



## Pennsylvania Compensation Rating Bureau

United Plaza Building • Suite 1500  
30 South 17th Street • Philadelphia, PA 19103-4007  
(215)568-2371 • FAX (215)564-4328 • www.pcrb.com

October 16, 2019

### **PCRB CIRCULAR NO. 1727**

To All Members of the PCRB:

Re: **APPROVAL OF PCRB FILING NO. 300**  
**BASIC MANUAL REVISIONS – SECTION 2**  
**EFFECTIVE APRIL 1, 2020**

### **REVISION TO THE SCOPE OF CODE 676, SHEET METAL INSTALLATION**

The Pennsylvania Insurance Commissioner has approved the PCRB's filing to revise the scope of Code 676, Sheet Metal Installation, effective 12:01 a.m., April 1, 2020 or later. The effective date of this revision aligns with the proposed effective date of the PCRB's normal annual comprehensive loss cost revision filing, which will be filed with the Commissioner at a later date. This coordination will consolidate necessary changes that our members and other constituents must make to policies, forms and systems.

Code 676 applies to the installation of sheet metal products specified in the Basic Manual Code 676 Underwriting Guide i.e., metal downspouts, gutters and metal ceilings, and to the installation of sheet metal products not otherwise classified. Basic Manual language specifies that Code 676 must be applied to both the shop fabrication and the installation payroll developed by an employer engaged in both the shop fabrication and installation of sheet metal products.

The PCRB conducted a study of Code 676 with three objectives in mind: 1) to determine the feasibility of discontinuing Code 676 and reclassifying the operations assigned thereto from Code 676 to Code 651, Carpentry – Commercial Structures (for work performed on commercial or industrial structures) and to Code 652, Carpentry - Residential (for work performed on residential structures), 2) absent discontinuing Code 676, to determine the feasibility of lifting the Code 676 classification restriction so that an employer engaged in both the shop fabrication and installation of sheet metal products may be classified to both Code 454, Sheet Metal Products Fabrication, N.O.C., Shop Only, and Code 676 and 3) to identify the types of businesses classified to Code 676 so that, in the absence of discontinuing the classification, staff can more clearly define its scope. Pursuant to analyses of historical experience exhibits and statistical tests, and a comparison of the approved April 1, 2019 PCRB loss costs for Codes 676, 651 and 652, PCRB staff determined that it was not feasible to discontinue Code 676 and reassign those operations from Code 676 to Code 651 and Code 652.

PCRB Filing No. 300 did propose that for policies with effective dates of April 1, 2020 or later, Code 676 be restructured so that an employer engaged in both the shop fabrication and installation of sheet metal products may separately rate payroll developed in the shop fabrication work to Code 454. Staff reasoned that such revision aligns Code 676 with the majority of the PCRB's construction or erection classifications, which typically do not include fabrication work, recognizes the differences in process and hazard between fabrication and installation/erection operations, and brings the classification procedure for impacted employers in line with procedure for other metal working classes that allow fabrication and installation work to be separately rated. The approval of Code 454 for such employers represents a rating value

decrease of 45.1% on the basis of the approved April 1, 2019 PCRB loss costs (\$3.46 for Code 676 and \$1.90 for Code 454). The PCRB recognizes that the April 1, 2019 PCRB loss costs will likely not be in effect on April 1, 2020 or later given the PCRB's impending comprehensive loss cost revision filing as referenced above. The PCRB will advise employers impacted by this revision via individual notice letters.

Please refer to Filing No. 300 for additional information on the revisions discussed above. Please contact Robert Ferrante, Senior Classification Analyst – Technical Services, at (215) 320-4584 or at [rferrante@pcrb.com](mailto:rferrante@pcrb.com) for any questions regarding this circular. The Basic Manual will be updated on the PCRB's website at a later date.

William V. Taylor  
President

**PENNSYLVANIA WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS AND  
RATING VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS LIABILITY  
INSURANCE**

*Approved Effective April 1, 2020*

**SECTION 2**

**RATING VALUES** *through* **DEFINITIONS** *remains unchanged.*

**CLASSIFICATIONS**

**454 SHEET METAL PRODUCTS FABRICATION, N.O.C., SHOP ~~ONLY~~**

Sheet metal shall be thinner than #3 U.S. Standard Gauge (less than ¼" thick).

~~Code 676 shall be assigned to both the shop and the erection or installation payroll developed by an insured engaged in both the shop fabrication of sheet metal products and the erection or installation thereof.~~

**OPERATIONS NOT INCLUDED:**

1. Separately rate the installation of sheet metal products as provided in this Manual.

**UNDERWRITING GUIDE**

*No Change*

**676 SHEET METAL INSTALLATION, NO PAYROLL DIVISION WITH CODE 659 AT THE SAME LOCATION OR  
JOB SITE**

~~Code 676 shall be assigned to both the shop and the erection or installation payroll developed by an insured engaged in both the shop fabrication of sheet metal products and the erection or installation thereof.~~

**OPERATIONS NOT INCLUDED:**

1. Separately rate the shop fabrication of sheet metal products to Code 454.

**UNDERWRITING GUIDE**

*No Change*

**PENNSYLVANIA WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS AND  
RATING VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS LIABILITY  
INSURANCE**

*Approved Effective April 1, 2020*

**SECTION 2**

**RATING VALUES** *through* **DEFINITIONS** *remains unchanged.*

**CLASSIFICATIONS**

**454 SHEET METAL PRODUCTS FABRICATION, N.O.C., SHOP**

Sheet metal shall be thinner than #3 U.S. Standard Gauge (less than ¼" thick).

***OPERATIONS NOT INCLUDED:***

1. Separately rate the installation of sheet metal products as provided for in this Manual.

***UNDERWRITING GUIDE***

*No Change*

**676 SHEET METAL INSTALLATION, NO PAYROLL DIVISION WITH CODE 659 AT THE SAME LOCATION OR  
JOB SITE**

***OPERATIONS NOT INCLUDED:***

1. Separately rate the shop fabrication of sheet metal products to Code 454.

***UNDERWRITING GUIDE***

*No Change*