



## Pennsylvania Compensation Rating Bureau

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February 25, 2002

### **BUREAU CIRCULAR NO. 1438**

To All Members of the Bureau:

Re: **PENNSYLVANIA CONSTRUCTION CLASSIFICATION  
PREMIUM ADJUSTMENT PROGRAM  
SECTION 1 RULE IX H. REVISIONS TO QUALIFYING WAGES,  
TABLE OF HOURLY WAGES AND PREMIUM CREDITS  
*EFFECTIVE JULY 1, 2002***

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). These revisions represent updates to program values consistent with previous annual PCCPAP revisions and are **effective 12:01 a.m., July 1, 2002** with respect to new and renewal business only.

For policies with anniversary rating dates on or after July 1, 2002 the following changes to the PCCPAP plan are applicable:

- First, qualifying wages will be based on the Third Quarter of 2001, 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 \$19.75 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, 2002 in the text of Section 1, Rule IX H. is attached to this circular.

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Reprints will be distributed in the usual manner at the appropriate later dates.

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

Timothy L. Wisecarver  
President

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Attachments

***Remember to visit our web site at [www.pcrb.com](http://www.pcrb.com) for more information about this and other topics.***

**MANUAL REVISIONS**

Deleted wording is bracketed and new wording is underlined.

**SECTION 1**

**FROM**

**TO**

RULE IX H.

No Change

1. The Pennsylvania Construction . . . . .

. . . set forth below:

Normal Anniversary Rating Dates	Reporting Period for <u>Qualifying Wages</u>		
		No Change	
[July 1, 1996 - June 30, 1997	Third calendar quarter of 1995]	<b>Delete</b>	
[July 1, 1997 - June 30, 1998	Third calendar quarter of 1996]	<b>Delete</b>	
July 1, 1998 - June 30, 1999	Third calendar quarter of 1997	No change	
July 1, 1999 - June 30, 2000	Third calendar quarter of 1998	No change	
July 1, 2000 - June 30, 2001	Third calendar quarter of 1999	No change	
July 1, 2001 [and later]	Third calendar quarter of 2000	<u>July 1, 2001 - June 30, 2002</u>	Third calendar quarter of 2000
No current entry		<u>July 1, 2002 and later</u>	<u>Third calendar quarter of 2001</u>

If the insured . . .

. . . listed below:

No change

**DELETE** table for *Normal Anniversary Rating Dates – July 1, 1997 – June 30, 1998*

**NO CHANGE** to tables for *Normal Anniversary Rating Dates – July 1, 1998 – June 30, 1999, July 1, 1999 – June 30, 2000 and July 1, 2000 – June 30, 2001*

FROM

TO

Normal Anniversary Rating Dates -  
July 1, 2001 [and later]

Normal Anniversary Rating Dates  
July 1, 2001 – June 30, 2002

Table Values Unchanged

The following new table has been added:

Normal Anniversary Rating Dates - July 1, 2002 and later

<u>Average Hourly Wage</u>	<u>Credit From Standard Premium</u>	<u>Average Hourly Wage</u>	<u>Credit From Standard Premium</u>
\$19.74 or less	None	\$24.50 - \$24.94	18%
\$19.75 - \$20.04	5%	\$24.95 - \$25.39	19%
\$20.05 - \$20.34	6%	\$25.40 - \$25.84	20%
\$20.35 - \$20.69	7%	\$25.85 - \$26.29	21%
\$20.70 - \$21.04	8%	\$26.30 - \$26.79	22%
\$21.05 - \$21.39	9%	\$26.80 - \$27.29	23%
\$21.40 - \$21.74	10%	\$27.30 - \$27.79	24%
\$21.75 - \$22.09	11%	\$27.80 - \$28.34	25%
\$22.10 - \$22.49	12%	\$28.35 - \$28.89	26%
\$22.50 - \$22.89	13%	\$28.90 - \$29.44	27%
\$22.90 - \$23.29	14%	\$29.45 - \$30.04	28%
\$23.30 - \$23.69	15%	\$30.05 - \$30.64	29%
\$23.70 - \$24.09	16%	\$30.65 and over*	30%
\$24.10 - \$24.49	17%		

\* corrected value 6/21/02

The total construction..... premium adjustment credit.

“Construction classifications” are those classifications subject to the following code numbers:

601	609	648	656	663	670	681
602	611	649	657	664	673	682
603	615	651	658	665	674	691
605	617	652	659	666	675	693
606	645	653	660	667	676	695
607	646	654	661	668	677	
608	647	655	662	669	679	

Balance of Rule remains unchanged.

Determination of Minimum Qualifying Hourly Wage for PCCPAP

Policies with Normal Anniversary Rating Dates On or After July 1, 2002

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, 2001	\$ 662.00
IV:	Increase in SAWW (III / II) = \$662.00 / \$436.00	1.5183
V:	Revised Qualifying Hourly Wage for Policies with Normal Anniversary Rating Dates July 1, 2002 and Later (I x IV) = \$13.00 x 1.5183 = \$19.74 or \$19.75 rounded to nearest \$.25	\$ 19.75