



Pennsylvania Compensation Rating Bureau

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January 17, 2014

PCRB CIRCULAR NO. 1623

To All Members of the PCRB:

Re: **MANUAL REVISIONS - EXPERIENCE RATING PLAN**
SECTION 5, RULE V, 7. - REVISION OF LOSSES

APPROVED EFFECTIVE APRIL 1, 2014

The Pennsylvania Compensation Rating Bureau (PCRB) has filed and the Insurance Commissioner has approved Manual revisions to Section 5, Rule V, 7. – Revision of Losses. These revisions are **effective April 1, 2014**.

These Manual revisions are intended to more appropriately and effectively address changes to the procedures used to adjust experience ratings for specified types of changes in loss values:

These revisions will require that correction reports informing the PCRB of changes in loss values be received within the automatic or extended adjustment period in order to invoke changes in experience ratings. Experience modifications will be revised if the events giving rise to the qualifying change in loss values occur within the adjustment period. Such revisions will be made irrespective of when the correction report documenting the changes in loss values are received.

The adjustment period will be automatic for four years after the expiration of the affected ratings, no longer requiring the employer to request an extension of the adjustment period.

These revisions will make the procedures applicable to revision of losses and adjustment of experience ratings easier for employers and will safeguard against the possibility that a correction report might be delayed to an extent that an otherwise actionable revision in loss amount would not qualify for adjustment.

The Manual revisions are shown with new wording underlined and deleted wording bracketed.

MANUAL REVISIONS

SECTION V EXPERIENCE RATING PLAN

CHANGES

SECTION V TABULATION OF EXPERIENCE

7. **Revision of Losses.** It shall not be permissible to revise values because of department or judicial decision or because of developments in the nature of injury between two valuation dates[. Provided, however, that] except in cases:
- (a) [in cases] where loss values are included or excluded through mistake other than error of judgment, or
 - (b) where a claim is declared non-compensable (see note below), or
 - (c) where the claimant or carrier has recovered in an action against a third party, or
 - (d) where a claim should have been reported with Catastrophe Code No. 48.

[it shall be permissible to submit a revised reporting requesting adjustment of the affected rating or ratings, provided such request is made within 24 months (see below) of the expiration of the period to which the experience modification applied.]

[If a case is expected to be open longer than 24 months, upon written application, properly filed with the Bureau by the insured, a further extension of 24 months may be granted, provided such request is made within 24 months of the expiration of the period to which the experience modification applied. Such application shall give notice to the Bureau that one of the allowable conditions (see above) for loss revision is still pending a final decision. In this event, the Bureau's files for the risk involved will be preserved.]

In the above circumstances, revised statistical report(s) are required to be submitted in accordance with the approved Statistical Plan. When a change to a claim value due to the above circumstances is known to the insurer with certainty within 48 months of the expiration of an experience rating which included loss values for that claim, such revised statistical report(s) shall be used to adjust that experience rating. Such adjustments to experience ratings shall be made regardless of when the correction report(s) reflecting the cited event(s) is/are submitted to or received by the PCRB.

Note: For purposes of this rule, the term "non-compensable" refers to:

[i] an official ruling specifically holding that a claimant is not entitled to benefits under the provisions of the Pennsylvania Workers Compensation or Occupational Disease Act.

ii and iii remain unchanged

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Questions about these Manual revisions should be directed to Betty Campbell, Director - Rating Rules and Policy Reporting, at bcampbell@pcrb.com or 215-320-4425.

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

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.