



Pennsylvania Compensation Rating Bureau

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December 15, 2003

BUREAU CIRCULAR NO. 1467

To All Members of the Bureau:

Re: **PENNSYLVANIA INSURANCE DEPARTMENT ANNOUNCEMENT
WORKERS' COMPENSATION SECURITY FUND ASSESSMENT**

The Bureau has been made aware of the following announcement issued by the Pennsylvania Workers' Compensation Security Fund regarding a 2003 assessment. Although we understand and expect that this information will be sent directly to all Pennsylvania workers compensation writers by that organization, we are passing on the text of the announcement herein for the benefit of our members.

TO: ALL WORKERS' COMPENSATION INSURANCE CARRIERS

The Act of July 1, 1937, P.L. 2532, No. 470, as amended 2000, (77 P.S. §§ 1051-1066), referred to as the Pennsylvania Workers' Compensation Security Fund Act was amended revising, inter alia, the assessment procedures of the Workers' Compensation Security Fund ("Fund").

Section 1059 of the Act states, "*If due to the payment of liabilities or claims, the balance of the fund is reduced below \$500,000,000, the department shall require contributions to maintain the actuarial soundness of the fund and to restore, in a timely manner, the balance of the fund to a level at or above \$500,000,000*". As of December 31, 2002, the Fund balance was \$485.7 million. Therefore, an assessment is required. The amount of the 2003 assessment will be 1% of your company's Pennsylvania 2002 net written workers' compensation premiums.

Section 165.7(b) of the regulations states, "*Every carrier, doing the business of workers' compensation insurance in the Commonwealth, will be assessed, based on a prorata share of the total amount of net-written premiums of workers' compensation insurance reported as written in the previous calendar year's annual statement*". Section 1054 of the Pennsylvania Workers' Compensation Security Fund Act defines net written premiums, "*For the purposes of this act, 'net written premiums' shall mean gross written premiums, less return premiums on policies returned not taken and on policies cancelled.*"

An invoice of each company's pro rata share of the assessment will be mailed in December 2003 with a due date of March 31, 2004. If additional information is required, please contact:

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Timothy L. Wisecarver
President

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