



Pennsylvania Compensation Rating Bureau

United Plaza Building • Suite 1500
30 South 17th Street • Philadelphia, PA 19103-4007
(215)568-2371 • FAX (215)564-4328 • www.pcrb.com

July 28, 2017

PCRB CIRCULAR NO. 1685

To All Members of the PCRB:

Re: **PA SUPREME COURT PROTZ DECISION**

STATUS ON PCRB ACTIVITIES AND RULING IMPACT

The recent PCRB Circular No. 1683 outlined the Pennsylvania Supreme Court ruling in Protz v. WCAB (*Derry Area School District*). This circular is an update on the analysis and activities underway at the PCRB to assess the impact of this ruling.

Preliminary estimates have led to the determination that this ruling will have a significant monetary impact on the Workers Compensation system in Pennsylvania. This preliminary information was shared with the PCRB Actuarial Committee and Governing Board this week. Based on their initial assessment and reaction to this information, the PCRB was directed to complete the analysis of the impact and to develop an interim loss cost filing reflecting this impact.

This work is progressing rapidly and will result in an interim filing to the Pennsylvania Insurance Department with a target submission date of Tuesday, August 15, 2017. It is anticipated that this filing will propose revised loss costs for new and renewal policies effective on or after November 1, 2017. This interim filing will be independent of the scheduled annual April 1, 2018 loss cost filing. When submitted, this filing will be announced and made available on the PCRB website.

Accordingly, in order to preserve the desired, and possibly necessary, flexibility in pricing Pennsylvania workers compensation policies, it is strongly recommended that all new and renewal policies issued with effective dates on and after November 1, 2017 be qualified as carrying tentative rates using the Pending Rate Change Endorsement, WC 00 04 04, for this purpose. Any policies issued at current rates or on a "to-be-determined" basis for which approved rating values are changed as a result of the interim filing and/or any subsequent carrier filing(s) must be endorsed subsequently with the new carrier rates.

Questions about this circular or the PCRB's efforts in response to this ruling can be directed to Bonnie Piacentino, Senior Vice President at 215-320-4456, or me at 215-320-4413.

William Taylor
President

WT/JP/jf

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