



Pennsylvania Compensation Rating Bureau

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November 4, 2019

PCRB CIRCULAR NO. 1730

To All Members of the PCRB:

Re: **APPROVAL OF PCRB FILING NO. 306**
BASIC MANUAL REVISIONS – SECTION 2
EFFECTIVE APRIL 1, 2020

ELIMINATION OF CLASSIFICATION CODE 894, ALTERNATIVE SCHOOL

The Pennsylvania Insurance Commissioner has approved the PCRB's filing to eliminate Classification Code 894, Alternative School, and to reassign the operations contemplated by Code 894 to Classification Code 965, College or School, N.O.C., for policies effective 12:01 a.m., April 1, 2020 or later. The effective date of this revision aligns with the PCRB's normal annual comprehensive loss cost revision filing, which will be filed with the Commissioner at a later date, also with a proposed effective date of April 1, 2020. This coordination will consolidate necessary changes that our members and other constituents must make to policies, forms and systems.

Code 894 applies to employers principally engaged in the operation of educational facilities for students who cannot learn effectively in or have been removed from the standard school setting. This includes schools for children with an intellectual, developmental or physical disability and schools for court adjudicated or disruptive youth. The PCRB recently completed a study of Code 894 pursuant to comments made by an employer's appeal of their assignment to Code 894. The employer, a school for autistic children, objected to the inclusion of their organization in this classification, requesting reclassification from Code 894 to Code 965, College or School, N.O.C., the classification which is applied to standard or "mainstream" schools.

The Code 894 study was a file by file review and divided the Code 894 employers into two study groups – schools for children with an intellectual, developmental or physical disability (including schools for autistic children) and schools for court adjudicated or disruptive youth. On the basis of an historical experience comparison and statistical testing, staff determined that it was not inappropriate to assign the two employer groups to the same classification. In the course of the study, staff did find inconsistencies in the classification assignment of alternative schools. There were some schools classified to Code 965, some were classified to Code 894, and others classified to Code 893, Intermediate Unit. Staff concluded from this that despite efforts to improve descriptions and any ambiguity for Code 894 in the Basic Manual, there remains a significant degree of misunderstanding on the part of agents, employers and carriers regarding the scope of Code 894 along with internal mishandling of the code. Staff therefore proposed that Code 894 be discontinued and that the employers classified thereto be reclassified from Code 894 to Code 965 effective upon each impacted employer's first policy with an effective date of April 1, 2020 or later. Staff maintains that the employers assigned to Code 894 and to Code 965 are in the same general field of business – the operation of an institution of learning.

An historical exhibit was created to illustrate the effects and impacts of combining Codes 894 and Code 965. For the April 1, 2019 Class Book pages for these classes, Code 965 indicated a loss cost value of \$0.37 and \$1.28 for Code 894. The combined effect would be a loss cost value of \$0.38. This would result in a rating value decrease of 70.31% for the employers presently classified to Code 894, and a rating value increase of 2.7% for employers presently classified to Code 965. The rating values cited herein are expected to differ from those that will be in effect on April 1, 2020 given the PCRB's annual comprehensive loss cost filing as referenced above.

The PCRB will notify employers impacted by the elimination of Code 894 along with those employers' insurers via individual notice letters.

Please refer to Filing No. 306, available on the PCRB's website (<http://www.pcrb.com>) under the "Filings" tab, for additional information on the elimination of Code 894. Please contact Robert Ferrante, Senior Classification Analyst – Technical Services, at (215) 320-4584 or at 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 **CLASSIFICATIONS** remains unchanged.

CLASSIFICATIONS

893 INTERMEDIATE UNIT (~~SPECIAL EDUCATION~~) – ALL EMPLOYEES INCLUDING OFFICE

(No change.)

OPERATIONS NOT INCLUDED:

1. Assign Code 965 to all schools, including alternative schools, not operated by an Intermediate Unit as defined above. See Code 965 for additional details.

894 ~~ALTERNATIVE SCHOOL – ALL EMPLOYEES INCLUDING OFFICE~~

~~Applicable to employers operating educational facilities for youth who cannot learn effectively in or who have been removed from the standard school setting. The students may be referred by school districts, youth services or other agencies because of intellectual and/or developmental disability or behavior problems (e.g., truancy, drug or alcohol abuse and/or violent or destructive behavior). The facility may be a day school or a boarding school.~~

~~Also applicable to employers who operate educational facilities for court adjudicated youth. An educational facility for court adjudicated youth is operated in a guarded environment with strict disciplinary rules. Attendance in such facility may be court mandated in lieu of a prison sentence.~~

~~Further included are employers who operate educational facilities for children diagnosed with an intellectual and/or developmental disability or psychological and behavior issues.~~

~~The academic curriculum provided by these facilities is typically similar to that provided by public school districts or private schools, but with a greater emphasis upon counseling or other services specific to the facility's student population. Classroom activities are geared toward helping older students pass their high school equivalency test or obtain a high school diploma.~~

~~OPERATIONS ALSO INCLUDED:~~

1. ~~Student dormitories and/or residential facilities operated at the same or contiguous location.~~

~~UNDERWRITING GUIDE~~

~~Alternative School~~

~~School For Court Adjudicated Youths~~

~~School For Children With Intellectual or Developmental Disability~~

941 SOCIAL REHABILITATION FACILITY – FOR ADULTS OR CHILDREN – ALL EMPLOYEES INCLUDING OFFICE

(No change.)

OPERATIONS ALSO INCLUDED:

(No change to Items 1. Through 5.)

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

Proposed Effective April 1, 2020

OPERATIONS NOT INCLUDED:

1. (No change.)
2. Assign Code ~~894~~965 to educational facilities that include on-site residential units for youth who cannot cope in or who have been removed from the standard school setting for behavioral reasons or who are juvenile delinquents or other court adjudicated youth.

(No change to Items 3. through 6.)

UNDERWRITING GUIDE

(No change.)

965 COLLEGE OR SCHOOL, N.O.C. – ALL EMPLOYEES INCLUDING OFFICE

(No change.)

OPERATIONS ALSO INCLUDED:

(No change to Items 1. through 4.)

5. Alternative schools are educational facilities for youth who cannot learn effectively in or who have been removed from the mainstream schools setting. Such educational facilities include but are not necessarily limited to: schools for court adjudicated youth, schools for children diagnosed with an intellectual and/or developmental disability (e.g., autism) or psychological and behavior issues, and schools for children with physical disabilities (e.g., schools for the deaf and blind).

OPERATIONS NOT INCLUDED:

(No change to Items 1. through 6.)

- ~~7. Assign Code 894 to schools for court adjudicated delinquents or disturbed children.~~

- ~~8~~7 Assign Code 969 to employers principally engaged in providing outdoor sports or other activities instruction including but not necessarily limited to: swimming, tennis, rock climbing or obstacle course training facilities.

- ~~9.~~ Assign Code 7424 to flight personnel of an aircraft flying school.

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UNDERWRITING GUIDE

Alternative School

School for Autistic Children

School for Children with an Intellectual or Developmental Disability

School for the Blind

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

Proposed Effective April 1, 2020

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GENERAL AUDITING & CLASSIFICATION INFORMATION

AUTOMOBILE DISMANTLING *through* **EMPLOYMENT CONTRACTOR – TEMPORARY STAFFING EXECUTIVE** *remains unchanged.*

TEMPORARY STAFFING CLASSIFICATION

Assignable Customer
Business Classification(s)

(No change)

TEMPORARY STAFFING CROSS-REFERENCE CHART

523

103	485	818	967
441	487	884	968
459	489	891	976
471	551	894	986
476	553	899	997
	755	927	
		935	

OFFICERS - CLASSIFICATION ASSIGNMENT EXECUTIVE *through* **WRECKING OR DEMOLITION OR BUILDING MOVING OR RAISING PROJECT** *remains unchanged.*

**PENNSYLVANIA WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS AND
RATING VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS LIABILITY
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Approved Effective April 1, 2020

SECTION 2

RATING VALUES *through CLASSIFICATIONS* *remains unchanged.*

CLASSIFICATIONS

893 INTERMEDIATE UNIT – ALL EMPLOYEES INCLUDING OFFICE

(No change.)

OPERATIONS NOT INCLUDED:

1. Assign Code 965 to all schools, including alternative schools, not operated by an Intermediate Unit as defined above. See Code 965 for additional details.

941 SOCIAL REHABILITATION FACILITY – FOR ADULTS OR CHILDREN – ALL EMPLOYEES INCLUDING OFFICE

(No change.)

OPERATIONS ALSO INCLUDED:

(No change to Items 1. Through 5.)

OPERATIONS NOT INCLUDED:

1. *(No change.)*
2. Assign Code 965 to educational facilities that include on-site residential units for youth who cannot cope in or who have been removed from the standard school setting for behavioral reasons or who are juvenile delinquents or other court adjudicated youth.

(No change to Items 3. through 6.)

UNDERWRITING GUIDE

(No change.)

965 COLLEGE OR SCHOOL, N.O.C. – ALL EMPLOYEES INCLUDING OFFICE

(No change.)

OPERATIONS ALSO INCLUDED:

(No change to Items 1. through 4.)

5. Alternative schools are educational facilities for youth who cannot learn effectively in or who have been removed from the mainstream schools setting. Such educational facilities include but are not necessarily limited to: schools for court adjudicated youth, schools for children diagnosed with an intellectual and/or developmental disability (e.g., autism) or psychological and behavior issues, and schools for children with physical disabilities (e.g., schools for the deaf and blind).

OPERATIONS NOT INCLUDED:

(No change to Items 1. through 6.)

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7. Assign Code 969 to employers principally engaged in providing outdoor sports or other activities instruction including but not necessarily limited to: swimming, tennis, rock climbing or obstacle course training facilities.
8. Assign Code 7424 to flight personnel of an aircraft flying school.

UNDERWRITING GUIDE

Alternative School

School for Autistic Children

School for Children with an Intellectual or Developmental Disability

School for the Blind

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