



Pennsylvania Compensation Rating Bureau

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April 26, 2018

PCRB CIRCULAR NO. 1702

To All Members of the PCRB:

RE: **PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM
MANUAL REVISIONS - SECTION 1 RULE IX H.
APPROVAL OF PCRB FILING NO. 291
EFFECTIVE OCTOBER 1, 2018**

The Insurance Commissioner has approved Pennsylvania Basic 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, 2018** with respect to new and renewal business only.

A copy of the complete PCCPAP credit table effective for policy effective dates on or after October 1, 2018 is shown below.

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

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

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

Questions regarding the approved October 1, 2018 PCCPAP Filing may be directed to Ken Creighton, Chief Actuary, at Extension 4924 or kcreighton@pcrb.com, John Pedrick, Vice President - Actuarial Services, at Extension 4429 or jp pedrick@pcrb.com, or to me at Extension 4413 or wtaylor@pcrb.com.

William V. Taylor
President

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

PENNSYLVANIA WORKERS COMPENSATION MANUAL

Proposed Effective October 1, 2018

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 (PCCPAP) 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 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
October 1, 2018 and later	Third calendar quarter of 2017

If the insured did not engage in operations for the complete quarter, then the last complete quarter prior to policy year inception shall be used or, if there was no complete quarter of operations prior to the policy inception, then the first complete quarter after policy inception shall be used. A credit may be determined for each construction classification by dividing the total payroll, including overtime premium pay, by the number of hours worked to arrive at the average hourly wage for the classification. In the absence of specific records for salaried employees, it will be assumed each such individual worked forty (40) hours per week. The credit for average hourly wage is listed below:

Policy Effective Dates – October 1, 2018 and later

Average Hourly Wage	Credit From Standard Premium	Average Hourly Wage	Credit From Standard Premium
30.54 or less	None	38.00	38.64
30.55 31.04	5%	38.65	39.34
31.05 31.54	6%	39.35	40.04
31.55 32.04	7%	40.05	40.79
32.05 32.59	8%	40.80	41.54
32.60 33.14	9%	41.55	42.34
33.15 33.69	10%	42.35	43.14
33.70 34.24	11%	43.15	43.94
34.25 34.84	12%	43.95	44.79
34.85 35.44	13%	44.80	45.64
35.45 36.04	14%	45.65	46.54
36.05 36.69	15%	46.55	47.44
36.70 37.34	16%	47.45	and over
37.35 37.99	17%		30%