

The background of the cover is a photograph of the Pennsylvania State Capitol building at night. The building is illuminated with warm yellow lights from its windows and entrance, and the large green dome is lit with a vibrant green glow. The sky is a deep blue. The image is overlaid with large, semi-transparent geometric shapes: a white triangle on the left, a blue triangle in the center, and a larger blue triangle at the bottom right.

PCRB
PENNSYLVANIA
Compensation Rating Bureau

ANNUAL
REPORT

2022

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PRESIDENT'S MESSAGE

The Pennsylvania Compensation Rating Bureau (PCRB) continues to be amidst organizational transformation as mentioned in previous messages. In 2022, that process continued with several important milestone markers of note. Now, in 2023, this transformation continues, but also looks different.

Many organizations, like the PCRB, are looking back at the pandemic period, now calling it endemic. The PCRB managed well through this process and, in the course of 2022, established a hybrid work model, working two days a week in the office. Fortunately, this operational model has worked well, as we, like most organizations, continue to adjust to new and evolving work environments. Recognizing this, we have studied, along with other workers compensation rating bureaus, the impacts of COVID-19 on the workers compensation marketplace. It has been indicated that the effects are there, but with less financial impact than once thought or anticipated.

Beyond the adjustment of a changing work environment, the objectives and mission of the PCRB pivoted with focus, resulting in several positive advancements to report. A select set of 2022 milestones achieved at year end include:

- Completion of the System Reengineering Project (SRP); final shutdown, closure, and deconstruction of the mainframe infrastructure.
- Integration of several necessary changes/additions within the executive staff.
- Post-pandemic staffing objectives and augmentation resulted in successful recruitment and staffing adjustments throughout the year.
- Implemented the 9-box Framework for succession planning.
- Completion of the PA Examination with a final clean report and successful outcome.
- Staff returned from the pandemic midyear to a rebuilt, renovated, and refreshed collaborative work environment and office.

- Expanded implementation of refined and enhanced processes and operational procedures.
- Preliminary strategic planning and formulation for organizational prioritization, products, and extended branding.
- Refinement and execution of activities of the recently formed Internal Audit and Advisory function.

The PCRB's transformational progress is widespread across the organization with most of the credit belonging to our staff. Our 2022 outcomes result from dedicated staff who have demonstrated incredible resilience, adaptability, and an unyielding commitment to excellence. The staff has made an enormous difference in 2022, once again reaffirming that our organization is the distinct workers compensation data collection and utilization authority in Pennsylvania.

It was asserted in last year's message that the organization was pivoting. Although most organizations have felt they have been pivoting in coming out of the pandemic, the PCRB pivot is more organic based on the recent history of the organization. We are at the point of recognizing the opportunity to advance the organization in several ways, having been limited in doing so in recent years. This moment is only possible with the support and encouragement of our membership, for which we are very appreciative. This support has enabled us to seize this moment and embark on an ambitious modernization of our business operations and culture, while embracing current improvement opportunities.

The current strategic opportunity for the PCRB represents a further evolution of the organization, which we began experiencing during the course of 2022. Our strategic focus and mission are centered upon service and delivery to our members and the Pennsylvania workers compensation marketplace at large. We intend to leverage, expand, and evolve our use of data to better serve all stakeholders utilizing our new foundation. Our new system platforms are positioned for greater internal efficiencies, enhanced ability to interrogate and report on data collected and, ultimately, the ability to be more responsive to the objectives of the Bureau.

As the organization entered 2023, the awareness for an updated strategic plan was recognized. A strategic planning session took place in early 2023 and resulted in a few notable outcomes. In addition to an actual strategic plan, there was a desire to also update the organization’s mission and values.

I am proud to share with you the outcome of that work, with new mission and value statements. The following statements have been shared with staff and we are now able to include them in this year’s PCRB Annual Report.



Trusted • Essential • Objective

Our Vision
To be the trusted, essential, and objective resource for workers’ compensation data, research, and information in Pennsylvania and Delaware.

Our Mission
To provide objective, accurate, and valuable statistical and actuarially based information, marketplace knowledge, research, and rating plans fundamental to a healthy workers’ compensation system.



In support of our mission and to achieve success for our stakeholders, we endeavor to:

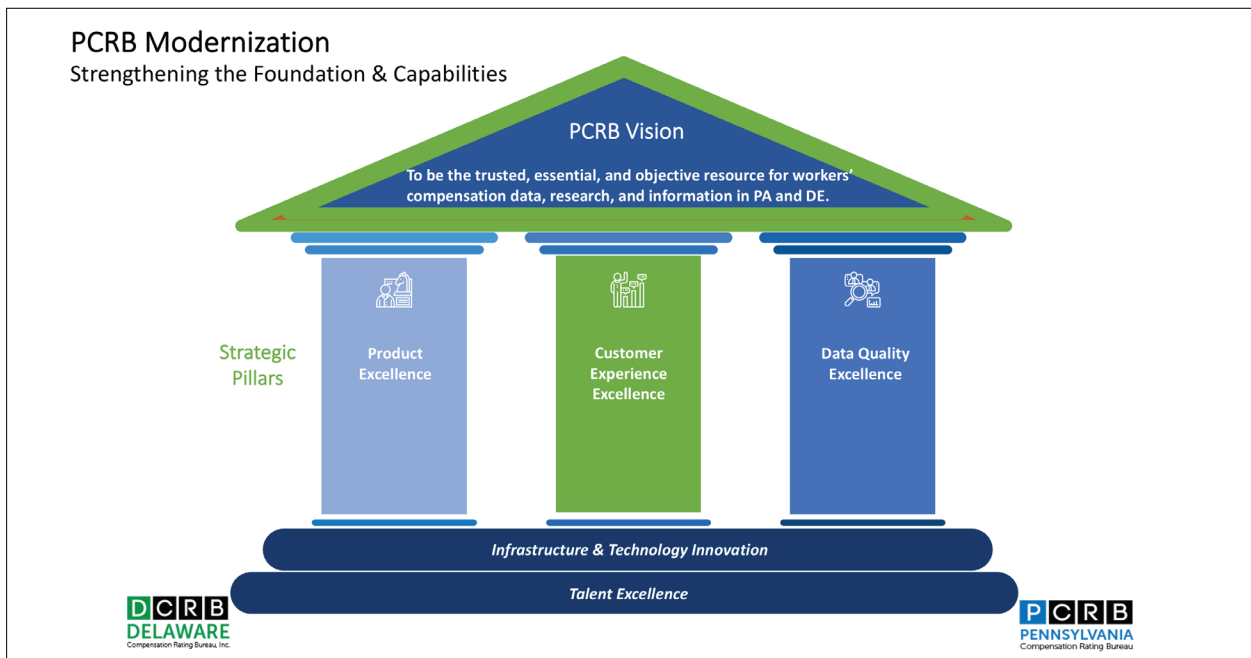
- Provide ease of doing business by embracing data and technology
- Provide products and services that anticipate and respond to marketplace conditions
- Identify emerging trends and understand marketplace implications
- Conduct innovative research, provide educational services, and engage in outreach
- Deliver knowledge to empower actionable decisions

Our Values:
We accomplish our mission with a dedicated team and culture that embraces:
Trust. Accountability. Transparency. Innovation. Collaboration. Inclusiveness. Work-life Blend.



Strategically, to match our updated vision and mission, we label ongoing changes as “PCRB Modernization”, as shown in the illustration below. To support the new tagline of

“Trusted, Essential, and Objective” and to execute our vision, we are focusing on three strategic pillars: Product Excellence; Customer Experience Excellence and Data Quality Excellence.



To facilitate the establishment of an updated vision, the executive team has released a new strategic priority platform.



Looking back through prior years, our intent has always been to maintain the proper focus necessary for servicing membership, while also managing and navigating any of the challenges placed before the organization. This remains

the focus, but with an added vision of progression and advancement as illustrated here. Within this report, you will learn of additional 2022 PCRB accomplishments with further commentary on future strategic plans.

The annual Loss Cost Filing, No. C-381, was submitted on December 7, 2022; it was approved by the Pennsylvania Insurance Department on January 25, 2023, and announced by PCRB Circular No. 1789. This resulted in a decrease of 3.33% in overall loss costs for the Pennsylvania workers compensation system. When compared to recent years’ decreases in overall loss cost indications, this reduction continues the observed downward trend. The PCRB continued to observe some COVID-19 economic impacts in this filing, although these claims have been excluded from the experience rating calculations. The ultimate impact of COVID-19 claims has been nominal within the ratemaking process and claims were excluded as they are not representative of future costs. It is not felt that COVID-19 related claims will significantly impact future ratemaking results, however lingering economic impacts will still be seen in the future.

There is close attention placed upon monitoring and evaluating the various trends which influence recent declines.

Additionally, we continue to observe and study the effects of medical costs, utilization changes and associated trends. There is growing awareness that preventative care and improved risk management is a factor in reducing claims and medical costs. However, medical cost inflation is beginning to surface and will be monitored and tracked for impact on the system.

The Pennsylvania workers compensation marketplace remains competitive. We, however, are committed to studying and researching the trends surrounding premium volatility, while at present, the market appears very healthy and viable. The Actuarial Department is engaged in several special analytical research projects to better understand and report on these developing issues.

With the recent completion of the SRP, we continue with internal adjustments in process and procedure. We are fortunate that the work environment is beginning to leverage new system features yielding greater efficiencies. We have

proven to ourselves our ability to marshal and adapt to change, even when it is extensive. This provides staff with confidence as we forge ahead with new initiatives that are being planned.

Lastly, our Internal Audit and Advisory (IAA) Department is fully functioning. In addition to the coordination efforts with Pennsylvania and Delaware on recent examination

activities, there are new departmental work streams scheduled for additional process and procedure review. With this newly-created function, the organization has been greatly strengthened, with improvements in oversight, processes, and procedures. This rigor further reinforces our established role as the reliable source of quantitative information for the Pennsylvania workers compensation marketplace.

2022 Primary Functions—Accomplishments and Initiatives

The PCRB is committed to providing the highest possible levels of service to its members, those members’ insureds, regulators, legislators, other governmental offices and the workers of Pennsylvania covered under the Workers’ Compensation Act. During 2022, the PCRB staff and its membership engaged in the following efforts and accomplishments:

PCRB Filings

There were six separate filings made in 2022 (plus one in early 2023). This was less than the typical annual filing count. Please refer to the PCRB website for the following notable circulars from approved filings:

Loss Cost Filings

- April 1, 2023 Loss Cost Filing

“F” Classification Rate Filing

- April 1, 2023 “F” Classification and USL&HW Rate Filing

Basic Manual Revisions to Sections 1 and 2

- Manual Housekeeping Revisions
- Revisions to Designated Auditable Payrolls and Concurrent Manual Amendments

Two Classification filings

- Pennsylvania Construction Classification Premium Adjustment Program Revisions to Qualifying Wages, Table of Hourly Wages and Premium Credits

- Classification Procedural Change – Creation of Code 822, Telecommuting Clerical Employees

Miscellaneous Items

- Proposed Revisions to the PA Statistical Plan Manual

PCRB Actuarial Initiatives

Like most years, 2022 was very active for the PCRB Actuarial Department. The department was engaged in several special projects, such as studying the potential remapping of the classification hazard groups and further advancement on the experience rating methodology research project. There were staffing changes within the department including the retirement of a key executive and the addition of several new staff members. The department also stayed diligent on reviewing and overseeing impacts from several COVID-19 considerations within the Annual Loss Cost Filing.

PCRB Informational Initiatives

Continuing from last year, and influenced by a new work environment, the PCRB anticipates increased efforts for conventional outreach to its members and marketplace constituents. To align with new mission and value statements, it is a goal, over time, to amplify communications on the products and services being offered by the organization. Toward this end, there are projects being initiated that will allow for new products, training, reports, and analytics distribution, using virtual and direct means of communication. Enhanced training capabilities are anticipated for topics such as the Test Audit Program, Unit Statistical Reporting, and the WC Experience Rating Plan.

Budget and Assessment Experience

The 2022 expenditures were kept within the PCRB's budgetary plan. Disbursements for the year were approximately 96.4 percent of the budget. Quarterly assessments were imposed throughout the year, consistent with the 2022 Budget. An operating surplus generated for the year will be applied, according to Governing Board direction, as part of the annual adjustment of the assessment process, which will take place in mid-2023 for the 2022 Year.

Data Collection Activities

The timely, accurate, and comprehensive collection of data and statistical information is a fundamental obligation of the PCRB for its members and the WC marketplace. In 2022, existing programs and incentives applicable to the reporting and collection of financial and unit statistical data, and monitoring of carrier audits, continued to be actively managed by PCRB staff. The 2022 data collection program experience follows:

Financial Data—Members were able to use the Financial Data Manager (FDM) during the reporting season for 2021 Calls in 2022, FDIP Program assessments of \$276,961 associated with those reports were assessed in early 2023. The FDM used in 2022 included all Financial Calls and Pennsylvania Special Schedule W for 2021 reports. This internet-based application allows reporting entities to view the results of applying PCRB and Insurance Department edits prior to submission of entered data and expedites the exchange of criticisms and corrected data, if needed. The FDM helps to accelerate the availability of financial data and to mitigate incentive charges incurred by carriers having trouble in successfully passing edits applicable to the PCRB's Financial Calls and/or the Pennsylvania Special Schedule W.

Unit Statistical Plan Fines—PCRB members continued their successful compliance with reporting requirements for the Unit Statistical Plan. Incentive charges incurred in 2022 were \$257,395, which were lower compared to the 2021 charges of \$529,130. While we have experienced improved overall data transmission quality and error handling of unit statistical data transactions as a result of the Unit Data Manager (UDM), there still has been an increase in the amount of time that units remain overdue, which partially offset the other fee reductions.

Indemnity Data Call—The PCRB's collection of the Indemnity Data Call began with claim activity occurring in the Second Quarter of 2020 and continued through 2022. This newer dataset is intended to benefit the industry by providing increased detail pertaining to indemnity payments for workers compensation injuries using a standard protocol across jurisdictions. It will allow the PCRB to opine with greater authority on a variety of proposals to change the payment system for workers compensation in Pennsylvania. The analysis of this data will enhance the PCRB's ability to explain filings and better understand cost drivers. The PCRB processed 156,015 quarterly records and 561,015 transactional records during 2022. Ongoing initiatives include creating reports, data validation tools and COVID-19 indemnity data analysis.

Medical Data Call—The PCRB's expertise in the collection of Medical Data Call information continued in 2022. This is a critical dataset in which evolving capabilities are intended to benefit the industry by providing increased detail pertaining to the treatment of workers compensation injuries using a standard protocol across jurisdictions. For fifty quarters (transactions received for the Third Quarter of 2010 through the Fourth Quarter of 2022), the PCRB processed approximately 73 million records accounting for \$8.9 billion in paid medical benefits. Ongoing initiatives related to this effort include the preparation of various quarterly and annual trend reports, including COVID-19 medical data analytics and other special interest medical topics. Additional enhancements were completed for the Medical Data Manager and the Medical Data Cube applications. In 2021, the PCRB expanded the eligibility for this call to include carrier groups with at least 0.5% market share. Newly eligible carrier groups completed onboarding and testing in 2022 and early 2023. Medical data reporting for the new carrier groups will begin in mid-2023.

Test Audit Program—The four-quarter difference ratio adjusted for carriers opting out of the program was 10.9 for 2022, compared to 12.8 for 2021, 11.4 percent for 2020, 12.7 percent for 2019, and 13.9 percent for 2018. The difference ratios have remained steady in recent years and reflect carrier attention to premium audits and overall data quality. The five-year results noted are consistent and below the prevailing program standard of 20 percent.

Workers Compensation Research Institute (WCRI) Benchmarking Studies

This past year marked the 23rd Edition of the Pennsylvania WCRI CompScope™ and Medical Benchmark reports. With the release of these reports, the PCRB continues its participation on the bi-annual WCRI Advisory Council for

Pennsylvania. The PCRB, via our members, provides the funding for this series of multi-state benchmarking studies conducted by the WCRI.

Legislative Initiatives

In 2022, there were no new pieces of formal legislation passed by the Pennsylvania Legislature regarding workers compensation law. As reported in the past two years, in Pennsylvania, there was legislative consideration, but no passage, of any presumption language of workers compensation coverage for workers who potentially contracted COVID-19 at their places of employment to make it easier for them to file workers compensation claims.

The PCRB monitors all legislative activity and remains positioned to provide objective and credible input on public policy matters involving the workers compensation system. We also track the legislative activities in other states to benchmark the impacts emerging here in comparison to other regions.

In addition to this Annual Report, please also take time to review the release of this year's companion Pennsylvania workers compensation marketplace reports:

“State Activity”—reflects various metrics and analytics for Pennsylvania.

“Medical Activity”—reflects the injuries, medical services, and trends on average medical costs in the system.

“State of the Line”—presents actuarial insights for the Pennsylvania WC system.

“COVID-19 Activity”—reflects various trends and patterns related to COVID-19 claims and their costs.

The PCRB is strong, secure, and healthier than ever. Via our new mission statement, we stress our commitment and dedication to the mission of delivering trusted service, credible data, and objective reporting in safeguarding the Pennsylvania workers compensation system.

As the leader of the organization, I am extremely gratified and proud of the strength and professionalism of the PCRB team to successfully navigate whatever comes its way. There is much excitement and energy within the organization. The excitement of new and evolving strategic priorities is a motivating factor, while the organization stays focused on its underlying mission and fundamental products and delivery.

We are grateful for the ongoing support of our members and say thank you to the many industry colleagues that participate on our governing boards, committees, and working groups. It truly is a collaborative partnership at the PCRB. In closing, I want to express my sincere appreciation for the opportunity to lead the PCRB's modernization and ask for your continued support on the journey of a new era of providing exceptional value-oriented service and insights for the Pennsylvania workers compensation system. On behalf of the organization, I thank you, as we remain Trusted, Essential, and Objective.

Respectfully yours,

William V. Taylor

President

COMMITTEE ACTIVITIES

The Governing Board and various other committees and subcommittees, as provided for by the PCRB By-laws, participated in twelve virtual meetings during 2022.

Governing Board

The Governing Board has general charge and management of the affairs of the PCRB. It is responsible for appointing other committees as may be necessary or advisable. This Board participated in six virtual meetings during 2022. In addition, a Budget Subcommittee comprised of three Board members participated in five teleconferences.

Members	Term Expiring
American Home Assurance Company	2023
Department of Labor & Industry	Permanent
Brickstreet Mutual Insurance Company	2025
Eastern Alliance Insurance Company (Vice Chair)	2025
Liberty Mutual Insurance Company	2025
National Federation of Independent Business	2023
Pennsylvania Chamber of Business & Industry	2024
State Workers' Insurance Fund	Permanent
UPMC	2024
XL Specialty Insurance Company	2023
Zenith Insurance Company (Chair)	2024
Zurich Insurance Company	2024

Classification & Rating Committee

The Classification & Rating Committee is responsible for review and evaluation of the efficacy and equity of the underwriting, classification and rating procedures as required by the Manual, as well as the administration of these rules in its role as the technical committee designed to hear appeals of parties aggrieved by decisions of the PCRB staff.

The Classification & Rating Committee reviews the recommendations of PCRB staff relative to loss cost filings, classification and underwriting rules.

The Classification & Rating Committee participated in one virtual meeting during 2022.

Members	Term Expiring
Insurance Company of the West	2023
Liberty Mutual Insurance Company	2024
Nationwide Insurance Company	2023
PMA Insurance Company	2024
Pennsylvania Automotive Association	2023
Pennsylvania Food Merchants Association	2024
Pennsylvania Motor Truck Association	2024
Pennsylvania News Media Association	2025
Penn National Insurance Company	2023
Travelers Property & Casualty Company	2025
Zenith Insurance Company	2025

Actuarial Committee

The Actuarial Committee is responsible for reviewing and advising PCRB staff with respect to matters which might affect recommended loss cost levels and/or other PCRB filing components. This Committee plays an integral part in recommending pertinent data and analytical techniques to be presented in support of PCRB filings. The Committee participated in two virtual meetings during 2022.

Members	Term Expiring
American Home Assurance Company	2025
Donegal Mutual Insurance Company	2024
Hartford Accident & Indemnity Company	2023
Liberty Mutual Insurance Company	2025
PMA Insurance Company	2023
Selective Insurance Company	2023
Travelers Property and Casualty Company	2024
Workpartners/UPMC Insurance Company	2025
XL Specialty Insurance Company	2024

Audit Committee

The Audit Committee is responsible for monitoring, updating and supervising the PCRB’s Test Audit Program. This Committee establishes the test audit guidelines, reviews carrier performance and hears appeals. The Audit Committee participated in one virtual meeting during 2022.

Members	Term Expiring
Ace America Insurance Company	2025
American Home Assurance Company	2024
Eastern Alliance Insurance Company	2025
Liberty Mutual Insurance Company	2023
Nationwide Insurance Company	2024
Travelers Property & Casualty Company	2024

Audit Subcommittee

The Audit Subcommittee assists the Governing Board in fulfilling its responsibility for the oversight of the quality and integrity of the financial statements and the accounting and auditing practices of the PCRB. The Subcommittee’s responsibilities include oversight of:

- The accounting and financial statement processes and systems of internal accounting and financial controls of the PCRB,
- The integrity of the PCRB’s financial statements, and
- The annual independent audit of the PCRB’s financial statements, the engagement of the independent auditor, the evaluation of the independent auditor’s function, qualifications, services, performance and independence.

The Audit Subcommittee participated in three virtual meetings with the auditors in 2022.

Members	Term Expiring
National Federation of Independent Business	2023
State Workers’ Insurance Fund	Permanent
Zenith Insurance Company	2024

Nominating Committee

Prior to each Annual Meeting of the PCRB the Nominating Committee proposes a slate of candidates selected from the nominations made by all PCRB members and other eligible organizations for vacancies on the Governing Board and its committees. The Nominating Committee participated in one virtual meeting during 2022.

Members	Term Expiring
American Home Assurance Company	2024
Nationwide Insurance Company	2023
PMA Insurance Company	2025
Travelers Property & Casualty Company	2023
UPMC	2024

OPERATIONAL REPORTS

Classification

The classification function monitors and authorizes classifications for employers to make certain that the loss costs applied reflect the exposure(s) present in each business enterprise. The unit is also responsible for maintaining a continuous effort to update the classification system, responding to requests for analysis of classifications from employers, trade associations and the industry and reviewing individual case reports for proper classification. In 2022 the Classification Department responded to 3,252 outside inquiries.

Field Survey Program

In order to ensure that the operations of employers are properly classified, the PCRB devotes a significant portion of its resources to on-site surveys of employer facilities. A PCRB field representative will visit the employer’s place of business, interview the employer or another appropriate representative and observe the operations being conducted. A written report is prepared for review by a PCRB classification analyst, after

which the insurer will be notified of the PCRB classification assignment and, if required, directed to correct erroneous assignments. During 2022, the PCRB issued 1081 surveys.

Test Audit Program

The purpose of the PCRB’s Test Audit Program (which includes Delaware) is to monitor insurer audit performance and promote high standards for the conduct of premium audits. In conducting a test audit the PCRB premium auditor will examine the employer’s payroll records and other books of account to determine the proper payroll totals and correct allocation of payrolls and losses to the appropriate classification(s). A physical survey is conducted in conjunction with the test audit. A review is conducted by the PCRB internal staff to verify the accuracy of the test audit report and to confirm any differences from the insurer audit. The test audit results of each carrier are summarized quarterly, and carrier performance is evaluated based on aggregate results of each consecutive four-quarter period. A comparison of test audit results conducted for the last five years indicates the following:

	2022	2021	2020	2019	2018
Number of test audits completed	2,362	1,847	2,496	2,973	3,301
Number of test audits with differences	268	236	350	387	480
Percentage of test audits with differences	11.3	12.8	14.0	13.0	14.5

Policy Examination (Policy Reporting)

An important activity of policy reporting is the capture of policy coverage data. As the records repository for proof-of-insurance, this area maintains records of all insured Pennsylvania employers through an alphabetical index system. This function provides information for claims adjudication and enforcement of statutory coverage requirements to the Bureau of Workers Compensation of the Department of Labor & Industry.

Each year, the policy reporting area typically processes over 900,000 transactions consisting of policies, endorsements, and cancellation and reinstatement notices. This function is necessary to monitor employer compliance with coverage requirements, ensure insurance company compliance with Pennsylvania Insurance Department regulations and statutory requirements, and to facilitate data collection. As part of the review process, carrier representatives send inquiries to PCRBR members when probable errors in the reported information are detected. During 2022, policy reporting examined 967,588 documents for proper application of experience modifications, merit rating adjustments, carrier rating values, employer classifications, duplicate coverage, and proper use of approved forms. The policy reporting area continues its commitment to the accurate and timely collection of data.

Experience Rating (Rating Rules)

Experience rating is an important element of the workers compensation pricing mechanism and adjusts the manual premium for eligible employers to reflect their previous loss experience. The basic objectives of experience rating are to distribute the cost of workers compensation equitably among the employers assigned to an industry classification and to provide a direct financial incentive for employers to reduce work-related accidents and control the costs of accidents that do occur.

The Experience Rating & Pricing Programs area is responsible for the timely issuance of experience rating

modifications and providing an explanation of experience rating rules while the Underwriting & Coverage Compliance area is responsible for investigating and administering changes in ownership, and entity status, and determining which entities may contribute data to a risk's rating. Staff within these areas have full knowledge of the Pennsylvania Experience Rating Plan. Both areas maintain a qualified staff of individuals providing professional assistance with experience rating rules and procedures.

Timely issuance of experience ratings remains a PCRBR objective. Overall departmental production in all areas increases yearly.

Merit Rating Program

The Merit Rating Program was implemented on August 23, 1996. This plan grants premium discounts or assesses premium surcharges to most employers who do not qualify under the uniform Experience Rating Plan, based on the number of lost-time claims they have incurred.

Pennsylvania Construction Classification Premium Adjustment Program

The Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP) was implemented on January 1, 1991. During the course of 2022, 919 applications were processed by the PCRBR. Approximately 32% of the credits applied for, in 2022, fell within the 21 to 30 percent range.

Pennsylvania Certified Safety Committee Credit Program

The Workers' Compensation Act provides for a five percent Certified Safety Committee discount for employers that establish a safety committee in their workplace for the purpose of hazard detection and accident prevention. During 2022, 4,705 employers received renewal certification and 507 were granted new certification.

Unit Statistical Reporting

The unit statistical reporting system is the central mechanism used to collect policy experience for use in ratemaking and calculation of experience modifications and merit rating adjustments for individual employers. The PCRB utilizes the most sophisticated data processing techniques, along with a complement of statistical technicians, to review the data for accuracy and completeness. Data reporters use Unit Statistical Data Report Manager (UDM), a web application for the entry, edit, submission and management of unit statistical information. UDM performs edits in real time and has improved data submission quality and timeliness since its launch in 2018.

The PCRB applies comprehensive controls over the submission of required unit statistical reports using an automated data quality system. This includes monitoring unit data for accuracy, advising carriers of units and individual case reports not received and issuing criticism letters when warranted.

The quality control section continues to monitor all serious claims. Questionable injury codes and indemnity and medical amounts reported on individual case reports are analyzed. Also, classification codes are compared to occupations to check the accuracy of classification assignments.

Data quality review programs are continually being updated and expanded to make the processing of unit statistical report information more efficient. These programs have consistently produced an accurate and sophisticated individual risk database, allowing the PCRB to adopt significant and unique improvements in data collection and analytical techniques for ratemaking.

During 2022, the PCRB processed 344,265 unit statistical reports electronically.

Personnel

The PCRB operated in 2022 with a staff of 92 full-time and 2 part-time employees. Four employees transferred into a position providing them with new responsibilities within the PCRB. This level of staff was adequate to handle all responsibilities and provide quality service to the membership as well as the industry.

The following five employees retired from the PCRB in 2022:

- Trina Wilson Moore, with nearly 45 years of PCRB service
- Steve Suitch, with nearly 39 years of PCRB service
- Efren Nicdao, with 32 years of PCRB service
- Andrey Lapchenko, with 28 years of PCRB service
- Barbara Washington, with 42 years of PCRB service

Thirteen employees were recognized for the following quinquennial anniversaries.

10 years of service	2 employees
15 years of service	4 employees
20 years of service	3 employees
25 years of service	2 employees
30 years of service	2 employees

PCR B MEMBERSHIP

As of December 31, 2022, there were 472 members in the PCR B. During the year, fourteen carriers joined. The new members are as follows:

- Executive Risk Indemnity Inc.
- 1842 Insurance Company
- New Jersey Casualty Insurance Company
- New Jersey Indemnity Insurance Company
- New Jersey Re-Insurance Company
- Sunz Insurance Company
- Diamond Insurance Company
- Addison Insurance Company
- Sutton National Insurance Company
- Cedar Insurance Company
- Ascot Insurance Company
- AmFed National Insurance Company
- AmFed Casualty Insurance Company
- AmFed Advantage Insurance Company

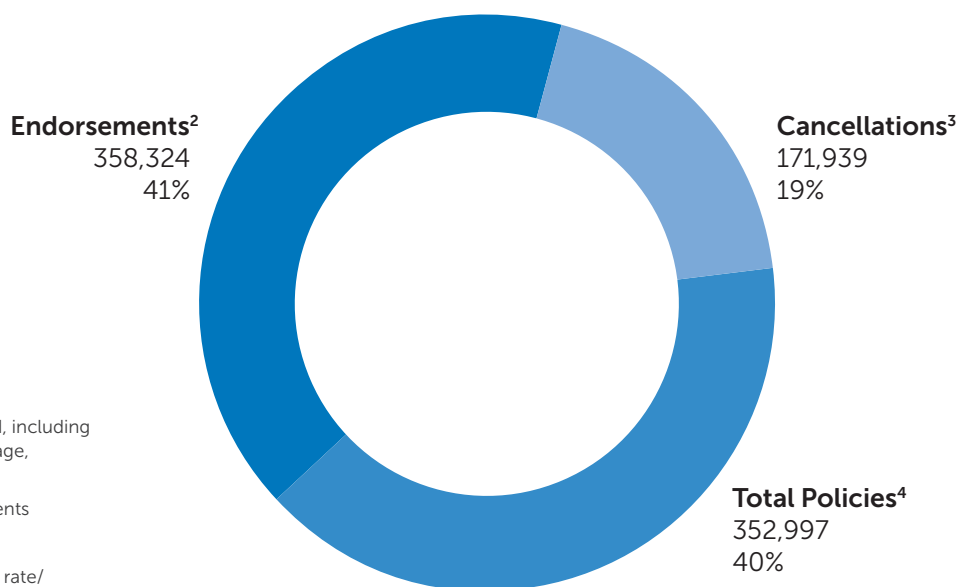
FINANCIAL

	2021 Expenditures	2022 Expenditures
Salaries	\$ 9,398,023	\$ 9,221,819
Group Insurance	1,542,058	1,518,494
Pensions and Savings Plan	1,254,760	1,865,916
Data Processing	1,004,789	965,920
Rent and Electric	689,541	601,453
Payroll Taxes	673,874	697,622
Benchmarking Study Reference	195,000	195,000
Travel	149,148	107,523
Consultant	122,018	-
Document Processing, Postage and Telephone	37,884	47,958
Depreciation	724,415	190,089
Insurance and Bonds	78,417	75,759
Equipment and Furnishings	70,372	58,518
Employee Overhead and Education	173,582	96,708
Legal	105,712	142,595
Accounting	67,000	63,535
Office Expense	76,665	57,633
Supplies	44,324	32,031
Total Expenditures	\$16,407,582	\$15,938,573
Allocation of Expenditures to DCRB	(\$3,190,000)	(\$3,300,982)
Total Expenditures	\$13,218,582	\$12,637,591

TOTAL POLICIES, ENDORSEMENTS AND CANCELLATIONS/REINSTATEMENTS PROCESSED

January 1, 2022 to December 31, 2022

Month of Process (1)	One-year			Three-year	
	Policies ¹ (2)	Endorsements ² (3)	Cancellations ³ (4)	Fixed Rate (5)	Annual Anniversary (6)
Total	352,997	358,324	171,939	0	26
January	30,067	31,295	18,808	0	0
February	27,787	32,082	14,178	0	0
March	34,415	38,180	14,815	0	2
April	30,219	30,525	13,337	0	1
May	31,439	33,818	14,232	0	2
June	48,234	27,926	26,137	0	1
July	31,314	27,453	17,135	0	0
August	29,141	31,349	13,863	0	5
September	28,131	43,086	13,391	0	5
October	31,193	33,152	13,967	0	3
November	31,057	29,458	12,076	0	7
December	35,160	33,003	14,386	0	1



¹Policy documents received, including not taken, duplicate coverage, replacements, etc.

²Separately filed endorsements

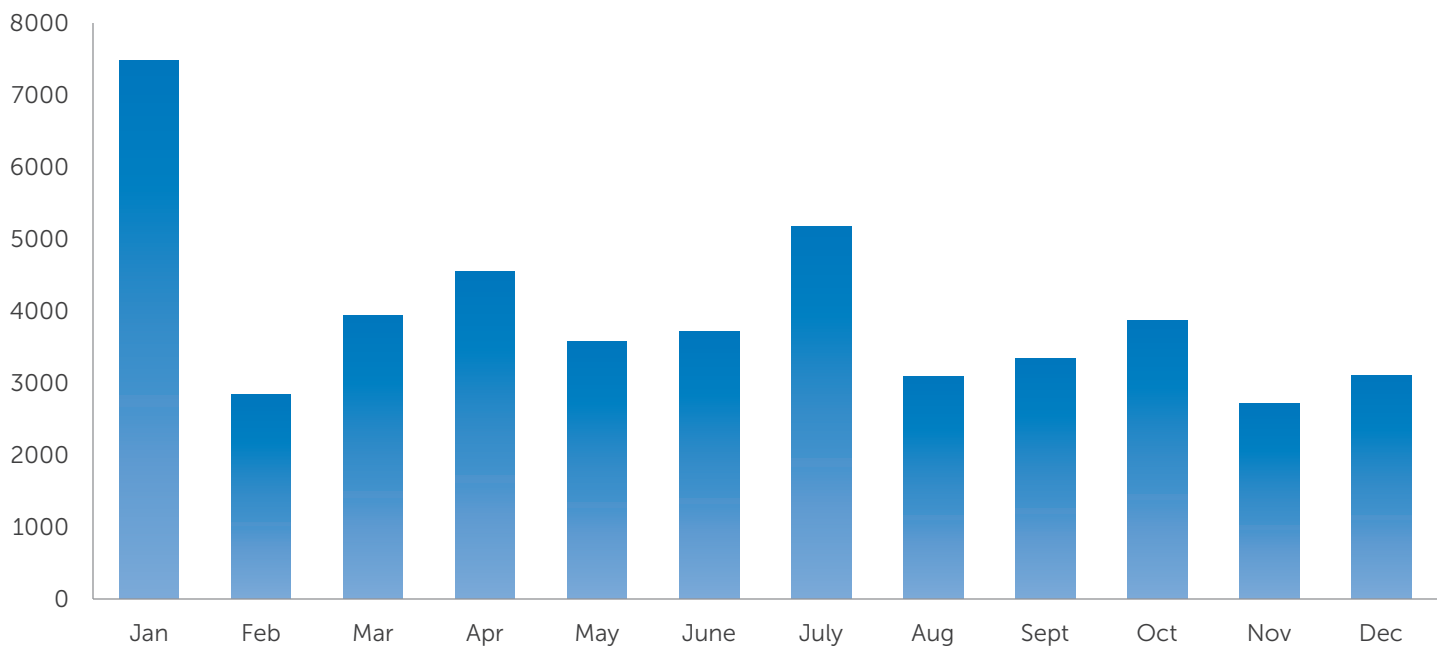
³Includes reinstatements

⁴Total of one year and fixed rate/annual 3 year policies

EXPERIENCE RATINGS

January 1, 2022 to December 31, 2022

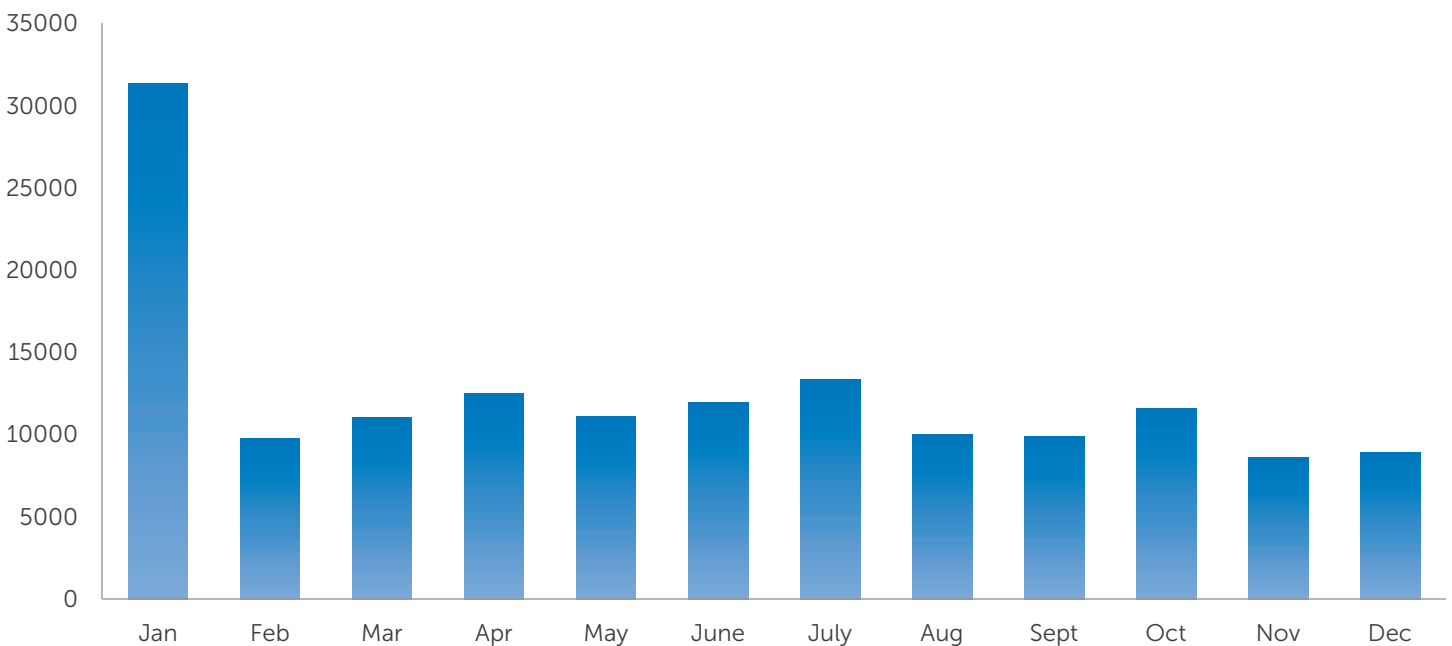
Effective Month	Total Ratings	Percentage
January	7,419	15.78%
February	2,824	6.01%
March	3,913	8.32%
April	4,516	9.60%
May	3,545	7.54%
June	3,687	7.84%
July	5,133	10.92%
August	3,060	6.51%
September	3,317	7.05%
October	3,837	8.16%
November	2,694	5.73%
December	3,076	6.54%
Totals	47,021	100.00%



MERIT RATINGS

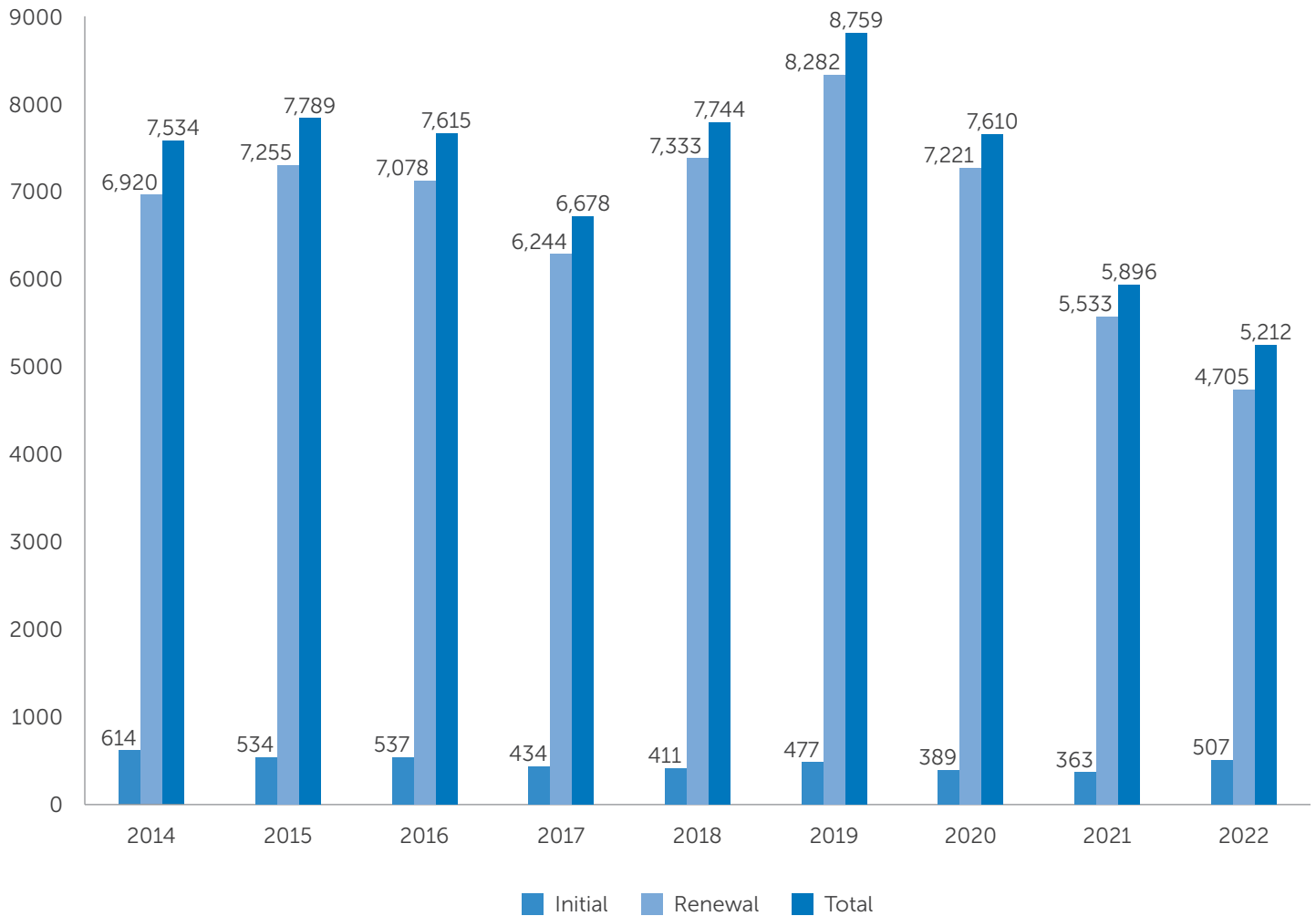
January 1, 2022 to December 31, 2022

Effective Month	Total Ratings	Percentage
January	31,085	20.88%
February	9,660	6.49%
March	10,965	7.37%
April	12,405	8.33%
May	11,038	7.41%
June	11,843	7.96%
July	13,252	8.90%
August	9,939	6.68%
September	9,788	6.58%
October	11,519	7.74%
November	8,520	5.72%
December	8,851	5.95%
Total	148,865	100.00%

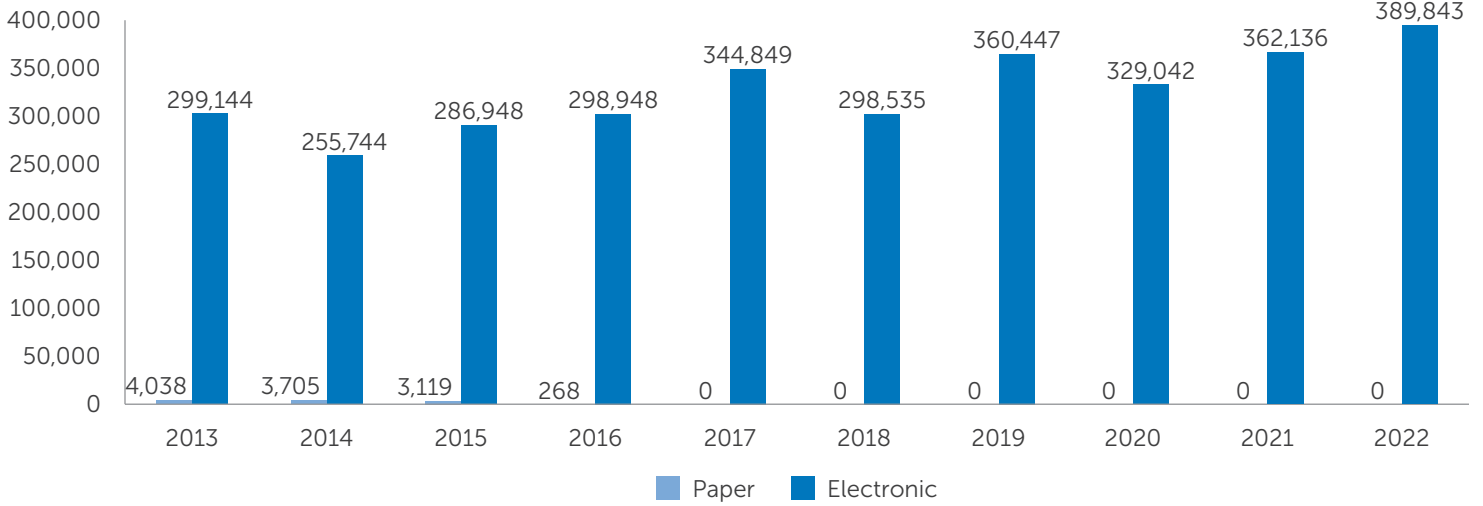


CERTIFIED SAFETY COMMITTEE CREDIT PROGRAM

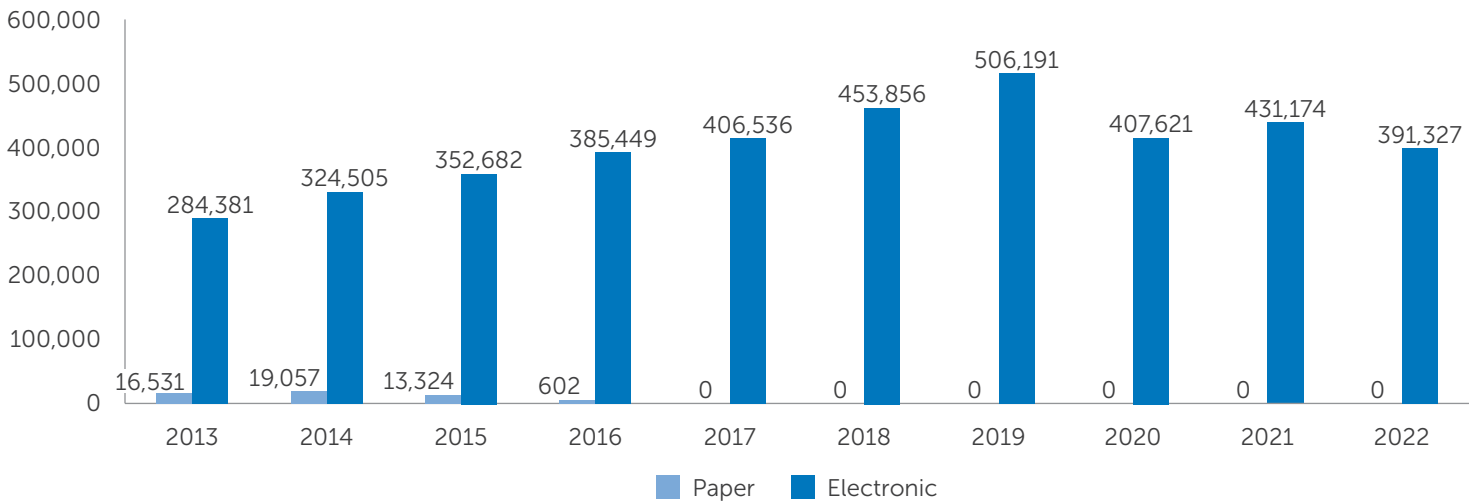
Number of Employers Receiving Credits by Year



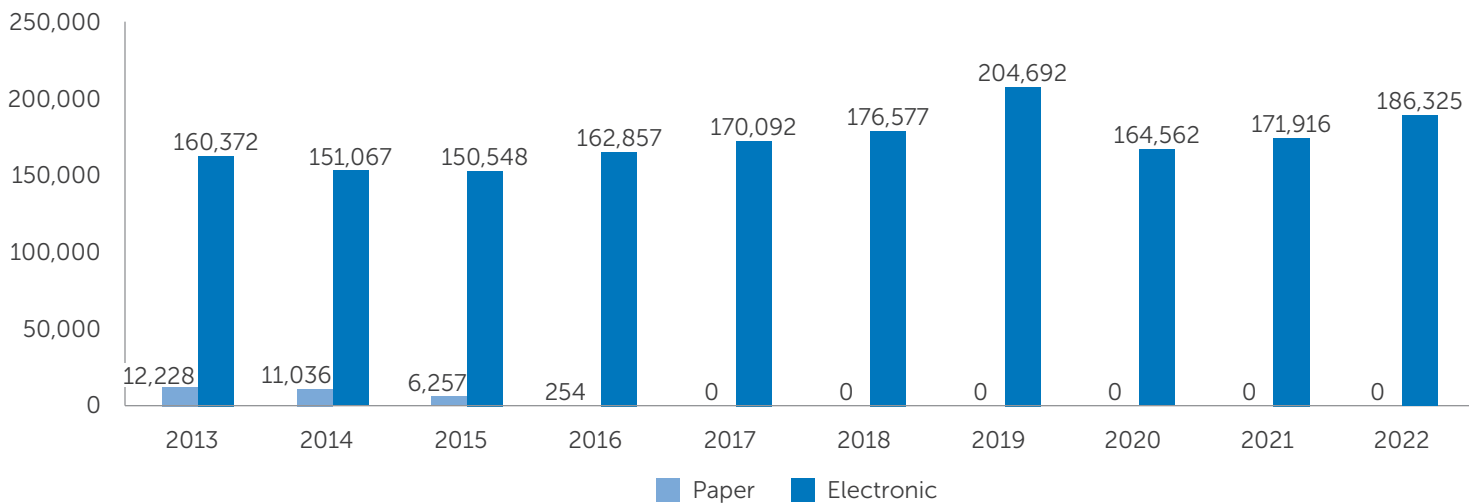
POLICIES PROCESSED



ENDORSEMENTS PROCESSED



CANCELLATIONS/REINSTATEMENTS PROCESSED



USR SUBMISSIONS BY POLICY YEAR AND TYPE OF REPORT

Type of Report	Total Report	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
First	306,792	48	53	75	135	310	480	900	3,480	154,262	147,049
Second	13,053	21	40	56	85	202	318	561	6,775	4,995	
Third	8,251	20	35	53	85	188	375	4,348	3,147		
Fourth	5,307	21	31	51	73	192	2,836	2,103			
Fifth	3,495	17	40	57	95	1,806	1,480				
Sixth	2,447	26	38	80	1,202	1,101					
Seven	1,941	25	48	1,004	864						
Eighth	1,569	22	812	735							
Ninth	1,081	572	509								
Tenth	329	329									
Total	344,265	1,101	1,606	2,111	2,539	3,799	5,489	7,912	13,402	159,257	147,049