



## Pennsylvania Compensation Rating Bureau

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October 19, 2018

### **PCRB CIRCULAR NO. 1712**

To All Members of the PCRB:

Re: **APPROVAL OF PCRB FILING NO. 294**  
**BASIC MANUAL REVISIONS - SECTION 2**  
**EFFECTIVE APRIL 1, 2019**

### **CLASSIFICATION PROCEDURAL CHANGE: CODE 810, COAL TRUCKING**

The Pennsylvania Insurance Commissioner has approved PCRB Filing No. 294, which proposed revision to the classification scope of Code 810, Coal Trucking, for policies effective on or after 12:01 a.m., April 1, 2019. The effective date of this change is concurrent 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 our members and other constituents must make to policies, forms and systems so that they occur less frequently than would otherwise be the case.

Prior to this revision, Code 810 was applied to payroll developed in the truck delivery of unprepared coal (other than by an employer subject to one of the Coal Mine Compensation Rating Bureau classifications). Unprepared coal is coal that has not been washed at a coal preparation plant. Payroll developed in the truck delivery of prepared coal was assigned to Code 811, Trucking, N.O.C. (the classification applicable to trucking contractors hauling commodities not otherwise classified). Prepared coal is coal that has been washed at a preparation plant. Code 810 was created effective for new and renewal basis as of June 1, 1977 and later. The PCRB concluded at that time that a separate classification for employers engaged in coal trucking was warranted on the basis of PCRB's evaluation of such business' potential for occupational disease claims filed under either the Pennsylvania or Federal Black Lung Act. This evaluation led to the PCRB's perception that the Code 810 rating values would be higher than the Code 811 rating values. This turned out to be the case until the PCRB's October 1, 1984 comprehensive rating values revision, when the filed and approved Code 810 rating value became lower than that for Code 811. Since that time, the Code 810 PCRB loss costs have been lower than those for Code 811.

Pursuant to a file by file review of employers reporting payroll to Code 810 and an analysis of the Code 810 class history, the PCRB proposed that all coal hauling (i.e., both unprepared and prepared coal hauling) be classified to Code 810. Staff concluded that the PCRB's original basis for creating Code 810 i.e., that coal trucking presented a more hazardous exposure than other types of trucking, was unfounded, and that it was unreasonable to continue the practice of assigning the ostensibly less hazardous operation i.e., the hauling of prepared coal, to a higher rated classification (Code 811) than the classification applied to the ostensibly more hazardous operation of hauling unprepared coal (Code 810). PCRB also recommended that the current procedures of allowing a payroll division between Code 810 and Code 811 (for employers hauling both coal and other commodities) and of subjecting all payroll reported to Code 810 to Code 0162 to designate the nonrateable premium for coverage under the Federal Mine Safety and Health Act be continued under the revised Code 810 be sustained.

The restructuring of Code 810 to include the hauling of both unprepared and prepared coal will benefit all impacted employers as they will have either all or some of the payroll they are currently reporting to Code 811 reassigned from Code 811 to Code 810. This represents a decrease of 41.5% on the basis of the approved April 1, 2018 PCRB loss costs (\$3.77 for Code 810 and \$6.44 for Code 811). The PCRB will advise employers impacted by this revision via individual notice letters.

See PCRB Filing No. 294, under the “Filings” tab of the PCRB’s website (<http://www.pcrb.com>), for additional details regarding this revision. The Basic Manual will be updated on the PCRB’s website at a later date. For any question regarding this Circular, please contact Robert Ferrante, Senior Classification Analyst – Technical Services, at (215) 320-4584 or by email at [rferrante@pcrb.com](mailto:rferrante@pcrb.com), or Joseph Lombo, Manager – Classification, at (215) 320-4498 or by email at [jlombo@pcrb.com](mailto:jlombo@pcrb.com).

William V. Taylor  
President

**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.*

**SECTION 1 – Underwriting Rules through Professional Employer Organizations, Professional Employer Agreements And Professional Employer Services** *remain unchanged.*

**SECTION 2 – Rating Values through Definitions** *remain unchanged.*

**CLASSIFICATIONS**

**808 PARCEL DELIVERY** Company – No handling of bulk merchandise or freight

*(No change.)*

**OPERATIONS NOT INCLUDED:**

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

5. Assign Code 810 to the hauling of coal.

*(No change to Item 6.)*

**809 FUEL DISTRIBUTION** – Retail or Wholesale

*(No change.)*

**OPERATIONS NOT INCLUDED:**

*(No change to Item 1.)*

2. Assign Code 810 for the hauling of unprepared coal.

3. Assign Code 811 to trucking businesses hauling fuel for unrelated businesses.

*(No change to Items 4. and 5.)*

**810 COAL TRUCKING**

Applies to payroll developed in the contract hauling of coal by truck. The Federal Mine Safety and Health Act Coverage Endorsement must be attached to a policy reporting payroll to Code 810. The non-rateable premium for coverage under the Federal Mine Safety and Health Act is determined by applying the Code 0162 rating value to the Code 810 payroll.

Payroll developed in the contract hauling of general commodities other than coal not otherwise classified is assigned to Code 811. Code 810 and Code 811 may be assigned to an employer engaged in both the contract hauling of coal and in the contract hauling of general commodities not otherwise classified provided the employer keeps separate payroll records for the different

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hauling operations. If the employer does not keep separate payroll records, the entire payroll for all hauling operations must be assigned to the classification with the higher carrier rating value. When Code 811 is used as a result of this rule, attach the Federal Mine Safety and Health Act Coverage Endorsement at no additional charge.

**OPERATIONS NOT INCLUDED:**

1. Assign Code 809 to the hauling of coal by a coal dealer.
2. This classification does not apply to employers classified to Coal Mine Compensation Rating Bureau Codes **1001, 1010, 1012, 1014, 1015, 1021** or **1023**.

**UNDERWRITING GUIDE:**

Coal Hauling,— By Contractor

**811 TRUCKING, N.O.C**

*(No change.)*

**OPERATIONS ALSO INCLUDED:**

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

**OPERATIONS NOT INCLUDED:**

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

4. Assign Code 810 to the hauling of coal.

*(No change to Items 5. and 6.)*