



Pennsylvania Compensation Rating Bureau

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February 7, 2000

BUREAU CIRCULAR NO. 1404

To All Members of the Bureau:

Re: **PENNSYLVANIA CONSTRUCTION CLASSIFICATION
PREMIUM ADJUSTMENT PROGRAM
SECTION 1 RULE IX G. REVISIONS TO QUALIFYING WAGES,
TABLE OF HOURLY WAGES AND PREMIUM CREDITS
EFFECTIVE JULY 1, 2000**

The Pennsylvania Compensation Rating Bureau has filed and the Insurance Commissioner has approved updates in provisions of the Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP), **effective 12:01 a.m. July 1, 2000** with respect to new and renewal business only.

For policies with anniversary rating dates on or after July 1, 2000 the following changes to the PCCPAP plan are applicable:

- First, qualifying wages will be based on the Third Quarter of 1999, as this data is now available and represents a more current level of employment and wage activity for construction employers.
- Second, the minimum hourly wage eligible for premium credits will be updated in accordance with the most recent change in the Statewide Average Weekly Wage (SAWW). This change revises the minimum wage eligible for PCCPAP premium credit to \$18.25 per hour.
- Third, consistent with procedural changes first approved in 1995 (see Bureau Circular No. 1317), revisions will be made in the increments in qualifying wages used in constructing the PCCPAP table of premium credits.

A copy of the complete PCCPAP credit table effective for normal anniversary rating dates on or after July 1, 2000 is shown in the attached text of Section 1, Rule IX H. Reprints will be available at a later date.

The Bureau will advise qualifying employers and their insurers of record of credits using normal procedures.

Timothy L. Wisecarver
President

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Attachment

SECTION 1

FROM

TO

RULE IX H.

No Change

1. The Pennsylvania Construction Classification Premium Adjustment Program . . .

. . . set forth below:

Normal
Anniversary
Rating Dates

Reporting
Period for
Qualifying Wages

No Change

-
-
-

July 1, 1999 -
[and later]

Third calendar
quarter of 1998

July 1, 1999 -
June 30, 2000

Third calendar
quarter of 1998

No current entry

July 1, 2000
and later

Third calendar
quarter of 1999

If the insured . . .

. . . listed below:

-
-
-

Normal Anniversary Rating Dates -
July 1, 1999 [and later]

Normal Anniversary Rating Dates -
July 1, 1999 - June 30, 2000

Table Values Unchanged

The following new table has been added:

Normal Anniversary Rating Dates - July 1, 2000 and later

<u>Average Hourly Wage</u>	<u>Credit From Standard Premium</u>	<u>Average Hourly Wage</u>	<u>Credit From Standard Premium</u>
\$18.24 or less	None	\$22.70 - \$23.09	18%
\$18.25 - \$18.54	5%	\$23.10 - \$23.49	19%
\$18.55 - \$18.84	6%	\$23.50 - \$23.94	20%
\$18.85 - \$19.14	7%	\$23.95 - \$24.39	21%
\$19.15 - \$19.44	8%	\$24.40 - \$24.84	22%
\$19.45 - \$19.79	9%	\$24.85 - \$25.29	23%
\$19.80 - \$20.14	10%	\$25.30 - \$25.79	24%
\$20.15 - \$20.49	11%	\$25.80 - \$26.29	25%
\$20.50 - \$20.84	12%	\$26.30 - \$26.79	26%
\$20.85 - \$21.19	13%	\$26.80 - \$27.29	27%
\$21.20 - \$21.54	14%	\$27.30 - \$27.84	28%
\$21.55 - \$21.89	15%	\$27.85 - \$28.39	29%
\$21.90 - \$22.29	16%	over \$28.40	30%
\$22.30 - \$22.69	17%		

Balance of Rule remains unchanged.

Determination of Minimum Qualifying Hourly Wage for PCCPAP

Policies with Normal Anniversary Rating Dates On or After July 1, 2000

I: Minimum Qualifying Hourly Wage for Policies with Normal Anniversary Rating Dates January 1, 1991 through June 30, 1992	\$ 13.00
II: Statewide Average Weekly Wage for twelve months ending June 30, 1990	\$ 436.00
III: Statewide Average Weekly Wage for twelve months ending June 30, 1999	\$ 611.00
IV: Increase in SAWW (III / II) = \$611.00 / \$436.00	1.4014
V: Revised Qualifying Hourly Wage for Policies with Normal Anniversary Rating Dates July 1, 2000 and Later (I x IV) = \$13.00 x 1.4014 = \$18.21 or \$18.25 rounded to nearest \$.25	\$ 18.25