



## Pennsylvania Compensation Rating Bureau

The Widener Building • 6th Floor  
One South Penn Square • Philadelphia, PA 19107-3577  
(215)568-2371 • FAX (215)564-4328 • www.pcrb.com

March 15, 2005

### **BUREAU CIRCULAR NO. 1494**

To All Members of the Bureau:

Re: **MANUAL REVISIONS - SECTION 1 RULE IX H.**  
**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM**  
**EFFECTIVE OCTOBER 1, 2005**

The Pennsylvania Compensation Rating Bureau has filed and the Insurance Commissioner has approved Manual revisions to Section 1, Rule IX, H. Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP). These revisions are **effective 12:01 a.m., October 1, 2005** with respect to new and renewal business only.

For policies with anniversary rating dates on or after October 1, 2005 the following changes to the PCCPAP plan are applicable:

- First, qualifying wages are to be based on the Third Quarter of 2004, as this data is now or soon will be available and represents a more current level of employment and wage activity for construction employers.
- Second, the minimum hourly wage eligible for premium credit is to 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 \$21.35 per hour.

***Heretofore, the Bureau has rounded the minimum wage to qualify for premium credits to the nearest \$0.25. Rounding to the nearest \$0.25 has resulted in somewhat volatile year-to-year changes in the minimum qualifying wage. Therefore, effective October 1, 2005, the minimum qualifying wage has been rounded to the nearest \$0.05, with the expectation that that convention will be retained in subsequent years.***

- Third, consistent with procedural changes previously approved pursuant to Bureau filings pertaining to the PCCPAP 1995 through 2004, revisions have been 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 October 1, 2005 in the text of Section 1, Rule IX H. is shown at the end of this circular.

Questions about PCCPAP should be directed to the Rating Rules & Policy Reporting Department at Extension 4421.

The Manual will be updated on our website ([www.pcrb.com](http://www.pcrb.com)) at a future 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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***Remember to visit our web site at [www.pcrb.com](http://www.pcrb.com) for more information about this and other topics.***

**MANUAL REVISIONS**

**SECTION 1**

**RULE IX – SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE**

H. PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM

1. The Pennsylvania Construction..... as set forth below:

<b><u>FROM</u></b>	<b><u>TO</u></b>		
Normal Anniversary <u>Rating Dates</u>	Reporting Period for <u>Qualifying Wages</u>	No Change	
July 1, 1999 June 30, 2000	Third calendar quarter of 1998	<b>Delete</b>	
July 1, 2000 June 30, 2001	Third calendar quarter of 1999	No Change	
July 1, 2001 - June 30, 2002	Third calendar quarter of 2000	No Change	
July 1, 2002 - June 30, 2003	Third calendar quarter of 2001	No Change	
July 1, 2003 - June 30, 2004	Third calendar quarter of 2002	No Change	
July 1, 2004 [and later]	Third calendar quarter of 2003	July 1, 2004 - <u>September 30, 2005</u>	Third calendar quarter of 2003
No current entry		<u>October 1, 2005</u> and later	<u>Third calendar</u> <u>quarter of 2004</u>

If the insured ..... is listed below: No Change

**DELETE** table for *Normal Anniversary Rating Dates – July 1, 1999 – June 30, 2000*

**NO CHANGE** to tables for *Normal Anniversary Rating Dates – July 1, 2000 – June 30, 2001, and July 1, 2001 – June 30, 2002, and July 1, 2002 – June 30, 2003, and July 1, 2003 – June 30, 2004*

**FROM**

**TO**

Normal Anniversary Rating Dates -  
July 1, 2004 [and later]

Normal Anniversary Rating Dates -  
July 1, 2004 – September 30, 2005

***Table Values Unchanged***

The following **NEW** table has been added:

**FROM**

**TO**

No current entry

Normal Anniversary Rating Dates -  
October 1, 2005 and later

No current entry

<u>Credit From Average Hourly Wage</u>	<u>Standard Premium</u>	<u>Credit From Average Hourly Wage</u>	<u>Standard Premium</u>
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No current entry

\$21.34 or less	None	\$26.50-\$26.99	18%
\$21.35-\$21.69	5%	\$27.00-\$27.49	19%
\$21.70-\$22.04	6%	\$27.50-\$27.99	20%
\$22.05-\$22.39	7%	\$28.00-\$28.49	21%
\$22.40-\$22.74	8%	\$28.50-\$28.99	22%
\$22.75-\$23.14	9%	\$29.00-\$29.54	23%
\$23.15-\$23.54	10%	\$29.55-\$30.09	24%
\$23.55-\$23.94	11%	\$30.10-\$30.69	25%
\$23.95-\$24.34	12%	\$30.70-\$31.29	26%
\$24.35-\$24.74	13%	\$31.30-\$31.89	27%
\$24.75-\$25.14	14%	\$31.90-\$32.49	28%
\$25.15-\$25.59	15%	\$32.50-\$33.14	29%
\$25.60-\$26.04	16%	\$33.15 and over	30%
\$26.05-\$26.49	17%		

***Balance of the Rule remains unchanged.***