



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 12, 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. 316 – Proposed Effective April 1, 2021
Proposed Manual Language Revisions Regarding Electronic Reporting,
Standardizing Titles and other updates**

Dear Commissioner Altman:

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 to be effective as of 12:01 a.m., April 1, 2021 and coincide with changes resulting from PCRB's normal annual comprehensive loss cost revision, which will be filed with the Insurance Department at a later date. The election of this effective date coordinates all changes to the Basic Manual to a single date. The proposed changes will not materially change any preexisting provisions of the Basic Manual.

This filing proposes language changes to the Basic Manual. There are two primary changes proposed, one dealing with references to "electronic transactions" and the other regarding references to the PCRB. On electronic transaction references, the PCRB ceased accepting hard copy policy documents as of January 1, 2017 and thus proposes an update to further qualify all references on the filing of policy transactions as "electronic." Regarding all references where the Pennsylvania Compensation Rating Bureau is noted as the "Bureau," it is proposed to be updated to read as the "PCRB" in order to eliminate confusion with other state agencies. This last change aligns the Basic Manual with changes to the Statistical Plan Manual that were filed and approved in 2016.

In summary, the proposed Basic Manual language revisions are as follows:

- Entire Manual – Updates changing all references to the Pennsylvania Compensation Rating Bureau from the "Bureau" to the "PCRB"
- Section 1, Rule 1 – Updates to the Filing Requirement language for policies, endorsements, cancellations/reinstatements and binders to include the term "electronically submitted."
- Section 1, Rule IV, A.1 – Clarification of the Manual language describing the objective of the classification procedure.

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- Section 1, Rule VI, A.2 – Revisions to Manual language pertaining to Disease or Radiation loading.

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

Sincerely,

William V. Taylor
President

Enclosure: Revisions to Manual language



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TO: Pennsylvania Compensation Rating Bureau. (PCRB)
Classification & Rating Committee

FROM : Drew Kratz, Manager – Underwriting & Coverage Compliance

DATE: June 10, 2020

RE: Proposed Manual Language Revisions Regarding Electronic Reporting &
Standardizing Titles

The PCRB proposes a series of housekeeping changes intended to update the language found in the Pennsylvania Basic Manual. The changes will address the different filing requirement provisions and create a standardize usage of the acronym “PCRB” throughout the manual

Since the PCRB ceased accepting hard copy policy documents as of January 1, 2017, the proposed updates will further qualify all references to the filing of policy transactions as “electronic”. The Disease or Radiation Loading Manual language has been updated to provide clarification of the existing Manual rule.

The language revisions are summarized below:

- Updates to the Filing Requirements for policies, endorsements, corrections and binders- Section 1, Rule 1.
- Clarification of Manual language describing the objective of the classification procedure- Section 1I, Rule IV. A.1.
- Revisions to Manual language pertaining to Disease or Radiation Loading- Section 1, Rule VI. A.2. a-c.

Additionally, all references to the Pennsylvania Compensation Rating Bureau as the “Bureau” will be updated to read as the “PCRB” in order to eliminate confusion with other state agencies. This change aligns the Basic Manual with changes to the Statistical Plan Manual that were filed and approved in 2016.

The revisions will ultimately modernize the language of the Basic Manual to more clearly reflect our current operating environment and create a level of consistency with other provided manuals. The PCRB recommends all language revisions become effective April 1, 2021.

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

Proposed Effective April 1, 2021

PREFACE

- A. In accordance with Section 654 of The Insurance Company Law of May 17, 1921, P.L. 682, as amended and the Pennsylvania Workers' Compensation Act of June 2, 1915, P. L. 736, as amended, the Insurance Commissioner has approved this Manual of risk classes, underwriting rules, bureau rating values and rating plans, to become effective 12:01 a.m., **April 1, 2020** with respect to all policies, the effective date of which is **April 1, 2020** or thereafter, subject to the following express conditions, for the State Workers' Insurance Fund and for the insurance companies, corporations, associations and exchanges enumerated in the attached list and for no other insurance company, corporation, association or exchange.

The Pennsylvania Compensation Rating Bureau shall hereinafter be referred to as the "PCRB".

B. Organization of Manual

This Manual has six sections:

- Section 1 – Underwriting Rules
- Section 2 – Rating Values and Classifications/General Auditing and Classification Information
- Section 3 – Endorsements
- Section 4 – Retrospective Rating Plans
- Section 5 – Experience Rating Plan
- Section 6 – Merit Rating Plan

C. Definitions

Remains unchanged.

1. **Bureau Data Card** – ~~Bureau~~ Data Cards are issued by the Pennsylvania Compensation Rating Bureau. These data cards provide the risk name, location, ~~Bureau~~ file number, authorized classification(s) and if applicable the risk's experience modification for a minimum of one year.

Risks approved for the Pennsylvania Construction Classification Premium Adjustment Program and any other applicable credit programs will be shown on these data cards.
2. **Bureau PCRB -Loss Costs** – Dollar amounts per unit of exposure attributable to the payment of losses under workers compensation and employers liability coverages, filed by the ~~Bureau~~ PCRB based on the aggregate experience of all ~~Bureau~~ PCRB members and approved by the Insurance Commissioner.
3. **Bureau PCRB -Rating Values** – All parameters filed by the ~~Bureau~~ PCRB and approved by the Insurance Commissioner, and which are used either mandatorily or by option of carriers for purposes of pricing workers compensation and employers liability coverages. Such ~~Bureau~~ PCRB rating values include ~~Bureau~~ PCRB Loss Costs, experience rating plan values such as Expected Loss Cost Factors, Credibility, Maximum Value of One Accident, and Credibility Weighted Maximum Value Charge, retrospective rating plan values such as the Table of Expected Loss Ranges, Excess Loss Pure Premium Factors, Retrospective Pure Premium Development Factors, and expense parameters applicable to U.S.L.&H.W. coverages such as Premium Discounts, Expected Loss Ratio, Expense Ratios, Tax Multipliers and Loss Conversion Factors.
4. **Carrier Rate** – The amount per unit of exposure which an insurance carrier charges for workers compensation and employers liability insurance.
5. **Carrier Rating Values** – All parameters used by carriers for purposes of pricing workers compensation and employers liability insurance coverages. Such parameters may be either PCRB -r Rating vValues adopted by a carrier for its own use or values independently determined by a carrier.

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6. **Loss Cost** – Dollar amounts per unit of exposure attributable to the payment of losses under workers compensation and employers liability coverages. Loss Costs may be developed either by the [PCR B](#) ~~Bureau~~ based on the aggregate experience of all ~~Bureau~~ [PCR B](#) members or may be established by individual carriers based on their own supporting information.
7. **Provision for Claim Payment** – Historical aggregate losses projected through development to their ultimate value and through trending to a future point in time, but excluding all loss adjustment or claim management expenses, other operating expenses, assessments, taxes and profit or contingency allowances. In this Manual the term "Loss Cost" is synonymous with Provision for Claim Payment.
8. **Rating Value** – A parameter or number used in pricing workers compensation or employers liability insurance coverages. Rating Values may be established by the ~~Bureau~~ [PCR B](#) or by individual carriers. Where individual carriers have established Rating Values different from those of the ~~Bureau~~ [PCR B](#), the carrier's values supersede those of the ~~Bureau~~ [PCR B](#) for purposes of that insurer's policies.
9. **Rating Effective Date (RED)** is the earliest date that a specific experience rating or merit rating adjustment is applied to a policy.

[The Pennsylvania Compensation Rating Bureau will hereinafter be referred to as "the PCR B".](#)

Item D. remains unchanged.

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RULE I – GENERAL

Items A. through E. remain unchanged.)

F. EFFECTIVE DATE

1. Manual

This Manual applies only from the policy effective date which occurs on or after the effective date of this Manual.

2. Changes

The effective date of a change in any rule, classification or ~~Bureau~~ the PCRB -rating value is 12:01 a.m. on the date approved for use. Any change will be highlighted and linked to the appropriate ~~Bureau~~

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[PCRB](#) circular announcing the change. Unless specified otherwise, each change applies only from the policy effective date which occurs on or after the effective date of the change.

Item G. remains unchanged.

H. FILING REQUIREMENTS

1. Policy

An exact copy of every Workers Compensation Policy showing the state of Pennsylvania on the Information Page shall be [electronically filed-submitted to](#) ~~with~~ the Pennsylvania Compensation Rating Bureau within thirty days after the effective date of the policy.

Items 2. and 3. remain unchanged.

An exact copy of all endorsements or agreements attached to the policy at its inception date or issued subsequent to the inception date of the policy must be [electronically filed-submitted to](#) ~~with~~ the ~~Bureau~~ [PCRB](#) within thirty days after the date of issue of such endorsement or agreement.

4. Standard Endorsement Filing Procedure

- a. Any endorsement filed with the Insurance Department on behalf of ~~the Bureau-PCRB~~ members by the ~~Bureau-PCRB~~ must be [filed-electronically submitted](#) for approval ~~with-by~~ the ~~Bureau-PCRB~~. For filing procedure details refer to Section 3.
- b. Non Standard Endorsements filing procedure, refer to Section 3.

5. Binders

- a. A copy of the binder must be [electronically filed-submitted to](#) ~~with~~ the ~~Bureau-PCRB~~ on an approved form with all required endorsements attached no later than thirty days after its date of inception.
- b. The binder must contain the classification codes and Carrier Rating Values applicable to the employer in accordance with the assignment issued by the ~~Bureau-PCRB~~ or in accordance with the Classification Rules of this Manual if no specific ~~Bureau-PCRB~~ assignment has been made.
- c. A binder must be replaced with a short-term policy covering the amount of time the binder was in effect or replaced with a full-term policy including the time period the binder was in effect.

I. POLICY CORRECTIONS

If the ~~Bureau-PCRB~~ finds that a policy requires correction to conform to Manual rules or classifications, the carrier shall be notified by ~~letter-~~ [Electronic error message](#). Such policy shall be corrected and a copy of the correcting endorsement shall be [electronically](#) submitted to the ~~Bureau-PCRB~~ no later than thirty (30) days after notification.

Item J. remains unchanged.

RULE II – EXPLANATION OF COVERAGES AND METHODS OF INSURING remains unchanged.

RULE III – POLICY PREPARATION – INSURED, POLICY PERIOD AND STATE OF OPERATIONS

Items A. through Item C. remain unchanged.

Items C.1 through Item C.5. remain unchanged.

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6. Annual Rating Endorsements

An "Annual Rating Endorsement" shall be submitted annually for each continuing form policy or policy written for a period in excess of one year but not more than three years to be effective on the annual policy effective date set by such policy. It shall be submitted to the ~~Bureau~~ PCRB not later than thirty days subsequent to its inception.

Annual rating endorsements shall also:

Items a. through f. remain unchanged.

Item D. remains unchanged.

RULE IV – CLASSIFICATIONS

A. GENERAL EXPLANATION

1. Objective

The ~~object~~ objective of the classification system is to group ~~insureds~~ employers into classifications so that the rating value for each classification reflects the ~~exposures~~ risk of loss common to ~~such distinct business enterprise~~ those employers. (See Rule IV, C. 2. & C. 3.). Subject to certain exceptions described later in this rule, it is the business of the insured within Pennsylvania that is classified, not the separate employments, occupations or operations within the business.

Item B. remains unchanged.

Items C.1 through C.2.b. remain unchanged.

- c. Authorized Classifications.** When the classification of any insured has been established by the ~~Rating Bureau~~ PCRB, no policy shall be issued or endorsed nor adjustment of premium made under any other or conflicting classification.

In any instance where the established classification does not describe the current operations of the insured, the insuring carrier or insured shall draw the matter to the attention of the ~~Rating Bureau~~ PCRB in writing with full particulars prior to the application of any other classifications. The reclassification shall not take place until the ~~Bureau~~ PCRB Staff has received and reviewed such documentation and has replied in writing to the insured or insuring carrier agreeing with their position or otherwise advising on which class(es) to assign.

The insuring carrier is not relieved of the obligation to apply the class authorized for an insured because of lack of knowledge that the ~~Bureau~~ PCRB has established an authorized classification for that insured.

3. Assignment of Additional Classifications

- a. Multiple Classifications/Multiple Enterprises** (Not construction or erection operations – see paragraph 6.)

Additional classifications may be used only when valid evidence supports their authorization or in conformity with the rules stated under "Standard Exceptions" and "Exclusions." Additional classes may not be added without ~~Bureau~~ the PCRB authorization when their use is in violation of Manual Rules or an existing ~~bureau~~ PCRB data card.

Additional classifications shall be assigned to an insured only if the following conditions exist:

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Items 1. through 3. remain unchanged.

Item b. remains unchanged.

Items 4. through 8. remain unchanged.

9. Carrier Determinations of Employment Status

A carrier's determination of a person's employment status (including but not necessarily limited to questions regarding a person's designation as an employee, independent contractor, uninsured subcontractor, leased employee or temporary staff) is not subject to the ~~Bureau's~~ PCRB's review or approval. Where a carrier's determination of a person's employment status results in a request for authorization of a different or additional classification(s), such request must be made in writing. The ~~Bureau~~ PCRB will determine the applicability of any requested classification(s) in accordance with the classification guidelines set forth in this Manual. Classifications so approved by the ~~Bureau~~ PCRB shall be applied to any policy to which the carrier's determination of the person's employment status applies, if such policy expired or was terminated not more than 12 months before the date on which the PCRB ~~Bureau~~ received the carrier's written request.

This rule for determining the policy(ies) to which the approved classification(s) shall be assigned will apply regardless of whether the authorization of the classification(s) increases or decreases premium for the affected policy(ies). This rule shall govern in the event this rule conflicts with any other rule in this Manual.

10. Classification Appeals

The ~~Bureau's~~ PCRB's assignment of an individual employer to a particular classification may be appealed pursuant to Rule XVI, APPEALS FROM APPLICATION OF THE RATING SYSTEM PROCEDURE, Section 1 of this Manual.

Item 11. remains unchanged.

Item D. remains unchanged.

RULE V – PREMIUM BASIS

Items A. through F.6. remain unchanged.

7. Members of Religious Orders

Refer to Section 2 of the Pennsylvania Workers' Compensation Manual. In Pennsylvania, because of the interest of some of the Catholic dioceses in providing coverage for members of orders on a voluntary basis, specific underwriting procedures as well as per capita rates were adopted by the ~~Bureau~~ PCRB.

When such individual is assigned to perform duties in churches, hospitals, schools or other institutions, those institutions may wish to provide coverage as well. Any remuneration paid to the order on behalf of its members would be excluded, and the appropriate per capita rates would be applied.

A review of the relevant case law by ~~Bureau~~ the PCRB counsel indicated the definition of an "employee" is not of significance in disputes over the coverage status for individuals who are injured while working in the home. Instead, the focus is on whether the injury occurred in the furtherance of the business of the employer. Therefore, the ability to resolve disputes involving coverage status for an outworker/homeworker, as defined in the Act, remains a legal question beyond the ~~Bureau's~~ PCRB's authority. Accordingly, the employee status of an outworker/homeworker is left to the discretion of the

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individual insurance carrier.

Items 8 through 10. remain unchanged.

RULE VI – RATING VALUES AND PREMIUM DETERMINATION

A. ~~BUREAU~~ PCRB RATING VALUES

1. ~~Bureau~~ PCRB Loss Cost

~~Bureau~~ PCRB Loss Costs – Dollar amounts per unit of exposure attributable to the payment of losses under workers compensation and employers liability coverages, filed by the ~~Bureau~~ PCRB based on the aggregate experience of all ~~Bureau~~ PCRB members and approved by the Insurance Commissioner.

2. Disease Or Radiation Loading

- a. ~~The Bureau Rating Value for a classification code number followed by a letter (a) or (b) etc. may include a disease loading. Such a loading may be removed upon approval of the Pennsylvania Compensation Rating Bureau. A supplemental disease loading (e.g. Code 0066) may apply to certain basic classifications (e.g. Code 447). The supplemental disease loading is an additional charge. It is not included within the rating value of the basic classification to which it is assigned. Once authorized, a supplemental disease loading may only be removed upon approval of the Pennsylvania Compensation Rating Bureau.~~
- b. The ~~Bureau~~ Loss Costs applicable to the basic classifications without shown in the Manual include occupational disease loadings which a corresponding supplemental disease loading include ~~to~~ the usual exposure to diseases by associated with those classifications.
- c. A supplemental occupational disease or radiation loading may be applied to the carrier rate for any individual business where the occupational disease or radiation hazard is abnormal, subject to approval by the Pennsylvania Insurance Commissioner. When a carrier plans to apply for the supplemental loading, the carrier shall supply the ~~Bureau~~ PCRB with an inspection report either by an insurance carrier, Department of Labor and Industry or an outside source which supports the abnormal disease or radiation exposure. The carrier shall also recommend a value for the supplemental loading. The request and supporting documentation shall be forwarded by the ~~Bureau~~ PCRB to the Insurance Commissioner. Upon approval by the Insurance Commissioner, the supplemental loading shall be published by the ~~Bureau~~ PCRB on the business' ~~Bureau~~ PCRB data card for a minimum of one year. The supplemental loading may be removed only by an inspection report performed by an insurance company, Department of Labor and Industry or another agency evidencing the abnormal exposure no longer exists. The ~~Bureau~~ PCRB shall also forward this request and documentation to the Insurance Commissioner for review and action. The supplemental disease or radiation loading is non-ratable in the experience and retrospective rating plans. No supplemental occupational disease or radiation loading shall be used absent explicit approval from the Insurance Commissioner.

Items 3. through 6. remain unchanged.

Items B. through D. remain unchanged.

E. PREMIUM MODIFICATION EXPERIENCE RATING PLAN

Item 1. remains unchanged.

2. Remains unchanged.

a. Remains unchanged.

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- b. The ~~Bureau~~-PCRB shall furnish to any insured employer upon his written request, a copy of the experience rating calculation of that employer at an appropriate charge.
- c. Remains unchanged.

Items F through G. remain unchanged.

RULE VII – PREMIUM DISCOUNT

Item A. remains unchanged.

B. COMBINATION OF POLICIES

Item 1. remains unchanged.

2. Combination Procedure

Remains unchanged.

- a. The ~~Bureau~~-PCRB shall determine the effective date for the application of premium discount.

Items b. and c. remain unchanged.

C. WRAP-UP LARGE CONSTRUCTION PROJECTS

Remains unchanged.

The following application of the premium discount is optional for wrap up construction projects which are not under a retrospective rating plan:

Items 1. through 4. remain unchanged.

5. ~~Bureau~~-PCRB Notification

The ~~Bureau~~ -PCRB must be notified of the method by which the wrap-up policies will be identified.

Items 6. and 7. remain unchanged.

RULE VIII – LIMITS OF LIABILITY

Item A. remains unchanged.

B. VOLUNTARY COMPENSATION INSURANCE

Items 1. and 2. remain unchanged.

3. Premium Determination

Premium shall be determined on the basis of the workers compensation rules, classifications and ~~the Bureau~~-PCRB rating values in this Manual for the state workers compensation law designated in the schedule in the Voluntary Compensation and Employers Liability Coverage Endorsement.

- 4. Remains unchanged.

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RULE IX – SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE

Items A. through G. remain unchanged.

H. PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM

- 1. Remains unchanged.

The credit authorized by the Pennsylvania Compensation Rating Bureau shall appear on Item 4 of the policy. If the credit applicable to the policy is not available at the time of policy issuance, the carrier shall endorse the policy to provide the appropriate credit information once a qualifying application has been processed and the ~~Bureau~~-PCRB has notified the carrier of the credit determined on the basis of such application.

- 2. Appeals

The ~~Bureau's~~-PCRB's determination of an individual risk's eligibility for or the percentage of credit under the Pennsylvania Construction Classification Premium Adjustment Program may be appealed pursuant to RULE XVI, APPEALS FROM APPLICATION OF THE RATING SYSTEM PROCEDURE, Section 1 of this Manual.

~~BUREAU~~-PCRB _____
FILE NO

PENNSYLVANIA WORKERS COMPENSATION – PREMIUM CREDIT APPLICATION

NAME ON INSURANCE POLICY _____

INSURANCE COMPANY (Not Agent) _____

POLICY NO _____ EFF. DATE _____

Are you currently engaged in a Long Term Construction Project (i.e. Wrap-up)? YES

Notice: Unless Code(s), total wages paid as reported to taxing authorities, total hours worked, and calendar quarter reported are indicated and application is signed, it cannot be processed. Non-construction class code payrolls must be included. Corporate Officers should be included in the appropriate classification subject to payroll limitation rules. Do not include corporate officers who have elected to be excluded from the Workers Compensation Act. Contact your agent and/or insurance company if assistance is desired.

<u>CLASSIFICATION DESCRIPTION</u>	<u>PENNSYLVANIA WC CLASS CODE</u>	<u>TOTAL PENNSYLVANIA WAGES PAID THIS QUARTER</u>	<u>TOTAL HOURS WORKED THIS QUARTER (Including O.T.)</u>
<u>Example: Carpentry</u>	<u>652</u>	<u>\$8,000</u>	<u>520</u>
<u>Example: Office</u>	<u>953</u>	<u>\$3,000</u>	<u>400</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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The foregoing is based on actual wages and hours worked, as reflected in our payroll records, for the complete calendar quarter ending _____.

Signature _____ Title _____

Telephone Number _____ Date _____

Address _____ City _____ State _____ Zip Code _____

**SEND APPLICATION TO: EXPERIENCE RATING DEPARTMENT
PENNSYLVANIA COMPENSATION RATING BUREAU
30 SOUTH 17th STREET, SUITE 1500
PHILADELPHIA, PA 19103-4007**

No application will be processed by the ~~Bureau~~ PCRB unless such application is filed within 12 months after the termination of the policy period to which it would apply.

Item I. remains unchanged.

RULE X - CANCELLATION

A. WHO MAY CANCEL

Items 1. and 2. remain unchanged.

Reinstatement

When a notice of cancellation for non-payment has been issued, if the insurer thereafter receives payment and voluntarily determines to reinstate the policy, such reinstatement of coverage must be retroactive to the cancellation date.

Alternatively, if the insurer does not want to reinstate the policy as of the cancellation date but voluntarily determines to resume coverage after a lapse in coverage, the insurer must issue a new policy. Such new policy must carry the carrier rating values effective on the policy effective date of the new policy.

IMPORTANT NOTICE: CANCELLATION NOTICES MUST BE ~~FILED~~ SUBMITTED ELECTRONICALLY TO WITH THE BUREAU PCRB WITHIN 10 DAYS OF ISSUANCE; PROVIDED, HOWEVER, THAT FAILURE TO FILE SUBMIT SUCH NOTICE WITHIN THE REQUIRED TIME SHALL NOT INVALIDATE ANY CANCELLATION WHICH HAS BEEN MADE IN ACCORDANCE WITH THE PROVISIONS OF THE POLICY.

Items B. through E. remain unchanged.

RULE XI – THREE YEAR FIXED RATE POLICY OPTION remains unchanged.

RULE XII – U.S LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT

Items A. through C. remain unchanged.

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D. CLASSIFICATIONS AND RATES

Items 1. and 2. remain unchanged.

3. Bureau-PCRB Rating Values for Non-Federal "Non-F" Classifications

The manual ~~bureau-PCRB~~ rating values for classification code numbers not followed by the letter "F" do not include premium for operations subject to the U.S.L. & H.W. Act. If operations under such classifications involve some employees subject to U.S.L. & H.W. Act, the manual rates and minimum premiums for such classifications shall be increased by the U.S. Longshore and Harbor Workers' Compensation Coverage Percentage. Such increased rate shall apply only to payroll of employees engaged in operations subject to the U.S.L. & H.W. Act.

Item E. remains unchanged.

RULE XIII – THE ADMIRALTY LAW AND THE FEDERAL EMPLOYERS LIABILITY ACT

NOTE: The Pennsylvania Compensation Rating Bureau has no jurisdiction over the ~~bureau-PCRB~~ rating values or classification for Admiralty or Federal Employers Liability exposure. The following rule was published by the National Council on Compensation Insurance and is shown here for information purposes only.

Items A. through C. remain unchanged.

D. CLASSIFICATIONS

NOTE: The Pennsylvania Compensation Rating Bureau has no jurisdiction over the ~~bureau-PCRB~~ rating values or classification for Admiralty or Federal Employers Liability Exposure. The following admiralty or F.E.L.A. classification list is for information purposes only.

Classifications	Code Number		
	Program I	Program II	
		State Act Benefits	USL Act Benefits
Boat Livery - boats under 15 tons. This classification includes the laying up or putting into commission of boats. Boats 15 tons or over to be separately rated under the appropriate vessels classification.	7038	7090	7050
Diving - marine	7394	7395	7398
Dredging - all types	7333	7335	7337
Ferries - This classification includes dock employees.	7019	7027	7062
Fishing Vessels - NOC. This classification includes packing, curing or shipping fish and repair of nets or boats.	7039	7091	7051
Oyster Boats - This classification includes planting; harvesting; and operation of boats.	7079	7097	7070
Salvage Operations - marine.	7394	7395	7398
Supply Boats	7020	7028	7131
Tugboats	7020	7028	7131
Vessels - NOC	7016	7024	7047
Vessels - not self-propelled. Such vessels having a regular master and crew who are furnished living quarters aboard the vessel, shall be rated as "Vessels, NOC."	7046	7098	7099

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Classifications	Code Number		
	Program I	Program II	
		State Act Benefits	USL Act Benefits
Vessels – sail	7036	7088	7048
Wrecking - marine. This classification includes salvage operations.	7394	7395	7398
Yachts - private - sail or power	7037	7089	7049

Federal Employers Liability Act

Railroad Operation - all employees including drivers. This classification contemplates the normal operations of railroads including normal maintenance and repair. All extraordinary repair work including such work as rebuilding bridges, grade crossing elimination, laying or relaying track and all new construction operations shall be classified as Code 6702 or 6703.	7151	7153	7152
Clerical Office Employees - NOC	8814	8805	8815
Salespersons, Collectors or Messengers - outside	8737	8734	8738
Railroad Construction - all operations including clerical, salespersons and drivers	6702	6704	6703

Item E. remains unchanged.

RULE XIV – DOMESTIC WORKERS – RESIDENCIES

Items A. through D. remain unchanged.

E. ~~BUREAU~~PCRB -RATING VALUES AND PREMIUM

1. ~~Bureau~~PCRB Rating Values

The ~~Bureau~~PCRB Rating Values for Codes 0908, 0909, 0912 and 0913 are per capita premium charges. Terrorism (**9740**) and Catastrophe (other than Certified Acts of Terrorism) (**9741**) do not apply to per capita classification premium charges.

Items 2. through 4. remain unchanged.

RULE XV – FINAL EARNED PREMIUM DETERMINATION

Item A. remains unchanged.

B. PREMIUM DETERMINATION

The determination of final earned premium is governed by the rules, classifications and ~~Bureau~~the PCRB rating values and carrier rating values, subject to modification by applicable rating plans.

Items C. through E remain unchanged.

RULE XVI – APPEALS FROM APPLICATION OF THE RATING SYSTEM PROCEDURE through RULE XVIII – PROFESSIONAL EMPLOYER ORGANIZATIONS, PROFESSIONAL EMPLOYER AGREEMENTS AND PROFESSIONAL EMPLOYER SERVICES remains unchanged.

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SECTION 2 – CLASSIFICATIONS AND PCRB RATING VALUES

~~BUREAU RATING VALUES~~ PCRB RATING VALUES

FIREFIGHTER – VOLUNTEER FIRE COMPANY remains unchanged.

EMPLOYER ASSESSEMENT remains unchanged.

U.S. LONGSHORE AND HARBOR WORKERS’ ACT COVERAGE RETROSPECTIVE RATING VALUES remain unchanged.

CLASSIFICATIONS – NUMERIC AND GROUP ARRANGEMENT WORKERS COMPENSATION – DOMESTIC remains unchanged.

WORKERS EXPLOSIVES AND AMMUNITION MANUFACTURING remains unchanged.

MARITIME OR FEDERAL EMPLOYMENTS AIRCRAFT OPERATIONS remain unchanged.

COAL MINE CLASSIFICATIONS remain unchanged.

DEFINITIONS remain unchanged.

CLASSIFICATIONS- CLASS CODE 005 (TREE PRUNING, SPRAYING, REPAIRING OR FUMIGATING) through CLASS CODE 512 (BRICK MFG., N.O.C.) remains unchanged.

513 POTTERY, N.O.C. – NO BRICK, NON-DECORATIVE TILE, SEWER PIPE OR GAS RETORTS MFG.

A supplementary dust disease loading shall be added by the ~~Bureau~~ PCRB to cover the potential hazard of those employers using material containing free silica.

Code 0176 at the carrier rate is to apply to such exposure, but note that payroll developed by the exposure is also to be included in the Code 513 payroll at the carrier rate. Premium developed under Code 0176 is not subject to experience or retrospective rating.

UNDERWRITING GUIDE remains the same.

CLASS CODE 514 (REFRACTORY PRODUCT MFG.) through CERAMIC SHOPS remains unchanged.

CLASSIFICATION AND AUDIT INQUIRIES

Remains unchanged.

- A complete listing of all Pennsylvania operating locations
- The exact name (as shown in Item 1 of the policy) and address of the business in question
- The ~~Bureau~~ PCRB file number (if available) of the business in question (see Rating and Underwriting Reference via the Application Login or “Classification inquiries”)
- A full and accurate written description of the business in question, including any available audits, loss control reports and/or insurance application information
- Reason why a change in classification is being requested, i.e., has a substantial change in the employer’s operations recently occurred.
- The name, title and telephone number of a management representative whom a PCRB field representative can contact to schedule an appointment with the employer (in the event that a field survey is necessary)

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- Employer's website address

Remains unchanged.

CLEARING OF LAND through **DRIVERS** remains unchanged.

DRIVERS (Payroll Allocation)

It is the ~~Bureau's~~ [PCRB's](#) position that the payroll of drivers, chauffeurs or their helpers which cannot be allocated to a specific classification because they have duties common to more than one classification shall be assigned to the governing classification of the two or more classifications to which their work belongs.

Remains unchanged.

VOLUNTEER FIRE DEPARTMENTS AND/OR VOLUNTEER FIRE COMPANIES – WORKERS' COMPENSATION INSURANCE OPTIONS remains unchanged.

THE MUNICIPALITY IN WHICH A VOLUNTEER FIRE DEPARTMENT AND/OR VOLUNTEER FIRE COMPANY IS BASED WILL GENERALLY BE CONSTRUED TO REMAIN THE VOLUNTEERS' STATUTORY EMPLOYER

Remains unchanged.

The ~~Bureau~~ [PCRB](#) expresses no opinion as to the potential liability of a municipality for workers' compensation benefits or otherwise to members of a volunteer fire company, ambulance corps or rescue or lifesaving squad when there exists separate workers' compensation coverage for such members pursuant to another entity's insurance.

MUNICIPALITY IN WHICH A VOLUNTEER FIRE DEPARTMENT AND/OR VOLUNTEER FIRE COMPANY IS BASED DEFINED through **CLASSIFICATION UNDERWRITING GUIDE** remain unchanged.

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SECTION 3 - ENDORSEMENTS

A. GENERAL ENDORSEMENT NOTES

1. Insurance carriers may use their own attachment clause and method of execution on each endorsement. The execution clause of endorsements issued subsequent to the policy must include at a minimum the following information: policy number, endorsement, effective date, name of the insurer and insured, and premium (if applicable). Multi-company groups must show the name or the five digit National Council on Compensation Insurance, Inc. (NCCI) carrier code of the member of the group providing the insurance.
2. THE PAGES WHICH APPEAR HEREIN INCLUDE COPYRIGHTED MATERIAL FROM THE NATIONAL COUNCIL ON COMPENSATION INSURANCE USED WITH ITS PERMISSION. All rights reserved.

PENNSYLVANIA FORMS HAVE BEEN COPYRIGHTED BY THE PENNSYLVANIA COMPENSATION RATING BUREAU.

The license extended to the Pennsylvania Compensation Rating Bureau by the NCCI for use of its copyrighted forms permits ~~this Bureau's~~ PCRBS members to use such forms provided the form carries the legend "Copyright National Council on Compensation Insurance, Inc." (with the year to be filed in accordance with the appropriate year of copyright as found in the Forms Manual issued by the NCCI). Any of the forms included in this change may be ordered from the National Council on Compensation Insurance, Inc.

The policy and endorsements have been filed on behalf of the members of the ~~Bureau~~ PCRBS and approved by the Insurance Commissioner. Accordingly, individual filings with the Insurance Department or the Industrial Accident Board are not required if a member carrier uses the standard forms filed by the ~~Bureau~~ PCRBS. Any company which makes other than authorized changes in or additions to such approved ~~Bureau~~ PCRBS forms must file the forms directly with the Insurance Department in accordance with Chapter 89b of the Pennsylvania Insurance Regulations, providing a copy of such filing to the ~~Bureau~~ PCRBS. See Filing and Approval of Policy and Endorsements Procedure for specific instructions.

The information page and its notes were also filed and approved as a standard form. The specific form filed was the form copyrighted by the NCCI. It will be seen that some of the notes require modifications to this form for use in Pennsylvania, while other notes give the carrier many options as to items to be included. Use of an information page which includes the Pennsylvania requirements and the exercise of any of the other specified options will be considered an approved form, subject only to filing with the ~~Bureau~~ PCRBS. Any omission(s) of required items from an information page will require filing of such information page with the Insurance Department, with a copy of such filing to be forwarded to the ~~Bureau~~ PCRBS.

B. FILING AND APPROVAL OF POLICY AND ENDORSEMENTS PROCEDURE

No workers compensation or employers liability policy, information page, endorsement of related form may be used in Pennsylvania until it has been submitted to and approved by the Insurance Commissioner in accordance with Chapter 89b of the Pennsylvania Insurance Regulations. The policy form and the information page, together with the endorsements that appear in Section 3 of this Manual, have been filed by the ~~Bureau~~ PCRBS and approved by the Insurance Commissioner on behalf of all ~~Bureau~~ PCRBS members who have furnished the President of the ~~Bureau~~ PCRBS with a Power of Attorney to so file on their behalf. The policy form and information page can be found in the NCCI Forms Manual identified as W C 00 00 00C and W C 00 00 01B, respectively. (Companies should contact the ~~Pennsylvania Bureau~~ PCRBS if they do not have access to the NCCI Forms Manual).

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Individual filing with the Department will not be required by any member carrier with respect to the provisions of the standard workers compensation policy and endorsements which have been filed by the [Bureau PCRB](#) and approved by the Insurance Department. The standard policy form may not be changed except that (a) special provisions may be included applicable to the members of policyholders of a mutual or participating stock insurer or a reciprocal association (b) the manual provisions for short-rate cancellation may be included. Individual filing of an information page with the Department will not be required if a carrier's page includes the NCCI standard form items together with those items indicated as requirements for Pennsylvania in the information page notes. Inclusion of additional items in accordance with the options of the information page notes will not require an individual filing, but exclusion of any basic form items or Pennsylvania requirements will require filing of such information page directly with the Department, with a copy of such filing to be sent to the [Bureau PCRB](#).

It is important to note that the NCCI has copyrighted the policy form, the information page and all of its standard endorsement forms. In addition, the [Pennsylvania Bureau PCRB](#) has copyrighted the Pennsylvania endorsement forms. If any of these documents are used with no modification, they must contain the appropriate copyright legend. If modifications are made to the form and authorized by the appropriate authority, the form must contain the following statement (with the appropriate year of copyright filled in as found in the Forms Manual issued by NCCI): "Includes material of the (appropriate Bureau _name) Copyright 20 used with its permission."

Following approval by the Department of the provisions of the forms filed by the [Bureau PCRB](#), a circular letter will be issued by the Bureau notifying the members of such approval.

A new company, which is not yet a member of the [Bureau PCRB](#), must submit its policy and information page forms directly to the Insurance Department when it applies for its license to write workers compensation insurance.

A carrier wishing to use any form that varies from the standard in any way other than that allowed in the second paragraph above must file such form directly with the Insurance Department, with a copy of the filing furnished to the [Bureau PCRB](#).

ENDORSEMENTS TABLE OF CONTENTS through **ENDORSMENTS CONTENT** remains the same.

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SECTION 4 – RETROSPECTIVE RATING PLANS – PENNSYLVANIA remains the same.

SECTION 5 - EXPERIENCE RATING PLAN remains the same.

GENERAL RULES SECTION I

INSTRUCTIONS

Items 1. through 3. remain unchanged.

3. This Plan and all amendments thereto, unless otherwise specifically provided, shall be applied as of the first rating effective date of the risk, as established by the ~~Bureau~~ PCRB, which is on or after the effective date of any change in the rules or rating values of this Plan, but shall not otherwise be available to outstanding ratings.

Item 4. remains unchanged.

SECTION II – DEFINITIONS

Items 1. through 3. remain unchanged.

4. Remains unchanged.

If the classification assigned to a risk is revised or modified, for the purpose of this Plan the ~~Bureau~~ PCRB shall similarly reassign the classification of the experience period except that, if the revision is due to a change in operations, no part of the experience period prior to such operations change shall be affected.

Note: For special provisions applicable to self-insurers' data see Rule 6 of Section III.

5. **Appeals.** Any determination or decision of the ~~Bureau~~ PCRB for an individual risk under the Pennsylvania Experience Rating Plan may be appealed pursuant to RULE XVI, APPEALS FROM APPLICATION OF THE RATING SYSTEM PROCEDURE, Section 1 of this Manual.

Item 6. remains unchanged.

SECTION III – GENERAL PROVISIONS

1. **Eligibility Requirements.** A risk shall qualify for rating under this Plan if the premium developed by the audited payrolls or other exposures of the experience period, extended at current ~~Bureau~~ PCRB Loss Costs, is **\$10,000** or more.

Items a. through c. remain unchanged.

Items 2. through 4. remain unchanged.

5. **Experience to be Used.** The entire experience of the risk (except as otherwise provided in Rule 1 of Section V of this Plan) incurred within the experience period on all its operations, whether such operations are normal to the business or otherwise, shall be reported and used in determining the experience modification. The ~~Bureau~~ PCRB may, at its discretion, verify any or all the data from which the experience modification is to be determined.

6. **Self-Insurers' Data.** The experience of self-insurers may be accepted by the ~~Bureau~~ PCRB provided the experience on self-insured operations is submitted on the approved form, giving the required information with respect to payrolls and losses. Such statement shall be secured, verified and submitted by an interested carrier.

Self-insured experience shall not be used in rating a risk unless the operations that produced such

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experience are to be insured under a Standard Workers Compensation and Employers' Liability Policy.

Items 7. remain unchanged.

8. Items a. through e. remain unchanged.

- (f) Affiliates combined for rating voluntarily (i.e., not a mandatory combination), which wish to change their rating option and have each affiliate separately rated based on its individual experience, may petition the ~~Bureau-PCRB~~ to do so. Upon ~~Bureau-PCRB~~ approval, separate policies must be issued for each affiliate. Unless the ~~Bureau-PCRB~~ is provided with the segregated experience needed to produce separate ratings for each affiliate in an acceptable format, each affiliate will continue to be rated using combined experience for any policy period(s) for which segregated experience is not available and its own separately reported experience for policy period(s) subsequent to the separation.

9. **Ownership Changes.**

- (c) **Continuation of Experience.** Unless excluded under paragraph (d), the experience for any entity undergoing a change in ownership shall be transferred to the experience of the acquiring, surviving or new entity. The date of revision will be the later of the following two dates: 1) the effective date of the policy in effect at the time the ~~Bureau-PCRB~~ receives a completed ERM-14 form outlining the ownership change or 2) the date on which the change in ownership occurred.

Item i. remains unchanged.

Items d. through f. remain unchanged.

- (f) *Multiple Entities.* When two entities under substantially the same ownership have been insured under a single policy, and the ownership of one or both of them is changed so that there is no longer any connection between them, the procedure shall be as follows:
 - (i) If the experience of the entities has been combined for rating purposes during the entire experience period, the experience incurred prior to the change shall not be used for future ratings, unless
 - (a) the insurance carrier or carriers request that new modifications be established, and
 - (b) the ~~Bureau-PCRB~~ is furnished with the experience required for the calculation of such modifications submitted in an acceptable format.

Item ii. remains unchanged.

Item i. remains unchanged.

- (ii) the ~~Bureau-PCRB~~ is furnished with the experience required for the calculation of such modifications submitted in an acceptable format.

Item g. remains unchanged.

(h) **Evasion Of Experience Rating Modification.**

Item ii. remains unchanged.

(ii) **Bureau-PCRB Response.** In such circumstances the ~~Bureau-PCRB~~ may obtain information that indicates evasion or improper calculation, application or omission of experience rating modifications due to actions included, but not limited to, those listed above. The ~~Bureau-PCRB~~ will act to ensure

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the proper calculation and application of experience rating modifications impacted by these actions. This may include, but is not limited to the:

Items a. through f. remain unchanged.

Item 10. remains unchanged.

SECTION IV remains the same.

APPLICATION OF EXPERIENCE MODIFICATION remains the same.

Items 1. through 4. remain unchanged.

- 4. Multiple Policy Risk.** If a risk is covered by several policies (as provided in Rule 8 of Section III of this Plan) which differ as to inception dates, the following procedure shall apply:

A single experience modification shall be computed to be effective for a period of twelve months beginning on the RED to be established by the ~~Bureau~~ PCRB. The ~~Bureau~~ PCRB may, however, authorize the application of an existing experience modification for a period not to exceed fifteen months or a new experience modification for a period greater than three months and less than twelve months for the purpose of establishing a new RED. Any policy effective prior to the new RED established by the ~~Bureau~~ PCRB shall be cancelled as of such date and rewritten for a period of twelve months. Any policy effective subsequent to the new RED established by the ~~Bureau~~ PCRB shall be written to expire concurrently with the next ensuing RED or shall be cancelled as of that date.

Any policies subject to this rule which are extended beyond the new period of twelve months shall be subject to the provisions of Rules 3(b) and 3(c) of this Section.

TABULATION OF EXPERIENCE

Item 1. remains unchanged.

- 2. Rating Forms.** To determine the experience modification, the prescribed experience shall be tabulated by the ~~Bureau~~ PCRB on an approved rating form.

Items 3. through 8. remain unchanged.

SECTION VI remains the same.

SECTION VII remains the same.

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SECTION 6 – MERIT RATING PLAN

GENERAL RULES

SECTION I - INSTRUCTIONS

Items 1. and 2. remain unchanged.

3. This Plan and all amendments thereto, unless otherwise specifically provided, shall be applied as of the first RED of the risk, as established by the **Bureau-PCRB**, which is on or after the effective date of any change in the rules or rating values of this Plan but shall not otherwise be available to outstanding ratings.
4. It shall not be permissible by cancellation or rewriting or by the extension of the policy term to alter an existing policy for the purpose of enabling the risk to qualify for or avoid application of this Plan.
5. **Appeals.** Any determination or decision of the **Bureau-PCRB** for an individual risk under the Pennsylvania Merit Rating Plan may be appealed pursuant to Rule XVI, APPEALS FROM APPLICATION OF THE RATING SYSTEM PROCEDURE, Section 1 of this Manual.

SECTION II - DEFINITIONS

Items 1. through 3. remain unchanged.

4. **Experience.** For the purpose of this Plan experience shall mean the record established by a risk under Workers Compensation and Employers' Liability Insurance, as disclosed by the losses incurred by the insurance carrier or carriers and the payrolls or other exposures segregated according to classification of operations. If the classification assigned to a risk is revised or modified, for the purpose of this Plan the **Bureau-PCRB** shall similarly reassign the classification of the experience period except that, if the revision is due to a change in operations, no part of the experience period prior to such operations change shall be affected.

Items 5. through 10. remain unchanged.

SECTION III – GENERAL PROVISIONS

Items 1. through 3. remain unchanged.

4. **Experience to be Used.** The entire experience of the risk (except as otherwise provided in Rule I of Section V of this Plan) incurred within the experience period on all its operations, whether such operations are normal to the business or otherwise, shall be reported and used in determining the Merit Rating Plan adjustment. The **Bureau-PCRB** may, at its discretion, verify any or all the data from which the Merit Rating Plan adjustment is to be determined.
5. **Self-Insurers' Data.** The experience of self-insurers may be accepted by the **Bureau-PCRB** provided the experience on self-insured operations is submitted on the approved form, giving the required information with respect to payrolls and losses. Such statement shall be secured, verified and submitted by an interested carrier.

Self-insured experience shall not be used in applying the Merit Rating Plan to a risk unless the operations that produced such experience are to be insured under a Standard Workers Compensation and Employers' Liability Policy.

Items 6. through 7. remain unchanged.

8. **Ownership Changes**

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Item A. remains unchanged.

- b) *Continuation of Experience.* Unless excluded under paragraph (c), the experience for any entity undergoing a change in ownership shall be transferred to the experience of the acquiring, surviving or new entity. The date of revision will be the later of the following two dates: 1) the effective date of the policy in effect at the time the ~~Bureau~~PCRB receives a completed ERM-14 form outlining the ownership change or 2) the date on which the change in ownership occurred.

Items c. and d. remain unchanged.

- e) Remains unchanged.
 - i) Remains unchanged.
 - a) Remains unchanged.
 - b) the ~~Bureau~~PCRB is furnished with the experience required for the calculation of a Merit Rating Plan adjustment submitted in an acceptance format.
 - ii) Remains unchanged.
 - a) Remains unchanged.
 - b) the ~~Bureau~~PCRB is furnished with the experience required for the calculation of a Merit Rating Plan adjustment submitted in an acceptable format.
- f) Remains unchanged.

Item 9. remains unchanged.

SECTION IV

APPLICATION OF MERIT RATING PLAN ADJUSTMENT

Items 1. through 3. remain unchanged.

- 4. **Multiple Policy Risk.** If a risk is covered by several policies (as provided in Rule 8. of Section III of this Plan) which differ as to inception dates, the following procedure shall apply:

A single Merit Rating Plan adjustment shall be computed to be effective for a period of twelve months beginning on the RED to be established by the ~~Bureau~~PCRB. The ~~Bureau~~PCRB may, however, authorize the application of an existing Merit Rating Plan adjustment for a period not to exceed fifteen months or a new Merit Rating Plan adjustment for a period greater than three months and less than twelve months for the purpose of establishing a RED. Any policy effective prior to the new RED established by the ~~Bureau~~PCRB shall be canceled as of such date and rewritten for a period of twelve months. Any policy effective subsequent to the new RED established by the ~~Bureau~~PCRB shall be written to expire concurrently with the next ensuing RED or shall be canceled as of that date. Any policies subject to this rule which are extended beyond the new period of twelve months shall be subject to the provisions of Rules 3(b) and 3(c) of this section.

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SECTION V

TABULATION OF EXPERIENCE

Item 1. remains unchanged.

2. **Merit Rating Plan Forms.** To determine the Merit Rating Plan adjustment the prescribed experience shall be tabulated by the ~~Bureau~~ PCRB on approved Merit Rating Plan forms.

Items 3. through 6. remain unchanged.

SECTION VI

MERIT RATING PLAN PROCEDURE

Remains unchanged.

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PREFACE

- A.** In accordance with Section 654 of The Insurance Company Law of May 17, 1921, P.L. 682, as amended and the Pennsylvania Workers' Compensation Act of June 2, 1915, P. L. 736, as amended, the Insurance Commissioner has approved this Manual of risk classes, underwriting rules, bureau rating values and rating plans, to become effective 12:01 a.m., **April 1, 2020** with respect to all policies, the effective date of which is **April 1, 2020** or thereafter, subject to the following express conditions, for the State Workers' Insurance Fund and for the insurance companies, corporations, associations and exchanges enumerated in the attached list and for no other insurance company, corporation, association or exchange.

The Pennsylvania Compensation Rating Bureau shall hereinafter be referred to as the "PCRB".

B. Organization of Manual

This Manual has six sections:

- Section 1 – Underwriting Rules
- Section 2 – Rating Values and Classifications/General Auditing and Classification Information
- Section 3 – Endorsements
- Section 4 – Retrospective Rating Plans
- Section 5 – Experience Rating Plan
- Section 6 – Merit Rating Plan

C. Definitions

Remains unchanged.

1. **Data Card** –Data Cards are issued by the Pennsylvania Compensation Rating Bureau. These data cards provide the risk name, location, file number, authorized classification(s) and if applicable the risk's experience modification for a minimum of one year.

Risks approved for the Pennsylvania Construction Classification Premium Adjustment Program and any other applicable credit programs will be shown on these data cards.
2. **PCRB Loss Costs** – Dollar amounts per unit of exposure attributable to the payment of losses under workers compensation and employers liability coverages, filed by the PCRB based on the aggregate experience of all PCRB members and approved by the Insurance Commissioner.
3. **PCRB Rating Values** – All parameters filed by the PCRB and approved by the Insurance Commissioner, and which are used either mandatorily or by option of carriers for purposes of pricing workers compensation and employers liability coverages. Such PCRB rating values include PCRB Loss Costs, experience rating plan values such as Expected Loss Cost Factors, Credibility, Maximum Value of One Accident, and Credibility Weighted Maximum Value Charge, retrospective rating plan values such as the Table of Expected Loss Ranges, Excess Loss Pure Premium Factors, Retrospective Pure Premium Development Factors, and expense parameters applicable to U.S.L.&H.W. coverages such as Premium Discounts, Expected Loss Ratio, Expense Ratios, Tax Multipliers and Loss Conversion Factors.
4. **Carrier Rate** – The amount per unit of exposure which an insurance carrier charges for workers compensation and employers liability insurance.
5. **Carrier Rating Values** – All parameters used by carriers for purposes of pricing workers compensation and employers liability insurance coverages. Such parameters may be either PCRB rating values adopted by a carrier for its own use or values independently determined by a carrier.

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6. **Loss Cost** – Dollar amounts per unit of exposure attributable to the payment of losses under workers compensation and employers liability coverages. Loss Costs may be developed either by the PCRБ based on the aggregate experience of all PCRБ members or may be established by individual carriers based on their own supporting information.
7. **Provision for Claim Payment** – Historical aggregate losses projected through development to their ultimate value and through trending to a future point in time, but excluding all loss adjustment or claim management expenses, other operating expenses, assessments, taxes and profit or contingency allowances. In this Manual the term "Loss Cost" is synonymous with Provision for Claim Payment.
8. **Rating Value** – A parameter or number used in pricing workers compensation or employers liability insurance coverages. Rating Values may be established by the PCRБ or by individual carriers. Where individual carriers have established Rating Values different from those of the PCRБ, the carrier's values supersede those of the PCRБ for purposes of that insurer's policies.
9. **Rating Effective Date (RED)** is the earliest date that a specific experience rating or merit rating adjustment is applied to a policy.

The Pennsylvania Compensation Rating Bureau will hereinafter be referred to as “the PCRБ”.

Item D. remains unchanged.

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SECTION 1 – UNDERWRITING RULES

RULE I - GENERAL through RULE V – PREMIUM BASIS remains the same.

RULE VI – RATING VALUES AND PREMIUM DETERMINATION

- A. PCRB Rating Values
 - 1. PCRB Loss Cost
 - 2. Disease or Radiation Loading
 - Items 3. And 4. remain unchanged.
- Items B. through G. remain unchanged.

RULE VII – PREMIUM DISCOUNT through RULE XIII – THE ADMIRALTY LAW AND THE FEDERAL EMPLOYERS LIABILITY ACT remains the same.

RULE XIV – AGRICULTURAL, DOMESTIC WORKERS - RESIDENCES

- A. Definitions
 - 1. Inside Domestic Workers
 - 2. Outside Domestic Workers
 - 3. Occasional Domestic Workers
- B. Coverage
 - 1. Workers Compensation and Employers Liability Insurance
 - 2. Voluntary Compensation Insurance
- C. Name of Insured
- D. Classifications
 - 1. Domestic Workers
 - 2. Maintenance, Repair or Construction Operations
- E. PCRB Rating Values and Premium
 - 1. PCRB Rating Values
 - 2. Records Required
 - 3. Full Time Domestic Workers
 - 4. Occasional Domestic Workers

RULE XV – FINAL EARNED PREMIUM DETERMINATION through RULE XVIII – PROFESSIONAL EMPLOYER AGREEMENTS AND PROFESSIONAL EMPLOYER SERVICES remains unchanged.

RULE I – GENERAL

Items A. through E. remain unchanged.)

F. EFFECTIVE DATE

1. Manual

This Manual applies only from the policy effective date which occurs on or after the effective date of this Manual.

2. Changes

The effective date of a change in any rule, classification or the PCRB rating value is 12:01 a.m. on the date approved for use. Any change will be highlighted and linked to the appropriate PCRB circular

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announcing the change. Unless specified otherwise, each change applies only from the policy effective date which occurs on or after the effective date of the change.

Item G. remains unchanged.

H. FILING REQUIREMENTS

1. Policy

An exact copy of every Workers Compensation Policy showing the state of Pennsylvania on the Information Page shall be electronically submitted to the Pennsylvania Compensation Rating Bureau within thirty days after the effective date of the policy.

Items 2. and 3. remain unchanged.

An exact copy of all endorsements or agreements attached to the policy at its inception date or issued subsequent to the inception date of the policy must be electronically submitted to the PCRB within thirty days after the date of issue of such endorsement or agreement.

4. Standard Endorsement Filing Procedure

- a. Any endorsement filed with the Insurance Department on behalf of the PCRB members by the PCRB must be electronically submitted for approval by the PCRB. For filing procedure details refer to Section 3.
- b. Non Standard Endorsements filing procedure, refer to Section 3.

5. Binders

- a. A copy of the binder must be electronically submitted to the PCRB on an approved form with all required endorsements attached no later than thirty days after its date of inception.
- b. The binder must contain the classification codes and Carrier Rating Values applicable to the employer in accordance with the assignment issued by the PCRB or in accordance with the Classification Rules of this Manual if no specific PCRB assignment has been made.
- c. A binder must be replaced with a short-term policy covering the amount of time the binder was in effect or replaced with a full-term policy including the time period the binder was in effect.

I. POLICY CORRECTIONS

If the PCRB finds that a policy requires correction to conform to Manual rules or classifications, the carrier shall be notified by Electronic error message. Such policy shall be corrected and a copy of the correcting endorsement shall be electronically submitted to the PCRB no later than thirty (30) days after notification.

Item J. remains unchanged.

RULE II – EXPLANATION OF COVERAGES AND METHODS OF INSURING remains unchanged.

RULE III – POLICY PREPARATION – INSURED, POLICY PERIOD AND STATE OF OPERATIONS

Items A. through Item C. remain unchanged.

Items C.1 through Item C.5. remain unchanged.

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6. Annual Rating Endorsements

An "Annual Rating Endorsement" shall be submitted annually for each continuing form policy or policy written for a period in excess of one year but not more than three years to be effective on the annual policy effective date set by such policy. It shall be submitted to the PCRB not later than thirty days subsequent to its inception.

Annual rating endorsements shall also:

Items a. through f. remain unchanged.

Item D. remains unchanged.

RULE IV – CLASSIFICATIONS

A. GENERAL EXPLANATION

1. Objective

The objective of the classification system is to group employers into classifications so that the rating value for each classification reflects the risk of loss common to those employers (See Rule IV, C. 2. & C. 3.). Subject to certain exceptions described later in this rule, it is the business of the insured within Pennsylvania that is classified, not the separate employments, occupations or operations within the business.

Item B. remains unchanged.

Items C.1 through C.2.b. remain unchanged.

- c. Authorized Classifications.** When the classification of any insured has been established by the PCRB, no policy shall be issued or endorsed nor adjustment of premium made under any other or conflicting classification.

In any instance where the established classification does not describe the current operations of the insured, the insuring carrier or insured shall draw the matter to the attention of the PCRB in writing with full particulars prior to the application of any other classifications. The reclassification shall not take place until the PCRB Staff has received and reviewed such documentation and has replied in writing to the insured or insuring carrier agreeing with their position or otherwise advising on which class(es) to assign.

The insuring carrier is not relieved of the obligation to apply the class authorized for an insured because of lack of knowledge that the PCRB has established an authorized classification for that insured.

3. Assignment of Additional Classifications

- a. Multiple Classifications/Multiple Enterprises** (Not construction or erection operations – see paragraph 6.)

Additional classifications may be used only when valid evidence supports their authorization or in conformity with the rules stated under "Standard Exceptions" and "Exclusions." Additional classes may not be added without the PCRB authorization when their use is in violation of Manual Rules or an existing PCRB data card.

Additional classifications shall be assigned to an insured only if the following conditions exist:

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Items 1. through 3. remain unchanged.

Item b. remains unchanged.

Items 4. through 8. remain unchanged.

9. Carrier Determinations of Employment Status

A carrier's determination of a person's employment status (including but not necessarily limited to questions regarding a person's designation as an employee, independent contractor, uninsured subcontractor, leased employee or temporary staff) is not subject to the PCRB's review or approval. Where a carrier's determination of a person's employment status results in a request for authorization of a different or additional classification(s), such request must be made in writing. The PCRB will determine the applicability of any requested classification(s) in accordance with the classification guidelines set forth in this Manual. Classifications so approved by the PCRB shall be applied to any policy to which the carrier's determination of the person's employment status applies, if such policy expired or was terminated not more than 12 months before the date on which the PCRB received the carrier's written request.

This rule for determining the policy(ies) to which the approved classification(s) shall be assigned will apply regardless of whether the authorization of the classification(s) increases or decreases premium for the affected policy(ies). This rule shall govern in the event this rule conflicts with any other rule in this Manual.

10. Classification Appeals

The PCRB's assignment of an individual employer to a particular classification may be appealed pursuant to Rule XVI, APPEALS FROM APPLICATION OF THE RATING SYSTEM PROCEDURE, Section 1 of this Manual.

Item 11. remains unchanged.

Item D. remains unchanged.

RULE V – PREMIUM BASIS

Items A. through F.6. remain unchanged.

7. Members of Religious Orders

Refer to Section 2 of the Pennsylvania Workers' Compensation Manual. In Pennsylvania, because of the interest of some of the Catholic dioceses in providing coverage for members of orders on a voluntary basis, specific underwriting procedures as well as per capita rates were adopted by the PCRB.

When such individual is assigned to perform duties in churches, hospitals, schools or other institutions, those institutions may wish to provide coverage as well. Any remuneration paid to the order on behalf of its members would be excluded, and the appropriate per capita rates would be applied.

A review of the relevant case law by the PCRB counsel indicated the definition of an "employee" is not of significance in disputes over the coverage status for individuals who are injured while working in the home. Instead, the focus is on whether the injury occurred in the furtherance of the business of the employer. Therefore, the ability to resolve disputes involving coverage status for an outworker/homeworker, as defined in the Act, remains a legal question beyond the PCRB's authority.

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Accordingly, the employee status of an outworker/homeworker is left to the discretion of the individual insurance carrier.

Items 8 through 10. remain unchanged.

RULE VI – RATING VALUES AND PREMIUM DETERMINATION

A. PCRB RATING VALUES

1. PCRB Loss Cost

PCRB Loss Costs – Dollar amounts per unit of exposure attributable to the payment of losses under workers compensation and employers liability coverages, filed by the PCRB based on the aggregate experience of all PCRB members and approved by the Insurance Commissioner.

2. Disease Or Radiation Loading

- a. A supplemental disease loading (e.g. Code 0066) may apply to certain basic classifications (e.g. Code 447). The supplemental disease loading is an additional charge. It is not included within the rating value of the basic classification to which it is assigned. Once authorized, a supplemental disease loading may only be removed upon approval of the Pennsylvania Compensation Rating Bureau.
- b. The Loss Costs applicable to the basic classifications without a corresponding supplemental disease loading include the usual exposure to diseases associated with those classifications.
- c. A supplemental occupational disease or radiation loading may be applied to the carrier rate for any individual business where the occupational disease or radiation hazard is abnormal, subject to approval by the Pennsylvania Insurance Commissioner. When a carrier plans to apply for the supplemental loading, the carrier shall supply the PCRB with an inspection report either by an insurance carrier, Department of Labor and Industry or an outside source which supports the abnormal disease or radiation exposure. The carrier shall also recommend a value for the supplemental loading. The request and supporting documentation shall be forwarded by the PCRB to the Insurance Commissioner. Upon approval by the Insurance Commissioner, the supplemental loading shall be published by the PCRB on the business' PCRB data card for a minimum of one year. The supplemental loading may be removed only by an inspection report performed by an insurance company, Department of Labor and Industry or another agency evidencing the abnormal exposure no longer exists. The PCRB shall also forward this request and documentation to the Insurance Commissioner for review and action. The supplemental disease or radiation loading is non-ratable in the experience and retrospective rating plans. No supplemental occupational disease or radiation loading shall be used absent explicit approval from the Insurance Commissioner.

Items 3. through 6. remain unchanged.

Items B. through D. remain unchanged.

E. PREMIUM MODIFICATION EXPERIENCE RATING PLAN

Item 1. remains unchanged.

2. Remains unchanged.
 - a. Remains unchanged.

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- b. The PCRB shall furnish to any insured employer upon his written request, a copy of the experience rating calculation of that employer at an appropriate charge.
- c. Remains unchanged.

Items F through G. remain unchanged.

RULE VII – PREMIUM DISCOUNT

Item A. remains unchanged.

B. COMBINATION OF POLICIES

Item 1. remains unchanged.

2. Combination Procedure

Remains unchanged.

- a. The PCRB shall determine the effective date for the application of premium discount.

Items b. and c. remain unchanged.

C. WRAP-UP LARGE CONSTRUCTION PROJECTS

Remains unchanged.

The following application of the premium discount is optional for wrap up construction projects which are not under a retrospective rating plan:

Items 1. through 4. remain unchanged.

5. PCRB Notification

The PCRB must be notified of the method by which the wrap-up policies will be identified.

Items 6. and 7. remain unchanged.

RULE VIII – LIMITS OF LIABILITY

Item A. remains unchanged.

B. VOLUNTARY COMPENSATION INSURANCE

Items 1. and 2. remain unchanged.

3. Premium Determination

Premium shall be determined on the basis of the workers compensation rules, classifications and the PCRB rating values in this Manual for the state workers compensation law designated in the schedule in the Voluntary Compensation and Employers Liability Coverage Endorsement.

- 4. Remains unchanged.

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RULE IX – SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE

Items A. through G. remain unchanged.

H. PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM

1. Remains unchanged.

The credit authorized by the Pennsylvania Compensation Rating Bureau shall appear on Item 4 of the policy. If the credit applicable to the policy is not available at the time of policy issuance, the carrier shall endorse the policy to provide the appropriate credit information once a qualifying application has been processed and the PCRБ has notified the carrier of the credit determined on the basis of such application.

2. Appeals

The PCRБ's determination of an individual risk's eligibility for or the percentage of credit under the Pennsylvania Construction Classification Premium Adjustment Program may be appealed pursuant to RULE XVI, APPEALS FROM APPLICATION OF THE RATING SYSTEM PROCEDURE, Section 1 of this Manual.

PCRБ FILE NO _____

PENNSYLVANIA WORKERS COMPENSATION – PREMIUM CREDIT APPLICATION

NAME ON INSURANCE POLICY _____

INSURANCE COMPANY (Not Agent) _____

POLICY NO _____ EFF. DATE _____

Are you currently engaged in a Long Term Construction Project (i.e. Wrap-up)? YES

Notice: Unless Code(s), total wages paid as reported to taxing authorities, total hours worked, and calendar quarter reported are indicated and application is signed, it cannot be processed. Non-construction class code payrolls must be included. Corporate Officers should be included in the appropriate classification subject to payroll limitation rules. Do not include corporate officers who have elected to be excluded from the Workers Compensation Act. Contact your agent and/or insurance company if assistance is desired.

<u>CLASSIFICATION DESCRIPTION</u>	<u>PENNSYLVANIA WC CLASS CODE</u>	<u>TOTAL PENNSYLVANIA WAGES PAID THIS QUARTER</u>	<u>TOTAL HOURS WORKED THIS QUARTER (Including O.T.)</u>
Example: Carpentry	652	\$8,000	520
Example: Office	953	\$3,000	400
_____	_____	_____	_____

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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The foregoing is based on actual wages and hours worked, as reflected in our payroll records, for the complete calendar quarter ending _____.

Signature _____ Title _____

Telephone Number _____ Date _____

Address _____ City _____ State _____ Zip Code _____

**SEND APPLICATION TO: EXPERIENCE RATING DEPARTMENT
PENNSYLVANIA COMPENSATION RATING BUREAU
30 SOUTH 17th STREET, SUITE 1500
PHILADELPHIA, PA 19103-4007**

No application will be processed by the PCRB unless such application is filed within 12 months after the termination of the policy period to which it would apply.

Item I. remains unchanged.

RULE X - CANCELLATION

A. WHO MAY CANCEL

Items 1. and 2. remain unchanged.

Reinstatement

When a notice of cancellation for non-payment has been issued, if the insurer thereafter receives payment and voluntarily determines to reinstate the policy, such reinstatement of coverage must be retroactive to the cancellation date.

Alternatively, if the insurer does not want to reinstate the policy as of the cancellation date but voluntarily determines to resume coverage after a lapse in coverage, the insurer must issue a new policy. Such new policy must carry the carrier rating values effective on the policy effective date of the new policy.

IMPORTANT NOTICE: CANCELLATION NOTICES MUST BE SUBMITTED ELECTRONICALLY TO THE PCRB WITHIN 10 DAYS OF ISSUANCE; PROVIDED, HOWEVER, THAT FAILURE TO SUBMIT SUCH NOTICE WITHIN THE REQUIRED TIME SHALL NOT INVALIDATE ANY CANCELLATION WHICH HAS BEEN MADE IN ACCORDANCE WITH THE PROVISIONS OF THE POLICY.

Items B. through E. remain unchanged.

RULE XI – THREE YEAR FIXED RATE POLICY OPTION remains unchanged.

RULE XII – U.S LONGSHORE AND HARBOR WORKERS’ COMPENSATION ACT

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Items A. through C. remain unchanged.

D. CLASSIFICATIONS AND RATES

Items 1. and 2. remain unchanged.

3. PCRB Rating Values for Non-Federal "Non-F" Classifications

The manual PCRB rating values for classification code numbers not followed by the letter "F" do not include premium for operations subject to the U.S.L. & H.W. Act. If operations under such classifications involve some employees subject to U.S.L. & H.W. Act, the manual rates and minimum premiums for such classifications shall be increased by the U.S. Longshore and Harbor Workers' Compensation Coverage Percentage. Such increased rate shall apply only to payroll of employees engaged in operations subject to the U.S.L. & H.W. Act.

Item E. remains unchanged.

RULE XIII – THE ADMIRALTY LAW AND THE FEDERAL EMPLOYERS LIABILITY ACT

NOTE: The Pennsylvania Compensation Rating Bureau has no jurisdiction over the PCRB rating values or classification for Admiralty or Federal Employers Liability exposure. The following rule was published by the National Council on Compensation Insurance and is shown here for information purposes only.

Items A. through C. remain unchanged.

D. CLASSIFICATIONS

NOTE: The Pennsylvania Compensation Rating Bureau has no jurisdiction over the PCRB rating values or classification for Admiralty or Federal Employers Liability Exposure. The following admiralty or F.E.L.A. classification list is for information purposes only.

Classifications	Code Number		
	Program I	State Act Benefits	Program II USL Act Benefits
Boat Livery - boats under 15 tons. This classification includes the laying up or putting into commission of boats. Boats 15 tons or over to be separately rated under the appropriate vessels classification.	7038	7090	7050
Diving - marine	7394	7395	7398
Dredging - all types	7333	7335	7337
Ferries - This classification includes dock employees.	7019	7027	7062
Fishing Vessels - NOC. This classification includes packing, curing or shipping fish and repair of nets or boats.	7039	7091	7051
Oyster Boats - This classification includes planting; harvesting; and operation of boats.	7079	7097	7070
Salvage Operations - marine.	7394	7395	7398
Supply Boats	7020	7028	7131
Tugboats	7020	7028	7131
Vessels - NOC	7016	7024	7047
Vessels - not self-propelled. Such vessels having a regular master and crew who are furnished living quarters aboard the vessel, shall be rated as "Vessels, NOC."	7046	7098	7099

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Classifications	Code Number		
	Program I	Program II	
		State Act Benefits	USL Act Benefits
Vessels – sail	7036	7088	7048
Wrecking - marine. This classification includes salvage operations.	7394	7395	7398
Yachts - private - sail or power	7037	7089	7049

Federal Employers Liability Act

Railroad Operation - all employees including drivers. This classification contemplates the normal operations of railroads including normal maintenance and repair. All extraordinary repair work including such work as rebuilding bridges, grade crossing elimination, laying or relaying track and all new construction operations shall be classified as Code 6702 or 6703.	7151	7153	7152
Clerical Office Employees - NOC	8814	8805	8815
Salespersons, Collectors or Messengers - outside	8737	8734	8738
Railroad Construction - all operations including clerical, salespersons and drivers	6702	6704	6703

Item E. remains unchanged.

RULE XIV – DOMESTIC WORKERS – RESIDENCIES

Items A. through D. remain unchanged.

E. PCRB RATING VALUES AND PREMIUM

1. PCRB Rating Values

The PCRB Rating Values for Codes 0908, 0909, 0912 and 0913 are per capita premium charges. Terrorism (**9740**) and Catastrophe (other than Certified Acts of Terrorism) (**9741**) do not apply to per capita classification premium charges.

Items 2. through 4. remain unchanged.

RULE XV – FINAL EARNED PREMIUM DETERMINATION

Item A. remains unchanged.

B. PREMIUM DETERMINATION

The determination of final earned premium is governed by the rules, classifications and the PCRB rating values and carrier rating values, subject to modification by applicable rating plans.

Items C. through E remain unchanged.

RULE XVI – APPEALS FROM APPLICATION OF THE RATING SYSTEM PROCEDURE through RULE XVIII – PROFESSIONAL EMPLOYER ORGANIZATIONS, PROFESSIONAL EMPLOYER AGREEMENTS AND PROFESSIONAL EMPLOYER SERVICES remains unchanged.

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SECTION 2 – CLASSIFICATIONS AND PCRB RATING VALUES

PCRB RATING VALUES

FIREFIGHTER – VOLUNTEER FIRE COMPANY remains unchanged.

EMPLOYER ASSESSEMENT remains unchanged.

U.S. LONGSHORE AND HARBOR WORKERS’ ACT COVERAGE RETROSPECTIVE RATING VALUES remain unchanged.

CLASSIFICATIONS – NUMERIC AND GROUP ARRANGEMENT WORKERS COMPENSATION – DOMESTIC remains unchanged.

WORKERS EXPLOSIVES AND AMMUNITION MANUFACTURING remains unchanged.

MARITIME OR FEDERAL EMPLOYMENTS AIRCRAFT OPERATIONS remain unchanged.

COAL MINE CLASSIFICATIONS remain unchanged.

DEFINITIONS remain unchanged.

CLASSIFICATIONS- CLASS CODE 005 (TREE PRUNING, SPRAYING, REPAIRING OR FUMIGATING) through CLASS CODE 512 (BRICK MFG., N.O.C.) remains unchanged.

513 POTTERY, N.O.C. – NO BRICK, NON-DECORATIVE TILE, SEWER PIPE OR GAS RETORTS MFG.

A supplementary dust disease loading shall be added by the PCRB to cover the potential hazard of those employers using material containing free silica.

Code 0176 at the carrier rate is to apply to such exposure, but note that payroll developed by the exposure is also to be included in the Code 513 payroll at the carrier rate. Premium developed under Code 0176 is not subject to experience or retrospective rating.

UNDERWRITING GUIDE remains the same.

CLASS CODE 514 (REFRACTORY PRODUCT MFG.) through CERAMIC SHOPS remains unchanged.

CLASSIFICATION AND AUDIT INQUIRIES

Remains unchanged.

- A complete listing of all Pennsylvania operating locations
- The exact name (as shown in Item 1 of the policy) and address of the business in question
- The PCRB file number (if available) of the business in question (see Rating and Underwriting Reference via the Application Login or “Classification inquiries”)
- A full and accurate written description of the business in question, including any available audits, loss control reports and/or insurance application information
- Reason why a change in classification is being requested, i.e., has a substantial change in the employer’s operations recently occurred.

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- The name, title and telephone number of a management representative whom a PCRB field representative can contact to schedule an appointment with the employer (in the event that a field survey is necessary)
- Employer's website address

Remains unchanged.

CLEARING OF LAND through DRIVERS remains unchanged.

DRIVERS (Payroll Allocation)

It is the PCRB's position that the payroll of drivers, chauffeurs or their helpers which cannot be allocated to a specific classification because they have duties common to more than one classification shall be assigned to the governing classification of the two or more classifications to which their work belongs.

Remains unchanged.

VOLUNTEER FIRE DEPARTMENTS AND/OR VOLUNTEER FIRE COMPANIES – WORKERS' COMPENSATION INSURANCE OPTIONS remains unchanged.

THE MUNICIPALITY IN WHICH A VOLUNTEER FIRE DEPARTMENT AND/OR VOLUNTEER FIRE COMPANY IS BASED WILL GENERALLY BE CONSTRUED TO REMAIN THE VOLUNTEERS' STATUTORY EMPLOYER

Remains unchanged.

The PCRB expresses no opinion as to the potential liability of a municipality for workers' compensation benefits or otherwise to members of a volunteer fire company, ambulance corps or rescue or lifesaving squad when there exists separate workers' compensation coverage for such members pursuant to another entity's insurance.

MUNICIPALITY IN WHICH A VOLUNTEER FIRE DEPARTMENT AND/OR VOLUNTEER FIRE COMPANY IS BASED DEFINED through **CLASSIFICATION UNDERWRITING GUIDE** remain unchanged.

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SECTION 3 - ENDORSEMENTS

A. GENERAL ENDORSEMENT NOTES

1. Insurance carriers may use their own attachment clause and method of execution on each endorsement. The execution clause of endorsements issued subsequent to the policy must include at a minimum the following information: policy number, endorsement, effective date, name of the insurer and insured, and premium (if applicable). Multi-company groups must show the name or the five-digit National Council on Compensation Insurance, Inc. (NCCI) carrier code of the member of the group providing the insurance.
2. THE PAGES WHICH APPEAR HEREIN INCLUDE COPYRIGHTED MATERIAL FROM THE NATIONAL COUNCIL ON COMPENSATION INSURANCE USED WITH ITS PERMISSION. All rights reserved.

PENNSYLVANIA FORMS HAVE BEEN COPYRIGHTED BY THE PENNSYLVANIA COMPENSATION RATING BUREAU.

The license extended to the Pennsylvania Compensation Rating Bureau by the NCCI for use of its copyrighted forms permits PCRb's members to use such forms provided the form carries the legend "Copyright National Council on Compensation Insurance, Inc." (with the year to be filed in accordance with the appropriate year of copyright as found in the Forms Manual issued by the NCCI). Any of the forms included in this change may be ordered from the National Council on Compensation Insurance, Inc.

The policy and endorsements have been filed on behalf of the members of the PCRb and approved by the Insurance Commissioner. Accordingly, individual filings with the Insurance Department or the Industrial Accident Board are not required if a member carrier uses the standard forms filed by the PCRb. Any company which makes other than authorized changes in or additions to such approved PCRb forms must file the forms directly with the Insurance Department in accordance with Chapter 89b of the Pennsylvania Insurance Regulations, providing a copy of such filing to the PCRb. See Filing and Approval of Policy and Endorsements Procedure for specific instructions.

The information page and its notes were also filed and approved as a standard form. The specific form filed was the form copyrighted by the NCCI. It will be seen that some of the notes require modifications to this form for use in Pennsylvania, while other notes give the carrier many options as to items to be included. Use of an information page which includes the Pennsylvania requirements and the exercise of any of the other specified options will be considered an approved form, subject only to filing with the PCRb. Any omission(s) of required items from an information page will require filing of such information page with the Insurance Department, with a copy of such filing to be forwarded to the PCRb.

B. FILING AND APPROVAL OF POLICY AND ENDORSEMENTS PROCEDURE

No workers compensation or employers liability policy, information page, endorsement of related form may be used in Pennsylvania until it has been submitted to and approved by the Insurance Commissioner in accordance with Chapter 89b of the Pennsylvania Insurance Regulations. The policy form and the information page, together with the endorsements that appear in Section 3 of this Manual, have been filed by the PCRb and approved by the Insurance Commissioner on behalf of all PCRb members who have furnished the President of the PCRb with a Power of Attorney to so file on their behalf. The policy form and information page can be found in the NCCI Forms Manual identified as W C 00 00 00C and W C 00 00 01B, respectively. (Companies should contact the PCRb if they do not have access to the NCCI Forms Manual).

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Individual filing with the Department will not be required by any member carrier with respect to the provisions of the standard workers compensation policy and endorsements which have been filed by the PCRB and approved by the Insurance Department. The standard policy form may not be changed except that (a) special provisions may be included applicable to the members of policyholders of a mutual or participating stock insurer or a reciprocal association (b) the manual provisions for short-rate cancellation may be included. Individual filing of an information page with the Department will not be required if a carrier's page includes the NCCI standard form items together with those items indicated as requirements for Pennsylvania in the information page notes. Inclusion of additional items in accordance with the options of the information page notes will not require an individual filing, but exclusion of any basic form items or Pennsylvania requirements will require filing of such information page directly with the Department, with a copy of such filing to be sent to the PCRB.

It is important to note that the NCCI has copyrighted the policy form, the information page and all of its standard endorsement forms. In addition, the PCRB has copyrighted the Pennsylvania endorsement forms. If any of these documents are used with no modification, they must contain the appropriate copyright legend. If modifications are made to the form and authorized by the appropriate authority, the form must contain the following statement (with the appropriate year of copyright filled in as found in the Forms Manual issued by NCCI): "Includes material of the (appropriate Bureau name) Copyright 20 used with its permission."

Following approval by the Department of the provisions of the forms filed by the PCRB, a circular letter will be issued by the Bureau notifying the members of such approval.

A new company, which is not yet a member of the PCRB, must submit its policy and information page forms directly to the Insurance Department when it applies for its license to write workers compensation insurance.

A carrier wishing to use any form that varies from the standard in any way other than that allowed in the second paragraph above must file such form directly with the Insurance Department, with a copy of the filing furnished to the PCRB.

ENDORSEMENTS TABLE OF CONTENTS through **ENDORSMENTS CONTENT** remains the same.

SECTION 4 – RETROSPECTIVE RATING PLANS – PENNSYLVANIA remains the same.

SECTION 5 - EXPERIENCE RATING PLAN remains the same.

GENERAL RULES SECTION I

INSTRUCTIONS

Items 1. through 3. remain unchanged.

3. This Plan and all amendments thereto, unless otherwise specifically provided, shall be applied as of the first rating effective date of the risk, as established by the PCRB, which is on or after the effective date of any change in the rules or rating values of this Plan, but shall not otherwise be available to outstanding ratings.

Item 4. remains unchanged.

SECTION II – DEFINITIONS

Items 1. through 3. remain unchanged.

4. Remains unchanged.

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If the classification assigned to a risk is revised or modified, for the purpose of this Plan the PCRB shall similarly reassign the classification of the experience period except that, if the revision is due to a change in operations, no part of the experience period prior to such operations change shall be affected.

Note: For special provisions applicable to self-insurers' data see Rule 6 of Section III.

5. **Appeals.** Any determination or decision of the PCRB for an individual risk under the Pennsylvania Experience Rating Plan may be appealed pursuant to RULE XVI, APPEALS FROM APPLICATION OF THE RATING SYSTEM PROCEDURE, Section 1 of this Manual.

Item 6. remains unchanged.

SECTION III – GENERAL PROVISIONS

1. **Eligibility Requirements.** A risk shall qualify for rating under this Plan if the premium developed by the audited payrolls or other exposures of the experience period, extended at current PCRB Loss Costs, is **\$10,000** or more.

Items a. through c. remain unchanged.

Items 2. through 4. remain unchanged.

5. **Experience to be Used.** The entire experience of the risk (except as otherwise provided in Rule 1 of Section V of this Plan) incurred within the experience period on all its operations, whether such operations are normal to the business or otherwise, shall be reported and used in determining the experience modification. The PCRB may, at its discretion, verify any or all the data from which the experience modification is to be determined.

6. **Self-Insurers' Data.** The experience of self-insurers may be accepted by the PCRB provided the experience on self-insured operations is submitted on the approved form, giving the required information with respect to payrolls and losses. Such statement shall be secured, verified and submitted by an interested carrier.

Self-insured experience shall not be used in rating a risk unless the operations that produced such experience are to be insured under a Standard Workers Compensation and Employers' Liability Policy.

Items 7. remain unchanged.

8. Items a. through e. remain unchanged.

- (f) Affiliates combined for rating voluntarily (i.e., not a mandatory combination), which wish to change their rating option and have each affiliate separately rated based on its individual experience, may petition the PCRB to do so. Upon PCRB approval, separate policies must be issued for each affiliate. Unless the PCRB is provided with the segregated experience needed to produce separate ratings for each affiliate in an acceptable format, each affiliate will continue to be rated using combined experience for any policy period(s) for which segregated experience is not available and its own separately reported experience for policy period(s) subsequent to the separation.

9. **Ownership Changes.**

- (c) **Continuation of Experience.** Unless excluded under paragraph (d), the experience for any entity undergoing a change in ownership shall be transferred to the experience of the acquiring, surviving or new entity. The date of revision will be the later of the following two dates: 1) the effective date of the policy in effect at the time the PCRB receives a completed ERM-14 form outlining the ownership change or 2) the date on which the change in ownership occurred.

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Item i. remains unchanged.

Items d. through f. remain unchanged.

(f) **Multiple Entities.** When two entities under substantially the same ownership have been insured under a single policy, and the ownership of one or both of them is changed so that there is no longer any connection between them, the procedure shall be as follows:

(i) If the experience of the entities has been combined for rating purposes during the entire experience period, the experience incurred prior to the change shall not be used for future ratings, unless

(a) the insurance carrier or carriers request that new modifications be established, and

(b) the PCRB is furnished with the experience required for the calculation of such modifications submitted in an acceptable format.

Item ii. remains unchanged.

Item i. remains unchanged.

(ii) the PCRB is furnished with the experience required for the calculation of such modifications submitted in an acceptable format.

Item g. remains unchanged.

(h) **Evasion Of Experience Rating Modification.**

Item ii. remains unchanged.

(ii) PCRB Response. In such circumstances the PCRB may obtain information that indicates evasion or improper calculation, application or omission of experience rating modifications due to actions included, but not limited to, those listed above. The PCRB will act to ensure the proper calculation and application of experience rating modifications impacted by these actions. This may include, but is not limited to the:

Items a. through f. remain unchanged.

Item 10. remains unchanged.

SECTION IV remains the same.

APPLICATION OF EXPERIENCE MODIFICATION remains the same.

Items 1. through 4. remain unchanged.

4. Multiple Policy Risk. If a risk is covered by several policies (as provided in Rule 8 of Section III of this Plan) which differ as to inception dates, the following procedure shall apply:

A single experience modification shall be computed to be effective for a period of twelve months beginning on the RED to be established by the PCRB. The PCRB may, however, authorize the application of an existing experience modification for a period not to exceed fifteen months or a new experience modification for a period greater than three months and less than twelve months for the purpose of establishing a new RED. Any policy effective prior to the new RED established by the PCRB shall be cancelled as of such date and rewritten for a period of twelve months. Any policy effective subsequent to the new RED

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established by the PCRB shall be written to expire concurrently with the next ensuing RED or shall be cancelled as of that date.

Any policies subject to this rule which are extended beyond the new period of twelve months shall be subject to the provisions of Rules 3(b) and 3(c) of this Section.

TABULATION OF EXPERIENCE

Item 1. remains unchanged.

- 2. Rating Forms.** To determine the experience modification, the prescribed experience shall be tabulated by the PCRB on an approved rating form.

Items 3. through 8. remain unchanged.

SECTION VI remains the same.

SECTION VII remains the same.

- This Plan and all amendments thereto, unless otherwise specifically provided, shall be applied as of the first RED of the risk, as established by the PCRB, which is on or after the effective date of any change in the rules or rating values of this Plan but shall not otherwise be available to outstanding ratings.
- It shall not be permissible by cancellation or rewriting or by the extension of the policy term to alter an existing policy for the purpose of enabling the risk to qualify for or avoid application of this Plan.
- Appeals.** Any determination or decision of the PCRB for an individual risk under the Pennsylvania Merit Rating Plan may be appealed pursuant to Rule XVI, APPEALS FROM APPLICATION OF THE RATING SYSTEM PROCEDURE, Section 1 of this Manual.

SECTION II - DEFINITIONS

Items 1. through 3. remain unchanged.

- Experience.** For the purpose of this Plan experience shall mean the record established by a risk under Workers Compensation and Employers' Liability Insurance, as disclosed by the losses incurred by the insurance carrier or carriers and the payrolls or other exposures segregated according to classification of operations. If the classification assigned to a risk is revised or modified, for the purpose of this Plan the PCRB shall similarly reassign the classification of the experience period except that, if the revision is due to a change in operations, no part of the experience period prior to such operations change shall be affected.

Items 5. through 10. remain unchanged.

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SECTION 6 – MERIT RATING PLAN

GENERAL RULES

SECTION I - INSTRUCTIONS

Items 1. and 2. remain unchanged.

3. This Plan and all amendments thereto, unless otherwise specifically provided, shall be applied as of the first RED of the risk, as established by the PCRB, which is on or after the effective date of any change in the rules or rating values of this Plan but shall not otherwise be available to outstanding ratings.
4. It shall not be permissible by cancellation or rewriting or by the extension of the policy term to alter an existing policy for the purpose of enabling the risk to qualify for or avoid application of this Plan.
5. **Appeals.** Any determination or decision of the PCRB for an individual risk under the Pennsylvania Merit Rating Plan may be appealed pursuant to Rule XVI, APPEALS FROM APPLICATION OF THE RATING SYSTEM PROCEDURE, Section 1 of this Manual.

SECTION II - DEFINITIONS

Items 1. through 3. remain unchanged.

4. **Experience.** For the purpose of this Plan experience shall mean the record established by a risk under Workers Compensation and Employers' Liability Insurance, as disclosed by the losses incurred by the insurance carrier or carriers and the payrolls or other exposures segregated according to classification of operations. If the classification assigned to a risk is revised or modified, for the purpose of this Plan the PCRB shall similarly reassign the classification of the experience period except that, if the revision is due to a change in operations, no part of the experience period prior to such operations change shall be affected.

Items 5. through 10. remain unchanged.

SECTION III – GENERAL PROVISIONS

Items 1. through 3. remain unchanged.

4. **Experience to be Used.** The entire experience of the risk (except as otherwise provided in Rule I of Section V of this Plan) incurred within the experience period on all its operations, whether such operations are normal to the business or otherwise, shall be reported and used in determining the Merit Rating Plan adjustment. The PCRB may, at its discretion, verify any or all the data from which the Merit Rating Plan adjustment is to be determined.
5. **Self-Insurers' Data.** The experience of self-insurers may be accepted by the PCRB provided the experience on self-insured operations is submitted on the approved form, giving the required information with respect to payrolls and losses. Such statement shall be secured, verified and submitted by an interested carrier.

Self-insured experience shall not be used in applying the Merit Rating Plan to a risk unless the operations that produced such experience are to be insured under a Standard Workers Compensation and Employers' Liability Policy.

Items 6. through 7. remain unchanged.

8. **Ownership Changes**

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Item A. remains unchanged.

- b) *Continuation of Experience.* Unless excluded under paragraph (c), the experience for any entity undergoing a change in ownership shall be transferred to the experience of the acquiring, surviving or new entity. The date of revision will be the later of the following two dates: 1) the effective date of the policy in effect at the time the PCRBR receives a completed ERM-14 form outlining the ownership change or 2) the date on which the change in ownership occurred.

Items c. and d. remain unchanged.

e) Remains unchanged.

- i) Remains unchanged.

- a) Remains unchanged.

- b) the PCRBR is furnished with the experience required for the calculation of a Merit Rating Plan adjustment submitted in an acceptance format.

- ii) Remains unchanged.

- a) Remains unchanged.

- b) the PCRBR is furnished with the experience required for the calculation of a Merit Rating Plan adjustment submitted in an acceptable format.

- f) Remains unchanged.

Item 9. remains unchanged.

SECTION IV

APPLICATION OF MERIT RATING PLAN ADJUSTMENT

Items 1. through 3. remain unchanged.

- 4. **Multiple Policy Risk.** If a risk is covered by several policies (as provided in Rule 8. of Section III of this Plan) which differ as to inception dates, the following procedure shall apply:

A single Merit Rating Plan adjustment shall be computed to be effective for a period of twelve months beginning on the RED to be established by the PCRBR. The PCRBR may, however, authorize the application of an existing Merit Rating Plan adjustment for a period not to exceed fifteen months or a new Merit Rating Plan adjustment for a period greater than three months and less than twelve months for the purpose of establishing a RED. Any policy effective prior to the new RED established by the PCRBR shall be canceled as of such date and rewritten for a period of twelve months. Any policy effective subsequent to the new RED established by the PCRBR shall be written to expire concurrently with the next ensuing RED or shall be canceled as of that date. Any policies subject to this rule which are extended beyond the new period of twelve months shall be subject to the provisions of Rules 3(b) and 3(c) of this section.

SECTION V

TABULATION OF EXPERIENCE

Item 1. remains unchanged.

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2. **Merit Rating Plan Forms.** To determine the Merit Rating Plan adjustment the prescribed experience shall be tabulated by the PCRB on approved Merit Rating Plan forms.

Items 3. through 6. remain unchanged.

SECTION VI

MERIT RATING PLAN PROCEDURE

Remains unchanged.