



Pennsylvania Compensation Rating Bureau

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February 16, 2006

BUREAU CIRCULAR NO. 1508

To All Members of the Bureau:

Re: **MANUAL REVISIONS - SECTION 1 RULE IX H.**
PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM
EFFECTIVE OCTOBER 1, 2006

The Pennsylvania Compensation Rating Bureau has filed and the Insurance Commissioner has approved Manual revisions to Section 1, Rule IX, H. Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP). These revisions are **effective 12:01 a.m., October 1, 2006** with respect to new and renewal business only.

For policies with anniversary rating dates on or after October 1, 2006 the following changes to the PCCPAP plan are applicable:

- First, qualifying wages are to be based on the Third Quarter of 2005, as this data is now or soon will be available and represents a more current level of employment and wage activity for construction employers.
- Second, the minimum hourly wage eligible for premium credit is to be updated in accordance with the most recent change in the Statewide Average Weekly Wage (SAWW). This change revises the minimum wage eligible for PCCPAP premium credit to \$22.20 per hour.

This qualifying wage has been rounded to the nearest \$0.05, with the expectation that that convention will be retained in subsequent years.

- Third, consistent with procedural changes previously approved pursuant to Bureau filings pertaining to the PCCPAP 1995 through 2005, revisions have been made in the increments in qualifying wages used in constructing the PCCPAP table of premium credits.

A copy of the complete PCCPAP credit table effective for normal anniversary rating dates on or after October 1, 2006 in the text of Section 1, Rule IX, H. is shown at the end of this circular.

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Questions about PCCPAP should be directed to the Rating Rules & Policy Reporting Department at Extension 4421.

The Manual will be updated on our website (www.pcrb.com) at a future date.

The Bureau will advise qualifying employers and their insurers of record of credits using normal procedures.

Timothy L. Wisecarver
President

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Remember to visit our web site at www.pcrb.com for more information about this and other topics.

MANUAL REVISIONS

SECTION 1

RULE IX – SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE

H. PENNSYLVANIA CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM

1. The Pennsylvania Construction..... as set forth below:

<u>FROM</u>		<u>TO</u>	
Normal Anniversary <u>Rating Dates</u>	Reporting Period for <u>Qualifying Wages</u>	No Change	
[July 1, 2000 June 30, 2001	Third calendar quarter of 1999]	Delete	
July 1, 2001 - June 30, 2002	Third calendar quarter of 2000	No Change	
July 1, 2002 - June 30, 2003	Third calendar quarter of 2001	No Change	
July 1, 2003 - June 30, 2004	Third calendar quarter of 2002	No Change	
July 1, 2004 - September 30, 2005	Third calendar quarter of 2003	July 1, 2004 - <u>September 30, 2005</u>	Third calendar quarter of 2003
October 1, 2005 and later	Third calendar quarter of 2004	October 1, 2005 - <u>September 30, 2006</u>	Third calendar quarter of 2004
No current entry		<u>October 1, 2006 and later</u>	<u>Third calendar quarter of 2005</u>

If the insured is listed below: No Change

DELETE table for *Normal Anniversary Rating Dates – July 1, 2001– June 30, 2002*

NO CHANGE to tables for *Normal Anniversary Rating Dates – July 1, 2002 – June 30, 2003, and July 1, 2003 – June 30, 2004, and July 1, 2004 – September 30, 2005.*

FROM

TO

Normal Anniversary Rating Dates -
October 1, 2005 [and later]

Normal Anniversary Rating Dates –
October 1, 2005 – September 30, 2006

Table Values Unchanged

The following **NEW** table has been added:

FROM

TO

No current entry

Normal Anniversary Rating Dates -
October 1, 2006 and later

No current entry

<u>Credit From Average Hourly Wage</u>	<u>Standard Premium</u>	<u>Credit From Average Hourly Wage</u>	<u>Standard Premium</u>
------------------------------------------------	-----------------------------	------------------------------------------------	-----------------------------

No current entry

\$22.19 or less	None	\$27.60-\$28.09	18%
\$22.20-\$22.54	5%	\$28.10-\$28.59	19%
\$22.55-\$22.89	6%	\$28.60-\$29.09	20%
\$22.90-\$23.29	7%	\$29.10-\$29.64	21%
\$23.30-\$23.69	8%	\$29.65-\$30.19	22%
\$23.70-\$24.09	9%	\$30.20-\$30.74	23%
\$24.10-\$24.49	10%	\$30.75-\$31.29	24%
\$24.50-\$24.89	11%	\$31.30-\$31.89	25%
\$24.90-\$25.29	12%	\$31.90-\$32.49	26%
\$25.30-\$25.74	13%	\$32.50-\$33.14	27%
\$25.75-\$26.19	14%	\$33.15-\$33.79	28%
\$26.20-\$26.64	15%	\$33.80-\$34.44	29%
\$26.65-\$27.09	16%	\$34.45 and over	30%
\$27.10-\$27.59	17%		

Balance of the Rule remains unchanged.