



**Pennsylvania Compensation Rating Bureau**

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April 14, 2017

**PCRB CIRCULAR NO. 1678**

To All Members of the PCRB:

Re: **APPROVAL OF PCRB FILING NO. 283**  
**MANUAL REVISIONS - SECTION 1 RULE IX H.**  
**PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM**  
**CHANGE DUE TO ANNIVERSARY RATING DATE ELIMINATION**  
**EFFECTIVE MAY 1, 2017**

The Insurance Commissioner has approved Pennsylvania Basic Manual revisions to Section 1, Rule IX, H. Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP). These revisions are **effective 12:01 a.m., May 1, 2017** with respect to new and renewal business only.

The PCRB submitted this filing to update the record that results from the approval of two earlier filings. Filing No. 273 was the annual filing to revise the table of eligibility and credit ranges for PCCPAP, and went into effect on October 1, 2016. PCRB Filing No. 272 RULE (the ARD Filing) eliminated the use of the Anniversary Rating Date, and will go into effect on May 1, 2017. The ARD filing was submitted to the Pennsylvania Insurance Department before Filing No. 273, and as a result does not reflect the October 1, 2016, PCCPAP table. Filing No. 283, the subject of this circular, clarifies the record with the correct PCCPAP table.

A copy of the complete PCCPAP credit table effective for policy effective dates on or after May 1, 2017 is shown below.

Questions about PCCPAP should be directed to the Rating Rules & Policy Reporting Department at Extension 4445.

The Basic Manual will be updated on our website ([www.pcrb.com](http://www.pcrb.com)) at a later date.

The PCRB will continue to advise qualifying employers and their insurers of record of PCCPAP credits using normal procedures.

William V. Taylor  
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.***

# PENNSYLVANIA WORKERS COMPENSATION MANUAL

*Proposed Effective May 1, 2017*

## RULE IX – SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE

### A. EXECUTIVE OFFICERS

#### 1. Definition

Items **A. through G.** – remain unchanged

### H. PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM

1. The Pennsylvania Construction Classification Premium Adjustment Program provides for a premium credit for up to one year for a policy which contains one or more construction classifications.

For policies subject both to a Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP) credit and any retrospective rating plan, the PCCPAP credit shall be applied in determining standard premium. Such adjusted standard premium shall then be used wherever standard premium would otherwise apply in determining retrospective rating plan values and amounts for the retrospective rating plan applicable to the same risk if no PCCPAP credit were applicable. PCCPAP credits shall not be applied to final retrospective premium either in lieu of or in addition to the above prescribed procedure.

The basis for determining the credit is the total payroll (including overtime premium pay) and hours worked for each construction classification as reported to taxing authorities. The applicable report periods vary according to the policy effective date of each policy, as set forth below:

<b>Policy Effective Dates</b>	<b>Reporting Period for Qualifying Wages</b>
<b>May 1, 2017 and later</b>	<b>Third calendar quarter of 2015</b>

#### Policy Effective Dates – May 1, 2017 and later

<b>Average Hourly Wage</b>	<b>Credit From Standard Premium</b>	<b>Average Hourly Wage</b>	<b>Credit From Standard Premium</b>
29.14 or less	None	36.20	36.84
29.15    29.59	5%	36.85	37.49
29.60    30.09	6%	37.50	38.19
30.10    30.59	7%	38.20	38.89
30.60    31.09	8%	38.90	39.59
31.10    31.59	9%	39.60	40.34
31.60    32.14	10%	40.35	41.09
32.15    32.69	11%	41.10	41.89
32.70    33.24	12%	41.90	42.69
33.25    33.79	13%	42.70	43.54
33.80    34.39	14%	43.55	44.39
34.40    34.99	15%	44.40	45.24
35.00    35.59	16%	<b>45.25</b>	and over
35.60    36.19	17%		30%