



## Pennsylvania Compensation Rating Bureau

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February 7, 2018

### **PCRB CIRCULAR NO. 1699**

To All Members of the PCRB:

Re: **APRIL 1, 2018 LOSS COST REVISION APPROVAL**

By action dated February 2, 2018, Acting Pennsylvania Insurance Commissioner Jessica Altman has approved revised loss costs and related rating values **effective on a new and renewal basis** as of 12:01 a.m., **April 1, 2018**.

The approved loss costs are those submitted under PCRB Filing No. C-370, which proposed an overall average increase of 0.70% in collectible loss costs. The change is applied to the loss costs resulting from Filing No. C-369, the "Protz" filing, which increased loss costs by 6.06% and was approved for use effective February 1, 2018. The combined impact of these two loss cost filings is an increase of 6.80% over the loss costs effective April 1, 2017.

All approved loss costs, expected loss factors and other rating values are available in two Excel files in the "Rating Values" section of the PCRB's website. The values can also be found in the several exhibits of Filing C-370 in the "Filings" section of the website.

The Manual loss costs in the files include all of the following provisions and/or adjustments:

- Offset for Experience Rating Plan off-balance
- Offset for Merit Rating Plan off-balance
- Loadings in construction classifications for the effects of Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP) credits
- Provision for the Office of the Small Business Advocate's portion of the Administration Fund
- Offsets for the effects of credits granted under the Certified Safety Committee Program

The items listed above are included in current loss costs in Pennsylvania and continue to be included in the approved values effective April 1, 2018.

The other rating values approved by the Insurance Commissioner, effective April 1, 2018 are:

- Code 994 loss costs by population band
- Small deductible program – loss elimination ratios
- State and hazard group relativities
- Optional retrospective rating plan loss development factors
- Employer assessment factor (revised from 0.0232 to 0.0217)

Manual revisions reflecting approval of PCRB Filing No. C-370 with respect to rating values effective April 1, 2018 will be updated on our website ([www.pcrb.com](http://www.pcrb.com)) at a later date.

All filings that will be effective on April 1, 2018 are shown in the following table.

<b>PCRB Filings Effective April 1, 2018</b>		
<b>Filing</b>	<b>Approval Circular</b>	<b>Description</b>
370	1699	April 1, 2018 Loss Cost Filing
371	1700	April 1, 2018, USL&HW Act (F-Class) Filing (as Amended)
286	1689	Basic Manual Housekeeping Revisions to Sections 1 & 2
287	1690	Basic Manual Revisions to Section 2
288	1691	Basic Manual Revisions to Designated Auditable Payrolls Sections 1 & 2
289	1692	Establish Notification of Change of Ownership Endorsement and Addition of Corresponding Language to the Experience Rating Plan

Questions regarding the approved April 1, 2018 Loss Cost Filing may be directed to Ken Creighton, Chief Actuary, at Extension 4924 or [kcreighton@pcrb.com](mailto:kcreighton@pcrb.com), John Pedrick, Vice President, - Actuarial Services, at Extension 4429 or [jpedrick@pcrb.com](mailto:jpedrick@pcrb.com), or to me at Extension 4413 or [wtaylor@pcrb.com](mailto:wtaylor@pcrb.com).

William V. Taylor  
President

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