Pennsylvania Compensation Rating Bureau

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June 29, 1999

BUREAU CIRCULAR NO. 1397

To All Members of the Bureau:

Re: <u>EMPLOYER ASSESSMENT ENDORSEMENT</u> *EFFECTIVE OCTOBER 1, 1999*

The Bureau has filed and the Insurance Commissioner has approved a new endorsement form setting forth the pertinent parameters and amounts of employer assessments for special funds defined under Act 57 of 1997. This new endorsement, WC 37 06 04, has been approved for use on an optional basis by all PCRB members, effective with the implementation of revised employer assessment procedures, i.e., October 1, 1999 on a new and renewal basis. If Bureau members prefer to incorporate reference to the employer assessment on the Information Page of their policy form as an alternative to the issuing of a separate endorsement, that would also be acceptable to the PCRB.

A specimen copy of the revised optional endorsement form is attached. Questions can be directed to Bruce Decker, Vice President - Public Information & Statistical Reporting, at Extension 223.

Timothy L. Wisecarver President

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EMPLOYER ASSESSMENT ENDORSEMENT

Act 57 of 1997 requires that "...the assessments for the maintenance of the Subsequent Injury Fund, the Workmen's Compensation Supersedes Fund and the Workmen's Compensation Administration Fund under sections 306.2, 443 and 446 of the act of June 2, 1915 (P.L. 736, No. 338), known as the "Workers' Compensation Act, shall be imposed, collected and remitted through insurers in accordance with regulations promulgated by the Department of Labor and Industry."

EMPLOYER ASSESSMENT FORMULA:

Employer = Act 57 of 1997 Employer **X** Employer Assessment Assessment Factor Premium Base

Act 57 of 1997 Employer Assessment Factor

A factor expressed to four decimal places proposed by the Pennsylvania Compensation Rating Bureau and approved by the Pennsylvania Insurance Commissioner.

Employer Assessment Premium Base

Calculation of Employer Assessment Premium Base proceeds by adding back to the total policy premium the amount of any Small Deductible Premium Credit or Large Deductible Premium Credit.

Code 0938

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