



Pennsylvania Compensation Rating Bureau

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

August 11, 2020

VIA SERFF

The Honorable Jessica Altman
Insurance Commissioner
Commonwealth of Pennsylvania
Insurance Department
11311 Strawberry Square
Harrisburg, PA 17120

Attention: Michael McKenney, Actuarial Supervisor, Property & Casualty Bureau

**RE: PCRB Filing No. 315 – Proposed Effective April 1, 2021
Proposed Classification Procedural Change – Elimination of Code 888,
Homeowners Association, and Concurrent Section 2 Basic Manual Language
Amendments**

Dear Commissioner Altman:

Resulting from a staff review and on behalf of the members of the Pennsylvania Compensation Rating Bureau (PCRB), we hereby submit the proposed filing for revisions to the Pennsylvania Workers' Compensation Manual of Rules, Classifications and Rating Values for Workers' Compensation and Employers Liability Insurance (Basic Manual). These revisions are proposed for policies with effective dates of 12:01 a.m., April 1, 2021 or later. This proposed effective date coincides with changes resulting from PCRB's normal annual comprehensive loss cost revision, which will be filed with the Insurance Department at a later date. This coordination consolidates necessary changes that our members and other constituents must make to policies, forms and systems so that they occur once annually.

As background, the creation of Code 888 resulted from a PCRB study of the classification applicable to homeowners' associations and mobile home parks, conducted and concluded in 2016. The 2016 study was undertaken to address the anomalous inclusion of homeowners' associations and mobile home parks in Code 971, Commercial Buildings. Code 971 is applied to employers principally engaged in the operation and/or contract management of buildings or properties used for commercial or industrial occupancy (e.g., office buildings and strip malls). At the time, homeowners' associations and mobile home parks were the only types of residential property management operations classified to Code 971. Staff reasoned that homeowners' associations and mobile home parks were more appropriately classified to Code 880, Apartment House or Condominium Complex Operation. However, the reassignment of these employers from Code 971 to Code 880 would have resulted in a rating value increase for impacted employers well in excess of the April 1, 2016 maximum permissible rating value increase for an industry group 3 classification. Since staff concluded that the assignment of homeowners' associations and mobile home parks was inappropriate and should not be continued, the PCRB proposed that these employers be reclassified from Code 971 to the new and separate Code 888. The Commissioner approved the PCRB's proposal for policies with effective dates of April 1, 2017 and later.

The Honorable Jessica Altman
Commonwealth of Pennsylvania
August 11, 2020
Page 2

Staff's April 1, 2017 filing noted that Code 888 was created as an "interim" classification and proposed that Code 888 be merged into Code 880 at such time when the Code 888 and Code 880 PCRB loss costs were sufficiently similar. The approved April 1, 2020 PCRB loss costs for Code 888 and Code 880 are now the same - \$3.03. Accordingly, the PCRB proposes that Code 888 be discontinued and those operations be reassigned from Code 888 to Code 880 for policies with effective dates of April 1, 2021 or later.

Details of this filing are provided in PCRB's June 10, 2020 staff memorandum which is included as part of this filing. The memorandum describes and explains the reasoning for the proposed revisions to the Basic Manual language. The memorandum and proposals were reviewed by the PCRB Classification and Rating Committee at the Committee's June 10, 2020 meeting.

Thank you in advance for your review and attention to this filing. The PCRB is pleased to answer any questions that you or the Insurance Department staff may have regarding these proposals.

Sincerely,

William V. Taylor
President

Enclosure: June 10, 2020 Staff Memorandum
Revisions to Section 2 – Basic Manual



Pennsylvania Compensation Rating Bureau

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

TO: Pennsylvania Compensation Rating Bureau Classification & Rating Committee

FROM: Robert Ferrante, Senior Classification Analyst – Technical Services

DATE: June 10, 2020

RE: Proposed Section 2 Classification Procedural Revision – Elimination of Code 888, Homeowners Association

Code 888, Homeowners' Association, applies to an association responsible for the governance of a residential planned community consisting of single family dwellings (e.g., detached houses or townhomes). Code 888 also applies to an employer engaged in the operation of a mobile home park. This memorandum proposes to discontinue Code 888 and reassign those operations from Code 888 to Code 880, Apartment House or Condominium Complex Operation, for policies with effective dates of April 1, 2021 or later.

BACKGROUND

The creation of Code 888 resulted from a PCRB study of the classification applicable to homeowners' associations and mobile home parks that was concluded in 2016. The study results were presented to the Committee at the Committee's June 6, 2016 meeting. The 2016 study was undertaken to address the anomalous inclusion of homeowners' associations and mobile home parks in Code 971, Commercial Buildings. Code 971 is applied to employers principally engaged in the operation and/or contract management of buildings or properties used for commercial or industrial occupancy (e.g., office buildings and strip malls). Code 971 is also applied to janitorial contractors performing work at commercial sites (e.g., office cleaning) and to employers providing a specialty commercial cleaning service including but not necessarily limited to: duct cleaning, floor waxing or polishing and the power washing of exterior walls or decks. Homeowners' associations and mobile home parks were the only types of residential property management operations classified to Code 971. Staff initially considered reclassifying homeowners' associations and mobile home parks from Code 971 to Code 880, Apartment House or Condominium Complex Operation. Code 880 is applied to employers principally engaged in the operation or contract management of properties used for residential occupancy such as apartment buildings and residential condominium complexes. Staff reasoned that homeowners' associations and mobile parks were properly classified to Code 880 as they are also properties used for residential occupancy. At the time however it was determined that this reclassification was not feasible. The April 1, 2016 Code 971 PCRB loss cost was \$2.98. The April 1, 2016 Code 880 PCRB loss cost was \$4.77. The reclassification of homeowners' associations and mobile home parks from Code 971 to Code 880 would have resulted in a rating value increase of 60.07%, well in excess of the April 1, 2016 maximum permissible rating value increase of 24% for an industry group 3 classification.

While it was not feasible to reclassify these employers from Code 971 to what staff deemed to be the appropriate classification i.e., Code 880, it was felt that their inclusion in Code 971 constituted a misclassification and could not be continued. Staff therefore recommended and proposed that homeowners' associations and mobile home parks be reclassified from Code 971 to the new and separate Code 888. The Pennsylvania Insurance Commissioner approved the PCRB's proposal to create Code 888 for policies with effective dates of April 1, 2017 and later.

RECOMMENDATION

Staff's June 6, 2016 study report noted that Code 888 was created as an "interim" classification. The "interim" classification procedure was developed to address situations where staff's underwriting analysis shows that the groups under study conduct business operations analogous to those contemplated by another existing PCRB classification, but where the PCRB may not propose that the employer groups be reclassified from their current classification to the analogous classification because the difference between the rating values of the existing classification and the analogous classification exceed the maximum permissible rating value increase or decrease. The June 6, 2016 study report also noted that the PCRB would propose maximum permissible loss cost value increases for Code 888 concurrent with the PCRB's annual comprehensive loss cost revision filings until such time when merging Code 888 into Code 880 was feasible. The approved April 1, 2020 PCRB loss costs for Code 888 and Code 880 are the same - \$3.03. Accordingly, the PCRB proposes that Code 888 be discontinued and those operations are reassigned from Code 888 to Code 880 for policies with effective dates of April 1, 2021 or later.

Staff created an historical experience exhibit that combines the April 1, 2020 Code 888 Class Book Page and the April 1, 2020 Code 880 Class Book Page (Exhibit 1 attached). The indicated loss cost value found at the bottom of the exhibit has not been loaded for the revenue neutral plans (Merit Rating and the Certified Safety Committee Credit Program) that are a part of approved PCRB loss cost values. The exhibit shows an indicated pre-surcharge loss cost of \$2.98. The resulting post-surcharge loss cost is \$3.01. PCRB anticipates that if this filing is approved, the filed loss cost value for the combined Codes 880 and 888 – which will be part of the PCRB's annual comprehensive loss cost filing to be filed with the Pennsylvania Insurance Department at a later date – will differ from this figure.

While staff was predisposed to merge Code 888 into Code 880 given the operational similarities of the employers classified to both classifications, this review also incorporated statistical testing. In this procedure selected exhibits are compared using a paired t-test analysis to determine when there is a natural correspondence or "pairing" of specific observations between study groups. The t-test reduces the two samples to one by examining the difference between the corresponding observations in the two groups. The advantage to this approach is that variation within the groups does not mask the difference between their means as much as if the two groups were not paired. T-tests were run comparing Code 888 to Code 880 in the areas of reported pure premium, claim frequency (per million dollars of payroll) and claim severity (excluding medical only). For these tests, a value of .0500 or less is considered as indicating significant statistical difference. The t-test results show no significant statistical difference between Code 888 and Code 880 for reported pure premium, claim frequency or claim severity.

The proposed enabling Section 2 Manual language amendments are attached for the Committee's review. The PCRB will notify those employers presently classified to Code 888 when this filing is made. In the event of the Commissioners' approval of the filing, the carrier of record for each employer that will be reclassified from Code 888 to Code 880 as a result of this proposal will be notified and a copy of that notice will be provided to the employer.

c: William V. Taylor
Bonnie Piacentino
Delisa Fairley
Joe Lombo
Christina Yost

EXHIBIT 1

CLASSIFICATION STUDY - PENNSYLVANIA
 INDUSTRY GROUP:
 3

CLASS: APARTMENT HOUSE
 CLASS HOMEOWNERS ASSOCIATION

CODE:
 880 + 888

Manual Year	Payroll in Thous.	Total Rept Losses	Pure Prem Reported	Total Trans Losses	Claim Severity	Claim Frequency	Number of Cases					
							Death	P.T.	Major	Minor	Temp	All
2012	377,593	15,768,121	4.176	18,936,003	59,548	0.6647	0	0	22	58	171	251
2013	386,930	16,863,931	4.358	21,066,110	56,802	0.7262	0	0	23	69	189	281
2014	408,170	15,754,927	3.860	19,670,786	59,383	0.6100	0	0	26	52	171	249
2015	429,440	10,963,880	2.553	14,279,485	49,890	0.4750	0	0	11	47	146	204
2016	457,463	11,531,708	2.521	16,938,656	50,632	0.4612	0	0	7	36	168	211
TOTAL	2,059,596	70,882,567	3.442	90,891,040	55,648	0.5807	0	0	89	262	845	1196
O.D.		409,216	0.020				0	0	0	2	12	14

Manual Year	REPORTED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2012	0	0	4,660,356	2,855,002	1,601,788	0	0	2,150,766	1,990,432	1,688,238	821,539
2013	0	0	4,196,863	3,361,558	2,098,774	0	0	2,186,949	2,007,178	2,110,106	902,503
2014	0	0	4,738,091	2,384,453	2,262,056	0	0	2,429,742	1,349,775	1,622,330	968,480
2015	0	0	1,836,881	1,726,838	2,515,424	0	0	747,061	935,929	2,415,372	786,375
2016	0	0	1,185,709	1,432,781	2,548,699	0	0	1,576,113	1,080,249	2,859,799	848,358
TOTAL	0	0	16,617,900	11,760,632	11,026,741	0	0	9,090,631	7,363,563	10,695,845	4,327,255
O.D.	0	0	0	102,637	59,388	0	0	0	47,383	129,548	70,260

Manual Year	TRANSLATED LOSSES										
	Indemnity					Medical					
	Death	P.T.	Major	Minor	Temp	Death	P.T.	Major	Minor	Temp	Med. Only
2012	0	0	5,271,395	3,257,557	2,007,040	0	0	3,193,122	2,332,786	2,101,856	772,247
2013	0	22,127	4,870,068	3,897,309	2,598,038	0	31,318	3,822,064	2,426,538	2,545,783	852,865
2014	1,421	58,343	5,729,288	2,842,953	2,575,709	9,719	116,361	3,895,342	1,638,793	1,868,274	934,583
2015	1,263	36,115	3,075,522	2,078,240	2,550,430	8,795	48,627	1,880,913	1,285,397	2,542,749	771,434
2016	3,381	48,260	4,014,246	2,574,186	2,240,376	13,922	152,186	3,053,795	1,886,264	2,140,161	811,879
TOTAL	6,065	164,845	22,960,519	14,650,245	11,971,593	32,436	348,492	15,845,236	9,569,778	11,198,823	4,143,008
O.D.	23	386	37,599	130,717	56,255	130	921	44,206	87,970	104,579	67,637

	SERIOUS	NON-SER	MED ONLY	TOTAL
TOTAL TRANSLATED LOSSES	39,440,858	47,769,960	4,210,645	
IBNR + FREQ. ADJUSTMENT	(13,178,840)	(13,155,616)	14,194	
TOTAL LOSSES	26,262,018	34,614,344	4,224,839	
EXPECTED LOSSES CREDIBILITY	29,864,142	35,363,263	4,304,556	
	0.19	0.55	0.81	
PURE PREMIUMS				
INDICATED (PRE-TEST)	1.275	1.681	0.205	3.161
INDICATED (POST-TEST)	1.284	1.693	0.206	3.183
PRES. ON LOSS COST LEVEL	1.304	1.544	0.188	3.036
DERIVED BY FORMULA	1.300	1.626	0.203	3.129
UNDERLYING PRES. LOSS COST	1.450	1.717	0.209	3.376
PROPOSED	1.300	1.626	0.203	3.129
YEAR	4-1-19	4-1-20	IND. LOSS COST =	2.984
IND. LOSS COST		2.98		
MAN.LOSS COST	3.35	2.98	ADJ. LOSS COST =	2.98

EXHIBIT 2

PENNSYLVANIA STATISTICAL STUDY

Class 880
CLASS APARTMENT HOUSE

Class 888
CLASS HOMEOWNERS ASSOCIATION

Manual Year	Pure Premium Reported	T - test values	
2012	4.364	2.050	
2013	4.179	6.513	
2014	3.781	4.779	2012 - 2016 0.9785
2015	2.651	1.416	
2016	2.513	2.613	

Manual Year	Claim Frequency per million	T - test values	
2012	0.689	0.391	
2013	0.720	0.805	
2014	0.596	0.778	2012 - 2016 0.7807
2015	0.486	0.353	
2016	0.459	0.495	

Manual Year	Claim Severity Excl Med Only	T - test values	
2012	60,097	48,615	
2013	54,700	79,315	
2014	59,437	58,907	2012 - 2016 0.7632
2015	51,091	30,663	
2016	50,985	46,608	

**PENNSYLVANIA WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS
AND RATING VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS
LIABILITY INSURANCE**

Proposed Effective April 1, 2021

INFORMATION PAGE remains unchanged.

PREFACE remains unchanged.

SECTION 1 – UNDERWRITING RULES remains unchanged.

SECTION 2 – CLASSIFICATIONS

RATING VALUES through DEFINITIONS remains unchanged.

No change to Classification Code 005 – TREE PRUNING, SPRAYING, REPAIRING OR FUMIGATING through Classification Code 879 - EMPLOYMENT CONTRACTOR – TEMPORARY PACKAGING – CONTRACT – NON – CRATING STAFF.

880 APARTMENT HOUSE OR CONDOMINIUM COMPLEX OPERATION

Applies to an employer principally engaged in the operation or contract management of ~~a building or buildings with multiple residential living units residential buildings or properties. Includes Such buildings or properties include but are not necessarily limited to:~~ apartment houses, condominium complexes, ~~and~~ cooperative buildings ~~and homeowners' associations.~~ A cooperative is a type of residential property where the resident owns shares in the corporation that owns the building and has the right to live in a specific unit but does not actually own the space. A homeowners' association is responsible for the governance of a residential planned community consisting of single family dwellings (e.g., detached houses or townhomes), and is empowered to regulate the use, maintenance, repair and modification of the common elements of the community.

OPERATIONS ALSO INCLUDED:

(No change to Item 1.)

2. Homeowners' association staff performing lawn maintenance, maintenance, and repair of common elements (e.g., streets and roads), the operation and maintenance of amenities for residents of the community (e.g., swimming pools, tennis courts, health or fitness facilities), community centers or clubhouses, and security.

OPERATIONS NOT INCLUDED:

~~Assign Code 888 to an association responsible for the governance of a residential planned community consisting of single family dwellings. See Code 888 further information.~~

1. Separately classify additional operations conducted by a homeowners' association as follows:
2. Assign the applicable restaurant classification to payroll developed in a physically separated and separately staffed prepared food and/or beverage service.
3. Assign Code 944 to payroll developed in the operation of a separately staffed golf course.
4. Assign Code 753 to payroll developed in the operation of a separately staffed sewage disposal plant and/or water supply system.

**PENNSYLVANIA WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS
AND RATING VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS
LIABILITY INSURANCE**

Proposed Effective April 1, 2021

5. Assign Code 801 to payroll developed in the operation of a separately staffed horse stable.

UNDERWRITING GUIDE ADDITIONS

Apartment House Or Condominium Complex Operation
Condominium Association
Condominiums – Including Resident Or On-Site Manager
Cooperative Building – For Residential Occupancy
Gated Community
Homeowners' Association
Mobile Home Park
Porters For Condominiums
Residential House Rental
Residential Planned Community
Unit Owners Association (For a Residential Planned Community)

888 HOMEOWNERS ASSOCIATION

~~Applies to an association responsible for the governance of a residential planned community consisting of single family dwellings (e.g., detached houses or townhomes). Pursuant to Section 5302 of the Planned Community Act (PCA) of the Pennsylvania Code, an association is empowered to regulate the use, maintenance, repair and modification of the common elements of the community. Code 888 applies but is not necessarily limited to association staff performing lawn maintenance, maintenance and repair of common elements e.g., streets and roads, and the operation and maintenance of amenities for residents of the community e.g., swimming pools, tennis courts, health or fitness facilities, and community centers or clubhouses.~~

~~OPERATIONS ALSO INCLUDED:~~

- ~~1. Security of the planned community by the Homeowners Association staff.~~
- ~~2. The operation of a mobile home park.~~

~~OPERATIONS NOT INCLUDED:~~

- ~~1. Assign the applicable restaurant classification to payroll developed in a physically separated and separately staffed prepared food and/or beverage service.~~
- ~~2. Assign Code 944 to payroll developed in the operation of a separately staffed golf course.~~
- ~~3. Assign Code 753 to payroll developed in the operation of a separately staffed sewage disposal plant and/or water supply system.~~
- ~~4. Assign Code 801 to payroll developed in the operation of a separately staffed horse stable.~~
- ~~5. Assign Code 716 to payroll developed in the operation of a separately staffed marina (State Act coverage only).~~
- ~~6. Assign Code 880 to an employer principally engaged in the operation or contract management of a building or buildings with multiple living units such as an apartment house, condominium complex or cooperative building and to an association established for the residents of such building or buildings.~~

~~UNDERWRITING GUIDE~~

~~Gated Community
Homeowners Association
Mobile Home Park
Residential Planned Community
Unit Owners Association (For a Residential Planned Community)~~

**PENNSYLVANIA WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS
AND RATING VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS
LIABILITY INSURANCE**

Proposed Effective April 1, 2021

INFORMATION PAGE remains unchanged.

PREFACE remains unchanged.

SECTION 1 – UNDERWRITING RULES remains unchanged.

SECTION 2 – CLASSIFICATIONS

RATING VALUES through DEFINITIONS remains unchanged.

No change to Classification Code 005 – TREE PRUNING, SPRAYING, REPAIRING OR FUMIGATING through Classification Code 879 - EMPLOYMENT CONTRACTOR – TEMPORARY PACKAGING – CONTRACT – NON – CRATING STAFF.

880 APARTMENT HOUSE OR CONDOMINIUM COMPLEX OPERATION

Applies to an employer principally engaged in the operation or contract management of residential buildings or properties. Such buildings or properties include but are not necessarily limited to: apartment houses, condominium complexes, cooperative buildings and homeowners' associations. A cooperative is a type of residential property where the resident owns shares in the corporation that owns the building and has the right to live in a specific unit but does not actually own the space. A homeowners' association is responsible for the governance of a residential planned community consisting of single family dwellings (e.g., detached houses or townhomes), and is empowered to regulate the use, maintenance, repair and modification of the common elements of the community.

OPERATIONS ALSO INCLUDED:

Item 1. remains unchanged.

2. Homeowners' association staff performing lawn maintenance, maintenance, and repair of common elements (e.g., streets and roads), the operation and maintenance of amenities for residents of the community (e.g., swimming pools, tennis courts, health or fitness facilities), community centers or clubhouses, and security.

OPERATIONS NOT INCLUDED:



1. Separately classify additional operations conducted by a homeowners' association as follows:
2. Assign the applicable restaurant classification to payroll developed in a physically separated and separately staffed prepared food and/or beverage service.
3. Assign Code 944 to payroll developed in the operation of a separately staffed golf course.
4. Assign Code 753 to payroll developed in the operation of a separately staffed sewage disposal plant and/or water supply system.
5. Assign Code 801 to payroll developed in the operation of a separately staffed horse stable.

UNDERWRITING GUIDE ADDITIONS

Apartment House Or Condominium Complex Operation
Condominium Association

**PENNSYLVANIA WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS
AND RATING VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS
LIABILITY INSURANCE**

Proposed Effective April 1, 2021

Condominiums – Including Resident Or On-Site Manager
Cooperative Building – For Residential Occupancy
Gated Community
Homeowners' Association
Mobile Home Park
Porters For Condominiums
Residential House Rental
Residential Planned Community
Unit Owners Association (For a Residential Planned Community)

**PENNSYLVANIA WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS AND RATING VALUES FOR WORKERS COMPENSATION
AND FOR EMPLOYERS LIABILITY INSURANCE**

Proposed Effective April 1, 2021

CLASSIFICATION

No change to Abrasive Paper Or Cloth Preparation – Code 255 through Gate Mfg. - Ornamental Metal – Code 413

Gated Community

~~888~~[880](#)

No change to Gauge Mfg. - Ring, Plug Or Snap. – Code 441 through Homemaker Service – Code 943

Homeowners' Association

~~888~~[880](#)

No change to Hood Mfg., Range – Code 454 through Mobile Home Mfg. - Non Self-Propelled – Code 451

Mobile Home Park

~~888~~[880](#)

No change to Mobile Phone Repair – Code 952 through Residential Interior Cleaning Services - By Contractor – Code 882

Residential Planned Community

~~888~~[880](#)

No change to Residential Pond or Water Garden Installation – Code 012 through Uniform Supply Service Including Laundering – Code 141

Unit Owners Association (For a Residential Planned Community)

~~888~~[880](#)

SECTION 3 – ENDORSEMENTS remain unchanged.

SECTION 4 – RETROSPECTIVE RATING PLANS remains unchanged.

SECTION 5 – EXPERIENCE RATING PLAN remains unchanged.

SECTION 6 – MERIT RATING PLAN remains unchanged.

**PENNSYLVANIA WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS AND RATING VALUES FOR WORKERS COMPENSATION
AND FOR EMPLOYERS LIABILITY INSURANCE**
Proposed Effective April 1, 2021

CLASSIFICATION

No change to Abrasive Paper Or Cloth Preparation – Code 255 through Gate Mfg. - Ornamental Metal – Code 413	
Gated Community	880
No change to Gauge Mfg. - Ring, Plug Or Snap. – Code 441 through Homemaker Service – Code 943	
Homeowners’ Association	880
No change to Hood Mfg., Range – Code 454 through Mobile Home Mfg. - Non Self-Propelled – Code 451	
Mobile Home Park	880
No change to Mobile Phone Repair – Code 952 through Residential Interior Cleaning Services - By Contractor – Code 882	
Residential Planned Community	880
No change to Residential Pond or Water Garden Installation – Code 012 through Uniform Supply Service Including Laundering – Code 141	
Unit Owners Association (For a Residential Planned Community)	880

SECTION 3 – ENDORSEMENTS remain unchanged.

SECTION 4 – RETROSPECTIVE RATING PLANS remains unchanged.

SECTION 5 – EXPERIENCE RATING PLAN remains unchanged.

SECTION 6 – MERIT RATING PLAN remains unchanged.