



**Pennsylvania Compensation Rating Bureau**

The Widener Building • 6th Floor

One South Penn Square • Philadelphia, PA 19107-3577 • (215) 568-2371 • FAX (215) 564-4328

June 24, 1997

**PENNSYLVANIA TEST AUDIT PROGRAM**  
**BULLETIN # 43**

**CARRIER WITHDRAW FROM TEST AUDIT PROGRAM**

The Bureau's Test Audit Program as published in Bureau Circular 1285 provides that carriers having superior performance may elect not to participate in the program. This provision appears in Section VII, paragraph I of the program which reads as follows: "Carriers having less than 10.0 percent of their test audited policies developing reportable differences as defined in Section VII, Test Audit Standards, for a period of four (4) consecutive quarters in the aggregate may be excused (at the option of the carrier) from participation in the Test Audit Program for the ensuing four (4) consecutive calendar quarters."

As you can see from the above there is no time frame specified in the current program within which a carrier must notify the Bureau of their intention to withdraw from the Test Audit Program. In order to clarify this provision and to avoid possible disputes pertaining thereto, the PCRB with the approval of the Audit Committee is amending the Pennsylvania Test Audit Program by adding the following language to the aforementioned provision of the program. "Those qualifying carriers who wish to exercise their option to withdraw from the Test Audit Program based on their superior performance over the most recent four quarters must do so within 10 working days from the date on the letter notifying them of their quarterly results. The indication of a desire to withdraw must be confirmed in writing in the form of a letter mailed or faxed to the PCRB or a telephone call confirmed by subsequent letter."