.05 - \$22.44	23%
\$17.60 - \$17.89	10%	\$22.45 - \$22.84	24%
\$17.90 - \$18.19	11%	\$22.85 - \$23.29	25%
\$18.20 - \$18.49	12%	\$23.30 - \$23.74	26%
\$18.50 - \$18.79	13%	\$23.75 - \$24.19	27%
\$18.80 - \$19.09	14%	\$24.20 - \$24.69	28%
\$19.10 - \$19.44	15%	\$24.70 - \$25.19	29%
\$19.45 - \$19.79	16%	over \$24.20	30%
\$19.80 - \$19.59	17%		

Balance of Rule remains unchanged.

Determination of Minimum Qualifying Hourly Wage for PCCPAP

Policies with Normal Anniversary Rating Dates On or After July 1, 1997

I:	Minimum Qualifying Hourly Wage for Policies with Normal Anniversary Rating Dates January 1, 1991 through June 30, 1992	\$ 13.00
II:	Statewide Average Weekly Wage for twelve months ending June 30, 1990	\$ 436.00
III:	Statewide Average Weekly Wage for twelve months ending June 30, 1996	\$ 542.00
IV:	Increase in SAWW (III / II) = \$542.00 / \$436.00	1.2431
V:	Revised Qualifying Hourly Wage for Policies with Normal Anniversary Rating Dates July 1, 1997 and Later (I x IV) = \$13.00 x 1.2431 = \$16.16 or \$16.25 rounded to nearest \$.25	\$ 16.25