

October 15, 2021

VIA SERFF

The Honorable Jessica Altman
Insurance Commissioner
Commonwealth of Pennsylvania
Insurance Department
11311 Strawberry Square
Harrisburg, PA 17120

Attention: Michael McKenney, Actuarial Supervisor, Property & Casualty Bureau

**RE: PCR B Filing No. 330 – Proposed Effective April 1, 2022
Revised Edition of the ERM-14 Form**

Dear Commissioner Altman:

On behalf of the members of the Pennsylvania Compensation Rating Bureau (PCRB), we hereby submit the proposed filing for a revised edition of the ERM-14 form used within the state. The revision is proposed to be effective as of 12:01 a.m., April 1, 2022 and coincides with changes resulting from PCRB's normal annual comprehensive loss cost revision, which will be filed with the Insurance Department later. The election of this effective date coordinates all changes to a single date.

The ERM-14 form is used by insureds and agents to report ownership changes and changes in combinability to their insurance carrier and the PCRB. Included with this proposed filing are the PCRB's staff memorandum detailing the proposed revisions to the ERM-14 form and the updated version of the form. The memorandum and proposals were presented to the PCRB Classification and Rating Committee during its annual meeting on June 9, 2021. The proposed revisions will modernize the ERM-14 form and better align it with the process and similar forms used in other states.

The proposed ERM-14 form revisions are summarized below:

- Additional space to provide expanded risk information such as their FEIN, policy number, and policy effective date.
- Updated options for submitting the form and updated instructions for each option.
- The use of uniform fonts and formatting throughout the form to provide a better aesthetic.

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Thank you in advance for your review and attention to this filing. The PCRB will be pleased to answer any questions you or the Insurance Department's staff may have regarding these proposals.

Sincerely,

William V. Taylor
President

Enclosure: Staff memorandum and Revised ERM-14 Form

TO: Pennsylvania Compensation Rating Bureau Classification and Rating Committee
FROM: Drew Kratz, Manager – Underwriting & Coverage Compliance
DATE: June 01, 2021
RE: Revised edition of the ERM-14 (Confidential Request for Ownership) Form

Background:

The Forms section of the PCRb's website historically has provided access to the ERM-14 form. The ERM-14 form is a form used by insureds to communicate ownership changes, name changes, changes in combinability, etc. to their insurance carrier. The form is also provided to the PCRb for review in conjunction with the provisions of the Experience Rating Plan to determine the impact, if any, a change has on the insured's developed experience or merit rating.

The ERM-14 listed on the PCRb's website is in need of updating. The accompanying form is a modernized edition of the form allowing spaces for expanded risk information such as the FEIN, Policy Number and Policy Effective date, as well as updated row/column headers. The modernized version also ensures the use of uniform fonts and formatting throughout the form providing a better aesthetic.

Conclusion and Recommendation:

Staff proposes the filing of the revised version of the ERM-14. The proposed effective date of these changes is April 1, 2022 concurrent with PCRb's normal annual comprehensive loss cost filing. This will ensure the PCRb's website provides a version of the form more in line with those provided by the NCCI and other independent states.

The proposed updated version of the ERM-14 is attached.

CONFIDENTIAL REQUEST FOR OWNERSHIP INFORMATION

The following confidential ownership statements may be used only in establishing premiums for your insurance coverages. It is extremely important all questions be answered completely. Your workers' compensation policy requires you report all ownership changes and other changes as detailed below to your insurance carrier in writing within ninety (90) days of the change. If you have questions, contact your agent & your insurance carrier or the appropriate rating organization. **Incomplete information or a missing signature may result in a delay in processing.**

PURPOSE (Check One)

- Name or Entity Status Change Only**
Complete Column A for former name and Column B for new name. Complete questions 1, 2, and 3 on page 2.
- Combination of Separate Entities**
Complete a separate column for each entity related through common majority ownership. (Add forms if needed)
- Sale, Transfer or Conveyance of All or a Portion of an Entity's Ownership Interest**
Complete column A for the ownership prior to the change and column B for the ownership after the change
- Merger or Consolidation**
Complete columns A & B for the former entities and column C for the remaining entity
- Formation of a New Entity**
Complete column A
- Sale, Transfer or Conveyance of an Entity's Physical Assets to Another Entity That Takes Over its Operations**
Complete column A for the original entity and column B for the acquitting entity
- Irrevocable Trust or Receiver Established Voluntarily or by Court Mandate or Revocable Trust or Franchisor**
Complete column A for ownership prior to the change and column B for the trustee or receiver established

| Entity Information | A | B | C |
|---|---|---|---|
| Name of Business Provide legal name of entity. | | | |
| Primary Address Street, City, State, Zip | | | |
| Legal Status | | | |
| Ownership Corporations: List names of all owners of 5% or more of voting stock and number of shares owned. Partnerships: List each general partner and appropriate share in profits. Other: If no voting stock, list sole proprietor, members of LLC & percentage, members of boards of directors or comparable governing body. Ownership totals should equal 100% | | | |
| FEIN | | | |
| Change Effective Date | | | |
| Policy Number | | | |
| Policy Effective Date | | | |

CONFIDENTIAL REQUEST FOR OWNERSHIP INFORMATION

- 1. Has this entity operated under another name in the last four years? _____
- 2. Is this entity **currently** related through common majority ownership to any entity not listed on page 1 of the form? _____
- 3. Has this entity been previously related through common majority ownership to other entity in the last four (4) years? _____

If you answered yes to question 1, 2, or 3, please provide the following information:

| Name of Business | Principal Location | Carrier and Policy Number | Effective Date |
|------------------|--------------------|---------------------------|----------------|
| | | | |
| | | | |
| | | | |

- 4. Were the assets and/or ownership interest (all or a portion) of this entity acquired from a previously existing business? If yes, provide complete ownership information of the prior owner in column A and ownership information of the new owner in column B on the reverse side on page 1 of this form.
- 5. If this is a partial sale, transfer, or conveyance of an existing business (I.E. – sale of one or more than one location, etc.)
 - a. Explain what portion or location of the entire operations was sold, transferred, or conveyed. _____
 - b. Was this entity insured under a separate policy from the remaining portion? _____ If not, specify the entities with which it was combined: _____
- 6. If this entity has operations in Delaware or Pennsylvania, provide the number of employees from each state retained from the prior ownership _____ out of _____. Indicate the percentage or number retained out of the total from each of these states: _____ % _____ state.

NOTE: If your business has changed significantly to result in a change to the primary (governing) classification and the process and hazard of the operation also changed, contact your agent, insurance carrier or rating organization for additional information.

CERTIFICATION

This is to certify that the Information contained on this form is complete and correct.

Name of Insured: _____

Name of person completing the form: _____

Date this ownership change was reported in writing to your insurance carrier: _____

Signature of Owner, Partner or Executive Officer

Title

Insurance Carrier

Print name of above signature

Date

Carrier Address