



## Pennsylvania Compensation Rating Bureau

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August 22, 2018

### **PCRB CIRCULAR NO. 1708**

To All Members of the PCRB:

Re: **APPROVAL OF PCRB FILING NO. 295**  
**BASIC MANUAL HOUSEKEEPING REVISIONS TO SECTIONS 1 & 2**  
**EFFECTIVE APRIL 1, 2019**

The Pennsylvania Insurance Commissioner has approved the PCRB's filing regarding Manual housekeeping revisions to Sections 1 and 2 for policies effective 12:01 a.m., April 1, 2019 or later. The effective date of these changes aligns concurrently with the PCRB's normal annual loss cost revision filing, which will be filed with the Commissioner at a later date. This coordination will consolidate necessary changes that members and other constituents must make to policies, forms and systems.

The housekeeping revisions are intended to improve Manual language by making it clearer and less ambiguous. The revisions clarify existing classification procedures and update language defining certain classifications in order to align the verbiage used in other Manual provisions and/or to recognize ongoing technological or industrial changes. The revisions are intended to assist in the administration of the PCRB's uniform classification plan and do not revise the scope of any classification nor impact any classification's PCRB loss cost value.

The Manual housekeeping revisions are summarized below:

#### **Section 1**

- Clarification to Rule V.B.2. with respect to the inclusion of automatic gratuities as remuneration.
- Clarification of Rule IX.A.5.
- Clarification of Rule IV.B.

#### **Section 2**

- Addition of a definition for the term "To Be Separately Classified or Separately Classify."
- Clarification of 8 classification descriptions.
- Addition of 7 new Underwriting Guide entries across 7 classifications.

For additional information, please refer to Filing No. 295, via the "Filings" tab of the PCRB's website (<http://www.pcrb.com>). Please contact Robert Ferrante, Senior Classification Analyst – Technical Services, at (215) 320-4584 or by email at [rferrante@pcrb.com](mailto:rferrante@pcrb.com) for any questions regarding this Circular. The Basic Manual will be updated on the PCRB's website at a later date.

William V. Taylor  
President

WVT/DF/dn

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

**PENNSYLVANIA WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS  
AND RATING VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS  
LIABILITY INSURANCE**

*Approved Effective April 1, 2019*

**INFORMATION PAGE** remains unchanged.

**PREFACE** remains unchanged.

**MEMBERSHIP** remains unchanged.

**TABLE OF CONTENTS**

**General** through **Limits of Liability** remains unchanged.

***This revision is intended to correct a clerical error in the Table of Contents.***

**RULE IX-SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE AND PREMIUM**

*(No change to Items A through D.)*

**E. Subcontractors**

1. Law on Contractors and Subcontractors
2. Coverage
3. Premium for Uninsured Subcontractors
4. Drivers, Chauffeurs and Helpers Under Contract

*(No change to Items G. through I.)*

**SECTION 1 – General** through **Policy Preparation-Insured, Policy Period and State of Operation** remains unchanged.

***This revision is intended to convey that operations cited as General Exclusions are to be separately rated. Payroll developed by employees who interchange between duties assignable to the employer's governing classification and operations cited as General Exclusions may be divided between the employer's governing classification and the classification applicable to the General Exclusion provided the employer maintains separate payroll records.***

**RULE IV – CLASSIFICATIONS**

**A.** *(No change.)*

**B. CLASSIFICATIONS**

*(No change to Items 1. through 3.)*

**4. GENERAL EXCLUSIONS**

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Some operations in a business are so unusual that they are excluded from basic classifications. They are separately rated unless specifically included in the basic classification wording. These operations are called general exclusions and are:

- b. *(No changes Items 1. through 6)*

*(No change to Items C. through D.)*

**RULE V – PREMIUM BASIS**

- A. *(No change.)*

- B. REMUNERATION – PAYROLL**

- 1. *(No change to Item 1.)*

- 2. Inclusions**

- (No change to Items a. through t.)*

- u. Automatic Gratuities (See Tips vs. Automatic Gratuities in the General Auditing & Classification Information section).

- 3. Exclusions**

- (No change to Items a. through d.)*

- e. Tips received by employees after minimum wage adjustment has been applied (refer inclusions, o.);

- (No change to Items f. through n.)*

**RULE IX – SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE**

- A. EXECUTIVE OFFICERS**

- (No change to Items 1 through 4.)*

- 5. Executive Officers – REMUNERATION – TREATMENT OF:**

- a. The remuneration of an executive officer shall not be included with the payroll of the risk for premium computation purposes, provided:

- 1. The executive officer is elected for the value of his or her name or because of stock holdings, has no duties and does not come on the premises, except perhaps to attend directors' meetings.

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2. The executive officer ceases to perform any duties and does not come on the premises, except perhaps to attend directors' meetings.
- b.** The remuneration of an executive officer shall be included with the payroll of the employer for premium computation purposes, subject to the minimum and maximum provisions of the Basic Manual, provided:
1. The executive officer ceases to perform any duties, but frequently visits the premises of the employer.
  2. The executive officer frequently visits the premises of the employer for business conferences, directors' meetings or similar duties even if the officer is an employee or officer of another employer in the operations of which he/she takes an active interest.
  3. The officer receives no salary; however, a regular salary is credited to him or her on the books. In this instance the amount credited must be included in payroll.
  4. The officer receives no salary or the audit records fail to disclose the salary. In this instance the amount to be included in the payroll is the applicable corporate officer minimum.

***Item F. is eliminated as the referenced voluntary pool no longer exists.***

**RULE XII – U.S LONGSHORE AND HARBOR WORKERS’ COMPENSATION ACT**

*(No change to Items A. through E.)*

**SECTION 2 – Classifications and Bureau Rating Values** through **Sub-classification-Carrier Option** remains unchanged.

**DEFINITIONS**

**TO BE SEPARATELY CLASSIFIED OR SEPARATELY CLASSIFY:** When either of these terms is found in a classification’s definition, the payroll of separate staff exclusively engaged in performing the specified function that is designated “to be separately classified” or “separately classified” shall be assigned to the classification that best describes the specified function.

***The Code 012 classification description is amended to recognize that employers principally engaged in the operation of a sod farm were reclassified from Code 0013 to Code 0006 effective April 1, 2018.***

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**CLASSIFICATIONS**

**012 LANDSCAPE CONTRACTOR OR LAWN CUTTING OR MAINTENANCE CONTRACTOR.**

*(No change.)*

**OPERATIONS NOT INCLUDED:**

1. *(No change.)*
2. Assign Code 0013 to separately-staffed nursery or Christmas tree raising.
3. *(No change.)*
4. Assign Code 0006 to sod farms.

**UNDERWRITING GUIDE ADDITION:**

Residential Pond Or Water Garden Installation

**647 INSULATION WORK, N.O.C.**

*(No change.)*

**OPERATIONS ALSO INCLUDED:**

1. A Weatherization Program insulates the client's home, which may be a detached house, a twin, a row house or a mobile home. The clients are generally either elderly, on a fixed income or are low-income families. All of a weatherization program's tasks (e.g., fixing windows and/or doors, installing blown or batt insulation, putting in foam sealants, doing caulking or putting in weather stripping) are incidental to the efforts of preventing outside air from infiltrating the home and concurrently preventing warm or air-conditioned air from escaping the homes' insulation.

**OPERATIONS NOT INCLUDED:**

*(No change to Items 1. and 2.)*

**660 ALARM OR SOUND SYSTEM – INSTALLATION OR REPAIR**

*(No change.)*

**UNDERWRITING GUIDE ADDITION:**

Cable Television – System Hookup Or Service – By Specialist Contractor

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***The phrase “ – within Buildings” from the Code 661 classification title is eliminated because not all of the operations classified to Code 661 necessarily take place within buildings e.g., Electric Cable Laying with Automatic Equipment – Street to Building – By Specialist Contractor.***

**661 ELECTRICAL WIRING**

**664 HEATING, VENTILATING OR AIR CONDITIONING CONTRACTOR**

**UNDERWRITING GUIDE ADDITION:**

Ductless Heating And/Or Air Conditioning System – Installation, Service Or Repair

**919 FLORIST STORE - Retail or Wholesale**

Applies to businesses principally engaged in the sale of flowers and/or florist supplies. Also includes service away from the store premises, such as floral decoration of homes, churches or other buildings for weddings, banquets or parties.

Also includes plantscaping, which is the maintenance of living (typically potted) plants inside a customer's premises. The living, potted plants may be used to decorate the interiors of malls, offices or other businesses, as well as residences. Plantscaping duties include watering, fertilizing, trimming and/or spraying of the interior living, potted plants.

**OPERATIONS NOT INCLUDED:**

1. Assign Code 0011 to a business principally engaged in raising, growing or cultivating flowers and/or plants used for indoor decorative purposes. Stores operated at the same or contiguous location may be separately classified to Code 919 provided the stores are physically separate and separately staffed.
2. *(No change.)*
3. Assign Code 0013 to a business principally engaged in raising trees (including Christmas trees), shrubs, bushes, hedges and/or bedding plants used for outdoor planting.

*(No change to Items 4., 5. or 6.)*

**928 RETAIL STORE, N.O.C.**

**UNDERWRITING GUIDE ADDITION:**

Medical Marijuana Dispensary

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**953 CLERICAL OFFICE EMPLOYEES**

Applicable to employees exclusively engaged in keeping the books...except in connection with any classification designated "all employees including office."

*(No change to Items 1. through 4.)*

**957 PHYSICIAN OR DENTIST, ALL EMPLOYEES INCLUDING OFFICE**

This classification is for the physician's or dentist's office...therapy (physical or mental).

**OPERATIONS ALSO INCLUDED:**

1. House calls by physicians.

**OPERATIONS NOT INCLUDED:**

*(No change to Items 1. through 6.)*

**960 NURSING AND CONVALESCENT HOME – LONG TERM CARE FACILITY WITH 50% OR MORE BEDS**

**UNDERWRITING GUIDE ADDITION:**

Hospice Facility

**971 COMMERCIAL BUILDINGS**

**UNDERWRITING GUIDE ADDITION:**

Gutter Cleaning – Residential Or Commercial –By Specialist Contractor

**0011 FLOWER RAISING, CULTIVATING OR GROWING**

Applicable to businesses principally engaged in raising, growing or cultivating flowers and/or plants used for indoor decorative purposes.

**OPERATIONS ALSO INCLUDED:**

1. An employer principally engaged in vegetable growing in a hothouse or greenhouse and/or by hydroponic method.

**OPERATIONS NOT INCLUDED:**

1. Assign Code 919 to a physically separate and separately store or outlet operated by an employer classified to Code 0011.

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**UNDERWRITING GUIDE ADDITION:**

Medical Marijuana Growing

**0013 NURSERY**

Applicable to businesses principally engaged in raising trees (including Christmas trees), shrubs and/or bedding plants used for outdoor planting.

**OPERATIONS NOT INCLUDED:**

1. Assign Code 928 to a separately staffed and physically separated store or outlet operated by an employer classified to Code 0013.