



## Pennsylvania Compensation Rating Bureau

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March 25, 2009

### VIA OVERNIGHT DELIVERY ONLY

The Honorable Joel Ario  
Insurance Commissioner  
Commonwealth of Pennsylvania  
Insurance Department  
1311 Strawberry Square  
Harrisburg, PA 17120

Attention: Messrs. Chuck Romberger and Ken Creighton

RE: Bureau Filing No. C-357 - April 1, 2009 Loss Cost Filing  
Correction to Classifications 809 and 992 Rating Values

Dear Commissioner Ario:

On behalf of the members of the Pennsylvania Compensation Rating Bureau (PCRB), I am filing herewith Bureau Filing No. C-357, workers compensation loss costs and rating values for **Classifications 809, Fuel Distribution, and 992, Sanitary Company**, proposed to be **effective 12:01 a.m., April 1, 2009** with respect to new and renewal policies having normal anniversary rating dates on or after that date.

By action dated March 6, 2009, the Insurance Commissioner approved Bureau Filing C-356, as amended March 6, 2009. The rating values proposed herein would replace those currently approved for Classifications 809 and 992 as part of Bureau Filing C-356.

In Bureau Filing C-356, as in past filings, the experience for Classifications 809 and 992 was combined for classification ratemaking purposes. It has come to the Bureau's attention that an error was made in combining the experience of those two classifications. Specifically, reported indemnity case-incurred losses for "major" claims were overstated by \$15,000,000 for Policy Year 2001.

Bureau Filing C-357 correctly presents the combined experience for Classifications 809 and 992, along with loss costs and Table A expected loss rates used in experience rating resulting from that corrected data compilation. The calculations were performed on a basis consistent with the indications in the amended and approved Bureau Filing C-356.

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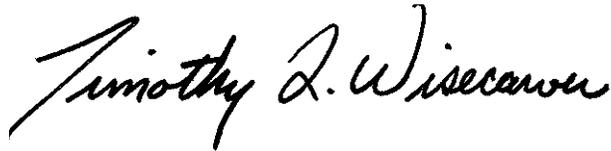
The overall average impact of Bureau Filing C-357 on overall loss costs for Pennsylvania is negligible. The revised proposed loss cost for both Classifications 809 and 992 is \$4.81. This represents a reduction of 6.4 percent from the amended Bureau Filing No. C-356 loss costs for these classifications (\$5.14) and a reduction of 2.4 percent from their April 1, 2008 loss costs (\$4.93).

Accompanying this letter are copies of the following exhibits, consistent in format with the counterpart exhibits submitted with Bureau Filing C-356, but including only those exhibits and pages that changed as a result of Bureau Filing C-357.

Index and Supporting Classification Exhibits  
Exhibit 28 – Loss Costs and Expected Loss Factors  
Exhibit 29 – Tests of Indicated and Selected Loss Costs

The PCRB respectfully requests a prompt review and approval of this filing toward the objective of its implementation, as proposed, on a new and renewal basis **effective April 1, 2009**. Toward that objective, the PCRB will be pleased to answer any questions or provide any available supplementary information which you or your staff may require.

Sincerely,

A handwritten signature in black ink that reads "Timothy L. Wisecarver". The signature is written in a cursive, flowing style.

Timothy L. Wisecarver  
President

TLW/kg  
Enclosures