



## Pennsylvania Compensation Rating Bureau

The Widener Building • 6th Floor  
One South Penn Square • Philadelphia, PA 19107-3677  
(215)568-2371 • FAX (215)564-4328 • [www.pcrb.com](http://www.pcrb.com)

March 17, 2005

### **BUREAU CIRCULAR NO. 1497**

To All Members of the Bureau:

Re: **ADDITIONAL INFORMATION ON REVISIONS TO PENNSYLVANIA STATISTICAL PLAN MANUAL ANNOUNCED MARCH 15, 2005**

Bureau Circular No. 1496 announced approved revisions to the Pennsylvania Statistical Plan Manual. These revisions included Sections I – General Rules/Definitions and II – Reporting Requirements effective October 1, 2005 and Sections III – Individual Case Reports, IV – Codes, VI – Examples, and VIII – Sample Forms effective October 1, 2005 on an OPTIONAL basis and MANDATORY effective April 1, 2006.

However, Bureau Circular No. 1496 did not include the text of approved revisions. The Manual revisions for these changes are attached hereto for your immediate use. The Statistical Plan Manual will be updated on our website ([www.pcrb.com](http://www.pcrb.com)) at a future date.

Questions about the Pennsylvania Statistical Plan should be directed to Bonnie Piacentino, Director – Statistical Reporting, at Extension 4456.

Timothy L. Wisecarver  
President

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Attachment

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***Remember to visit our web site at [www.pcrb.com](http://www.pcrb.com) for more information about this and other topics.***

**PENNSYLVANIA STATISTICAL PLAN MANUAL**  
*Mandatory Effective October 1, 2005*

**SECTION I - GENERAL RULES/DEFINITIONS**

Items **A.** and **B.** remain unchanged.

**C. Fine System for [Late Unit Reports] Statistical Reporting**

[Companies will receive a notice of overdue unit reports, to be mailed to the company by the Bureau at the end of the month when units are finally due. Failure to respond to this notice will result in the following fines:

**SCHEDULE OF STATISTICAL PLAN FINES**

Notice	Non-Rated Units	Rated Units
1 <sup>st</sup>	\$ 0	\$ 0
2 <sup>nd</sup>	\$ 5	\$ 5
3 <sup>rd</sup>	\$ 5	\$ 100
4 <sup>th</sup>	\$ 5	\$ 100
5 <sup>th</sup>	\$15	\$ 250
6 <sup>th</sup>	\$25	\$ 500
7 <sup>th</sup>	\$40	\$ 750
8 <sup>th</sup> or more	\$50	\$1,000

Above fine schedule approved by the Pennsylvania Insurance Department on October 19, 1990.]

**1. Timeliness**

Initial unit statistical data must be valued as of the 18th month after the policy effective date and reported by the end of the 20th month after the policy effective date. Subsequent reports, if applicable, must be valued and reported at successive 12-month intervals up to and including a 10th report, which would be valued as of the 126th month after the policy effective date and reported by the end of the 128th month after the policy effective date.

**2. Completeness**

Submissions are expected to contain all required information as detailed in this Plan. Submissions, whether made in hardcopy or electronically, that, upon a cursory review by the Bureau, do not satisfy basic reporting requirements will not be accepted, will be promptly returned to the carrier and will be considered as missing until a complete submission is provided. An example of an incomplete submission would be the submission of a unit statistical report(s) without exposure data in order to meet the unit statistical reporting due date.

**3. Quality**

Carriers are notified in writing when a unit statistical report contains errors. Carriers are subsequently notified via e-mail on an as needed basis, as well as in writing on a quarterly basis, of any error(s) remaining outstanding and requiring a correction report(s).

The timely issuance of experience ratings is an important element of the workers compensation pricing process. The Bureau strives to promulgate experience ratings for member carriers and employers 60 days in advance of policy effective dates. Experience

ratings can only be calculated in compliance with this objective when unit statistical reports are received in a timely, complete and accurate manner. Unit statistical reports with critical errors that remain uncorrected for extended periods of time will be treated like missing data. "Critical" errors are defined as those errors and/or discrepancies that impact or impede experience rating calculations and/or that may significantly affect loss cost relativities between classifications.

By action of the Governing Board, effective October 1, 2003 the Bureau began to subject unit statistical report(s) with critical errors remaining uncorrected for an extended period of time and causing a delinquent experience rating(s) to the Schedule of Statistical Plan Fines, as outlined below in Section 4. Assessment Schedule, in accordance with the following procedures.

Bureau staff will identify unit statistical reports with critical errors that have overdue experience ratings and notify the carrier via certified mail that, despite numerous previous attempts to secure corrections, errors on the unit remain unresolved.

Carriers will be warned that failure to respond in 30 days may result in fine amounts up to a maximum of \$1,000 per unit per month unless a satisfactory response is received. If the error remains uncorrected after the initial 30-day period, the carrier will receive a final warning, which is coincident to Notice 1 on the Assessment Schedule, advising that at the end of the next 30 days the unit statistical report will become subject to the Schedule of Statistical Plan Fines and will appear on statistical reporting listings or invoices unless all critical errors have been resolved. Errors remaining uncorrected after the final warning period will become subject to the Schedule of Statistical Plan Fines and will appear on statistical reporting listings or invoices consistent with that Schedule.

**4. Assessment Schedule**

Assessments for missing unit statistical reports, incomplete unit statistical reports and/or critical errors will be charged according to the schedule shown below. This schedule was approved for application to missing unit statistical reports by the Pennsylvania Insurance Department on October 19, 1990 and was approved for application to missing unit statistical reports, incomplete unit statistical reports and/or critical errors on March 9, 2005.

**SCHEDULE OF STATISTICAL PLAN FINES**

<u>Notice</u>	<u>Non-Rated Units</u>	<u>Rated Units</u>
<u>1<sup>st</sup></u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>2<sup>nd</sup></u>	<u>\$ 5</u>	<u>\$ 5</u>
<u>3<sup>rd</sup></u>	<u>\$ 5</u>	<u>\$ 100</u>
<u>4<sup>th</sup></u>	<u>\$ 5</u>	<u>\$ 100</u>
<u>5<sup>th</sup></u>	<u>\$15</u>	<u>\$ 250</u>
<u>6<sup>th</sup></u>	<u>\$25</u>	<u>\$ 500</u>
<u>7<sup>th</sup></u>	<u>\$40</u>	<u>\$ 750</u>
<u>8<sup>th</sup> – 24<sup>th</sup></u>	<u>\$50</u>	<u>\$1,000</u>

The assessment schedule will apply for a maximum 24-month period per unit. Thus, a single non-rated unit statistical report that remains outstanding for 24 months will accrue fines totaling \$945, and a single rated unit statistical report that remains outstanding for 24 months will accrue fines totaling \$18,705.

## **5. Notification of Missing Units and Assessments**

Companies will receive notices of overdue unit statistical reports to be mailed to the companies by the Bureau at the end of each month when unit statistical reports are due.

Notices 1 through 24 will be issued in the form of a listing or invoice. A 25th notice will be issued in the form of a Bureau letter detailing the missing unit statistical reports and reminding the carrier of their obligation to provide this data so that it may be included in the summarized data used to establish loss costs for each employer classification in the state, as well as in the individual employer loss experience which is the basis for experience rating and merit rating.

During the period that assessments are accruing, the Bureau will not initiate additional interim contacts apart from the monthly listings or invoices. It is the carriers' responsibility to be aware that fines are accruing and a submission is required.

The Bureau produces listings and provides online access to listings alerting carriers to the unit statistical reports expected to be filed. These listings contain state, policy number, named insured, effective date, and expiration date. Carriers can use these listings to identify which unit statistical reports that are due to be reported prior to submission.

## **6. Appeal of Assessments**

Carriers will have up to 90 days after their receipt of a Bureau invoice to appeal any assessment. Any appeal of fines must be made in writing, must include the invoice number in question and must set forth all factors which the carrier wishes to be considered in the review of the appeal. Appeal must be sent to:

PCRB  
Statistical Reporting – Appeals  
The Widener Building, 6th Floor  
One South Penn Square  
Philadelphia, PA 19107

Appeals of assessments for missing unit statistical reports should be supported by documentation showing the date(s) the unit statistical reports were submitted to the Bureau. Documentation for the timing of electronic submission may include copies of IBBSnet receipt confirmations, CDX ETR logs or a Bureau-generated email indicating that the submission file in question was received.

For diskette or hardcopy reporting, submission documentation may include courier mail receipts or facsimile transmission receipts.

**Items D. through K. remain unchanged.**

**L. Loss Rules**

Numbers 1. through 7. remain unchanged.

**8. Correction and Subsequent Reports**

a. Any second, third..... previous report.

b. Correction Reports

(1) A correction report must be filed when any of the following occur between valuation dates:

Items (a) through (c) remain unchanged

(d) The claim should have been reported with a catastrophe code.

If the claim was declared non-compensable, a Code "05" must be reported in the Type of Settlement portion of the Loss Conditions field. In the case of recovery against a third party, a Code "03" must be reported in the Type of Recovery portion of the Loss Conditions field, etc. (See Section IV, Codes, Item C, Loss Information Codes, Number 3, Loss Conditions, Type of Recovery for a complete list of codes.

Numbers (2) and (3) remain unchanged.

Item c. remains unchanged.

**9. Medical or Legal Expense**

Medical or legal expenses incurred for the benefit of the carrier to secure evidence for presentation before an official body shall be treated as adjusting expenses and not reported except as respects Part II allocated loss adjustment expense as explained in Item L. 7. of this section.

The following are a few examples that should be charged to expense rather than to losses:

1. Medical examination of a claimant on behalf of the carrier to determine [liability] compensability
2. Cost of securing birth and death certificates
3. Cost of performing autopsies
4. Impartial examinations by industrial board for the purpose of hearing and determining questions of compensability
5. Expert testimony of physicians on behalf of the carriers or fees paid to the claimant's physician called in by the carrier

NOTE: When the claimant calls ..... the employee.

Number 10. remains unchanged.

**Item M.** remains unchanged.

## **N. General Rules and Definitions**

Numbers 1. through 13. remain unchanged.

### **14. Expenses -- Included in Losses**

Items a. and b. remain unchanged.

- c. *Impartial Examinations by Industrial Board.* Expenses for impartial examinations ordered by an industrial board to determine necessary treatment or to determine the extent or continuation of disability are to be considered as incurred losses and reported on the unit report.

Items d. through f. remain unchanged.

## SECTION II – REPORTING REQUIREMENTS

**Item A.** remains unchanged.

### **B. Exposure Amount**

Numbers **1.** through **3.** remain unchanged.

#### **4. Exposure Amount**

The lines referenced in the following paragraphs, Items 4 through 10, pertain to the hard copy Unit Statistical Report.

- a. No Exposure in the State - When a policy is issued, either on an “if any” basis or as a multi-state policy, and upon audit it is determined that exposure did not develop, a first level unit report must be submitted containing either 1) no exposure records at all or 2) a single exposure record containing Class Code 1111, No Exposure. If the Class Code 1111 option is chosen, the class must be reported above Line “A” with no corresponding exposure, rate or premium amounts. All no exposure unit totals (exposure, premium, loss, etc.) must be equal to zero, and there should be no corresponding exposure or loss records reported. The use of either Option 1) or 2) above will alert the Bureau that no exposure developed in the state.

[a]b. Payrolls reported must .....are available.

[b]c. Payrolls must be .....experience modification.

[c]d. The total payroll for..... last unit card.

[d]e. The payroll exposures ..... Standard Exposure.

[e]f. The Manual rules .....captioned “D,” “E” or “F.”

[f]g. The Manual rules provide ..... to the payroll.

Numbers **5.** through **10.** remain unchanged.

**PENNSYLVANIA STATISTICAL PLAN MANUAL**

*Mandatory Effective April 1, 2006*

*Optional October 1, 2005*

**SECTION III – INDIVIDUAL CASE REPORTS**

**A. Individual Case Reports Rules**

Item Number 1. remains unchanged.

**2. General Instructions for Reporting** .....UNIT REPORT.

Items a. through y. remain unchanged.

z. Workers Sex. Report the one-position code indicating the injured workers sex.

[z]aa. Average Weekly Wage. Enter ..... whole dollar.

[aa]bb. Injury Description Code. This .....the injury.

[bb]cc. Occupation. Give .....the accident.

[cc]dd. Date Closed. Enter .....MM/YY.

[dd]ee. Reserve Type Code. Report .....Item D.8.

[ee]ff. Lump Sum Indicator. Report .....sum payment.

[ff]gg. Fraud. Report the code .....Item D.10.

[gg]hh. Social Security Number. This.....Security Administration.

[hh]ii. Date Single Sum Paid. Enter .....MM/DD/YY.

[ii]jj. Employment Status. Report .....Item D.11.

[jj]kk. Year Last Exposed. Report .....determine benefit.

[kk]ll. Date of Hire. (Not applicable in Pennsylvania)

Item Number 3. remains unchanged.

**4. Specific Instructions for Reporting Information on Individual Case Reports, Pension Benefits.**

Items a. through f. remain unchanged.

g. Data Provider Comments. Report any information relevant to the reserve or pension calculation. This text may be used for any commentary on the claim that may eliminate verification requests from the Bureau. As examples, data providers may at their option provide and/or explain the pension value, weekly benefit, or duration of dependent child's benefits, etc.

Item Number 5. remains unchanged.



## SECTION IV - CODES

Items **A.** through **C.** remain unchanged

### **D. Individual Case Report Codes**

Number 1. through 11. remain unchanged.

#### 12. Workers Sex

<u>Code</u>	<u>Description</u>
<u>M</u>	<u>Male</u>
<u>F</u>	<u>Female</u>

#### [12] 13. **Beneficiary**

Code list remains unchanged.