



**Pennsylvania Compensation Rating Bureau**

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April 25, 1997

**BUREAU CIRCULAR NO. 1356**

To All Members of the Bureau:

Re: **PENNSYLVANIA "F" CLASSIFICATION RATE FILING**  
**EFFECTIVE MAY 1, 1997**

The Pennsylvania Compensation Rating Bureau (PCRB) has filed and the Insurance Commissioner has approved revisions to workers compensation rates and related rating values applicable to coverage under the United States Longshore & Harborworkers Act (USL&HW) in the Commonwealth of Pennsylvania. The approved revisions are effective as of 12:01 a.m., May 1, 1997 with respect to new and renewal policies having normal anniversary rating dates on or after that date.

This rate revision reflects an overall average increase in rates applicable to USL&HW coverage of 122.65 percent, with rate increases for specific classifications ranging from a low of 107.1 percent to a high of 131.4 percent, derived based on Pennsylvania experience. Because of the small size and thus limited credibility of all Pennsylvania classifications for USL&HW coverage, individual classification rate changes differ only nominally from the overall average indication.

The USL&HW coverage factor, reflecting differences in benefits between Pennsylvania workers compensation law and the USL&HW Statute, changes from 1.836 to 1.995. This factor reflects changes in both USL&HW and Pennsylvania State Act benefits through the implementation of Act 57 in 1996. Other rating value revisions include expected loss rate factors, excess loss premium factors, the premium discount schedule, and the retrospective rating plan tax multiplier.

The current USL&HW rates and rating values in Pennsylvania have been in effect since 1982. Since that implementation, significant changes in USL&HW experience and/or benefit provisions have occurred. Neither Act 44 nor Act 57 apply to benefits available under USL&HW coverages in Pennsylvania, and neither of these laws amended the Insurance Company Law of 1921 as respected the promulgation and filing of rates for USL&HW coverages in the Commonwealth. Accordingly, the PCRB remains charged with the responsibility for filing full advisory rates for USL&HW coverage, with individual insurers allowed to file uniform percentage deviations from PCRB rates (subject to approval by the Insurance Commissioner) or to make separate, individual rate filings (similarly subject to approval by the Insurance Commissioner).

Attached for member reference is a table of rates consistent with the Insurance Department's approval, as well as an exhibit showing revised excess loss premium factors, premium discount schedules and the Retrospective Rating Plan tax multiplier.

Revised Manual pages presenting new rating values will be distributed in the usual fashion.

Any questions concerning this circular may be addressed to Michael J. Doyle, Director - Actuarial Department, at Extension 213.

Timothy L. Wisecarver  
President

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Attachments

**PENNSYLVANIA**  
**UNITED STATES LONGSHORE AND HARBOR WORKERS RATES**  
**MANUAL RATES AND EXPECTED LOSS RATES**  
**EFFECTIVE MAY 1, 1997 ON NEW AND RENEWAL**

Code No.	Manual Rate	Min. Prem.	Experience Rating Plan Expected Loss Rate Tables *		
			A-1	A-2	A-3
6824F	22.94	2,100	6.73	8.81	9.90
6826F	23.65	2,100	6.94	9.08	10.21
6843F	27.69	2,100	8.12	10.63	11.95
6872F	73.94	2,100	21.69	28.39	31.92
7309F	122.67	2,100	35.98	47.11	52.96
7313F	25.38	2,100	7.44	9.75	10.96
7317F	64.13	2,100	18.81	24.63	27.68
7323F	51.24	2,100	15.03	19.68	22.12
0763F	27.61				
7327F	40.66	2,100	11.93	15.61	17.55
7366F	21.78	2,100	6.39	8.36	9.40
8709F	8.48	2,100	2.49	3.26	3.66
8726F	7.57	2,100	2.22	2.91	3.27

\* Table A-1 applies to the most current policy year, Table A-2 to the first prior policy year, and Table A-3 to the second prior policy year.

Associated classes - both codes must be applied. The second code is not subject to experience rating and applies to the full payroll of the associate class.

UNITED STATES LONGSHORE AND HARBOR WORKERS  
RATING VALUES  
EFFECTIVE 5/1/97 FOR NEW AND RENEWAL POLICIES

**EXCESS LOSS PREMIUM FACTORS**

Accident Limitation	Hazard Group		
	II	III	IV
\$25,000	0.486	0.562	0.583
30,000	0.470	0.546	0.569
35,000	0.457	0.532	0.561
40,000	0.444	0.525	0.548
50,000	0.420	0.499	0.529
75,000	0.367	0.444	0.477
100,000	0.321	0.397	0.432
125,000	0.284	0.355	0.394
150,000	0.256	0.322	0.361
175,000	0.232	0.295	0.334
200,000	0.213	0.272	0.311
250,000	0.183	0.237	0.273
300,000	0.162	0.211	0.245
500,000	0.111	0.151	0.179
1,000,000	0.067	0.092	0.112

**PREMIUM DISCOUNT TABLES**

Total Workers Compensation Standard Premium	Discounts Applicable to Pennsylvania Carriers	
	Schedule (Y) Carriers	Schedule (X) Carriers
First \$ 15,000 .....	None	None
Next 285,000 .....	9.8%	5.8%
Next 1,200,000 .....	11.8%	6.9%
Over 1,500,000 .....	12.7%	7.9%

**TAX MULTIPLIER**

Pennsylvania Retrospective Rating Tax Multiplier - Federal Classes,  
or Non F where rate is increased by USL & HW Act Percentage ..... 1.2684