

**PENNSYLVANIA COMPENSATION RATING BUREAU**

**COMPARISON OF WORKERS COMPENSATION RATES  
EFFECTIVE FEBRUARY 28, 1997**

**SEVEN SELECTED NORTHEASTERN STATES**

JULY 15, 1997

## **PENNSYLVANIA COMPENSATION RATING BUREAU**

### **Comparison of Rates: Pennsylvania to Other Northeastern States**

Rating Values Effective as of February 28, 1997

This comparative analysis represents an update to work originally prepared by the Pennsylvania Compensation Rating Bureau (PCRB) in February 1996. For Pennsylvania in particular this analysis includes recognition of the initial impacts of Act 57 enacted in June 1996. For all jurisdictions included in the comparison classification changes and/or revisions to rating values occurring through February 28, 1997 are reflected herein.

Discussion of workers compensation systems often includes claims or assertions regarding the relative premium costs for this line of insurance in various state jurisdictions. The PCRB is mindful that true premium costs for workers compensation insurance in different states are the result of many variables not generally susceptible to simple or generalized analysis. Especially important variables of this type include differences in classification plans approved in different states and competitive pricing differentials applied by insurance carriers in each jurisdiction. In the interest of informing various parties currently engaged in discussions concerning the Pennsylvania workers compensation system regarding comparative system costs, the PCRB has compared approved rates in several selected northeastern states to those of Pennsylvania using an approach which recognizes both of these notable variables. The results of that comparison are presented and discussed in this report.

### **OVERVIEW OF STUDY RESULTS**

- Pennsylvania rates for the classifications studied tended to be lower than those of all other states included in the comparison except for Maryland. Pennsylvania's lowest approved rates were generally below the lowest approved rates in every state except Maryland, while the highest approved rates in Pennsylvania were generally lower than those of all states except Ohio and West Virginia.
- This study was limited by design to a comparison of approved carrier rates in the selected jurisdictions. Such rates exclude potential effects of a broad variety of special rating programs which may be available in some jurisdictions. Thus, this study is directed at the benchmark tabular rates used by insurers as a starting point in determining final premiums but has not analyzed the complex series of possible additional steps which may actually apply in determining each insured's policy premium. As examples of such additional factors, Pennsylvania employers may qualify for some or all of the following special pricing programs:
  - Safety Committee credits premised upon qualification of safety committee activities in the employer's business.

- Construction Classification Premium Adjustment Program credits which recognize effects of significant differences in wage levels between employers on workers compensation insurance premiums.
- Group Insurance Programs which allow consolidation of experience for purposes of loss-sensitive pricing programs filed by individual insurers.
- Subclassifications adopted by individual insurers subject to different rating values than those produced by the combination of PCRB loss costs and the insurers' loss cost multiplier(s).
- Retrospective rating plans which effectively rely on the insured's own loss experience in determining final insurance prices.
- Deductible coverages which allow employers to reduce their workers compensation insurance premiums in return for accepting responsibility for initial payments on claims which may occur for their employees.
- Schedule rating plan adjustments, including use of either a PCRB plan filed on behalf of all its members or of carrier specific plans.
- Each jurisdiction studied showed substantial ranges of approved rates within many given Pennsylvania classifications. These ranges of approved rates are attributable in part to differences in carrier pricing initiatives and values such as deviations or loss cost multipliers and/or to differences in the structure of approved classifications which cause parts of multiple different classifications in some states to be equivalent to parts of a single common classification in Pennsylvania. Competitive differences in carrier pricing programs are applicable in deriving comparisons of Pennsylvania rates to those of Delaware, Maryland and New York and, in fact, produce very significant ranges of carrier rates even within Pennsylvania itself for any given classification. Differences in classification plans apply in the comparisons with all states except Delaware which uses a classification system identical to that of Pennsylvania for the classifications included in this study.
- While rate comparisons often include statements to the effect that "state X rates are "blank" percent higher (or lower) than those of state Y," this study did not produce single factors for comparison of rates between states. Actually deriving such point estimates would require a significant amount of detail not generally available for analysis. To accurately establish rate differences in this fashion would require separate exposure data within a state, consistent with the approved classification plan(s) of any other state(s) being included for comparison and separately reported for each carrier using different rate levels (i.e., rate deviations or loss cost multipliers). Without such information the proper weights cannot be determined for purposes of computing average rates in each state, and without benefit of these appropriate weights averages or other similar statistics taken from different states must be viewed with caution.

## STRUCTURE OF THE STUDY

Because the PCRB wanted to be able to comprehensively and correctly identify and account for differences in classification plans in this study, our analysis was limited to certain selected Pennsylvania classifications. In its February 1996 report the PCRB selected ten classifications from each of the three traditional "industry groups" commonly used in workers compensation pricing analysis: Manufacturing, Contracting and Other Industries. The classifications so selected represented the largest Pennsylvania classifications in each industry group as measured by "expected losses," a statistic derived by multiplying recent exposures (generally payrolls) times the currently approved PCRB loss cost values by classification. In total the 30 classifications so selected accounted for almost one-half of total Pennsylvania expected losses and also included almost two-thirds of total Pennsylvania payrolls. By request received early on during the study, the PCRB added two additional classifications, Sawmills and Logging, bringing the total number of classifications studied to 32.

In preparing this updated comparison the PCRB reviewed the most current available data to determine whether any changes had occurred in the largest classifications within each industry group. In fact, of the 30 classifications used in the February 1996 report 29 remain among the largest ten classifications in their respective industry group. Thus, for sake of consistency the PCRB has used the same classifications as the previous report as the basis for this updated comparison.

In order to compare Pennsylvania rates to any other jurisdiction(s) a cross-reference between the classification plans used in Pennsylvania and the comparison state(s) was needed. Development of such a cross-reference involved a thorough review of classification manuals in each other jurisdiction considered for comparison and required a significant effort by trained PCRB staff. Cross-references were developed for the following states: Delaware, Ohio, Maryland, New Jersey, New York and West Virginia, states located in close geographic proximity to Pennsylvania.

In preparing its 1996 rate comparison the PCRB noted that the state of Ohio would be converting its manual classifications to those used by the National Council on Compensation Insurance, Inc. ("NCCI") effective July 1, 1996. At present the PCRB understands that Ohio employers have been reporting data using NCCI classifications since that date but continued to pay premiums in accordance with Ohio classifications until July 1, 1997. Beginning July 1, 1997 Ohio employers will be allowed to pay premiums based on whichever system (NCCI or Ohio) produces the lower premium for their coverages. This transitional system is expected to continue until July 1, 1998, at which time Ohio premiums will be based on the use of NCCI codes for all employers. Thus, the classifications and rates shown for Ohio in this study, while appropriate for purposes of comparison with Pennsylvania as of February 1, 1997, do not reflect effects of this change in classification procedure. Significant changes in classification and/or rates may result from Ohio's transition to their new classification system, and this study does not include any such changes.

Exhibit 1 attached presents the ranges of approved rates by state in any classification(s) part or all of which correspond to the indicated Pennsylvania classifications studied. Where a state has more than one classification applicable to part(s) of a given Pennsylvania classification, all such classifications are listed in numerical order on successive lines of the exhibit within the Pennsylvania code of interest.

While some comparisons can be made on a "one-for-one" basis, it can be readily seen that review of many classifications requires recognition of multiple classifications in other jurisdictions. In an extreme case one other state has 12 classifications with some component(s) in common with a single Pennsylvania classification.

In reviewing Exhibit 1 care must be taken to recognize the purpose and inherent limitations on the information as presented. Classifications shown for each state have been grouped within the pertinent Pennsylvania classifications. The classifications shown for states other than Pennsylvania have NOT necessarily been aligned to allow line-by-line comparisons of classifications and rates between those other states independent of Pennsylvania. For example, while Code 4484 is applicable to part of the Pennsylvania Code 222 in New Jersey and Code 4475 is applicable to part of Pennsylvania Code 222 in New York, Code 4484 in New Jersey is not identical to Code 4475 in New York.

Exhibit 2 attached provides general definitions of each code number presented on Exhibit 1 by state for purposes of clarification and understanding of the various elements of this study.

Pennsylvania, Delaware and Maryland all have workers compensation pricing laws which require insurance carriers to establish independent loss cost multipliers or other similar parameters in order to derive their own approved rate schedules. In addition New York allows insurance carriers to apply "deviations" to rates approved under filings made by the New York Compensation Insurance Rating Board. Thus, for each of these states a "low" and a "high" rate was derived in each classification. These rates reflect the extreme range of approved carrier rating values in each state as provided to the PCRIB. While the PCRIB cannot determine the extent to which carriers with these extreme values have written business in each of the classifications studied, the ranges shown do reflect the potential variation of prices in each jurisdiction owing to competitive factors. The bases for the ranges as shown are set forth briefly below:

Pennsylvania: Loss Cost Multipliers Approved Range from .736 to 1.615.

Delaware: Loss Cost Multipliers Approved Range from 1.029 to 1.671.

Maryland: Loss Cost Multipliers Approved Range from .700 to 1.849.

New York: Deviations Approved Range from 0.825 (a 17.5% downward deviation) to 1.00 (no deviation)

Workers compensation insurance in Ohio and West Virginia is provided by exclusive state funds, and, thus, there is no variation in price from carrier to carrier in those states. Finally, New Jersey does not allow carriers to deviate from the approved New Jersey Bureau rates. Thus, in these three states the only variations in approved rates within a given Pennsylvania classification are due to differences in classification definitions.

Exhibit 3 attached summarizes results from Exhibit 1 and shows the extreme range of prices approved in each state for types of businesses subject to each Pennsylvania classification included in this study. For the states of Pennsylvania and Delaware (having very similar classification plans) these ranges are predominantly the result of differences in competitive carrier pricing programs. For the remaining states, as compared to Pennsylvania, these extremes include the effects of both competitive pricing and classification differences where applicable. For each grouping of classifications (manufacturing, contracting and other industries) and for all studied classifications combined averages of the low and high rates have been computed using Pennsylvania payrolls as weights.

The PCRBR would emphasize that, while the weighting system used on Exhibit 3 provides a means of combining the various endpoints observed for approved rates falling within specified Pennsylvania classifications in other jurisdictions, the "average" values shown would NOT represent averages for those other states themselves. This difference is attributable to the matter previously discussed regarding proper exposure weights and the fact that the PCRBR does not generally have other states' exposure data separately for the parts of classifications pertinent to this study.

## **INTERPRETATION OF STUDY RESULTS**

To the extent that prevailing differences in rates are discovered in a study such as this one questions often arise as to why such differences persist. The PCRBR would suggest that state-to-state differences arise between workers compensation insurance rates primarily because each jurisdiction separately establishes benefits and administrative procedures pertinent to this line of business, and each state's workers compensation system must interact with different industrial, economic and social climates. In short, workers compensation insurance costs more where losses and insurer expenses are higher and less where losses and insurer expenses are lower. It is not generally the case that differences in insurance cost are attributable to differences in insurance carrier requirements for operating margins or profits. Further, each carrier is likely to have consistent objectives in managing and paying claims in various jurisdictions, subject to the specific constraints and requirements of each administrative system. In fact, many of the same insurance carriers actively write workers compensation business in more than one of the states subject to this study, and subject to licensing requirements all PCRBR members except for the State Workmen's Insurance Fund (SWIF) could write workers compensation insurance in any state(s) studied except for Ohio and West Virginia.

It is beyond the scope of this study to definitively establish and/or quantify reasons for the observed differences in workers compensation rates between the jurisdictions addressed herein. In its 1996 rate comparison study the PCRBR offered some general observations in

order to illustrate the kinds of differences which may arise between different state workers compensation systems. Selected features of each jurisdiction, generally cited in that prior study as compared to Pennsylvania, are shown updated as appropriate for reference below:

- Delaware:**
- (a) Maximum indemnity benefit set at 2/3 of Statewide Average Weekly Wage  
***Pennsylvania maximum set at 100% of SAWW***
  - (b) Medical providers may "balance bill" workers for amounts not paid by insurers  
***Pennsylvania medical providers may not bill workers for any amounts not covered by the insurer or employer***
- Maryland:**
- (a) Permanent total disability benefits limited to \$45,000 per claim.  
***No limit applies in Pennsylvania***
  - (b) Scheduled permanent partial awards generally set at levels lower than comparable provisions in Pennsylvania
- New Jersey:**
- (a) Maximum indemnity benefit set at 75% of Statewide Average Weekly Wage, producing a current maximum of \$496  
***Pennsylvania maximum set at 100% of SAWW, producing a current maximum of \$542***
  - (b) Employer directs choice of treating physician for life of claim  
***In Pennsylvania employee has choice of physician from employer's list (if posted) for the first 90 days, then has free choice of physician for balance of claim***
- New York:**
- (a) 1997 maximum weekly indemnity benefit of \$400  
***1997 Pennsylvania maximum weekly benefit is \$542***
  - (b) Scheduled permanent partial awards lower than comparable provisions in Pennsylvania
  - (c) Non-scheduled permanent partial benefits unlimited in duration  
***Pennsylvania permanent partial benefits limited to 500 weeks***
  - (d) In New York employee chooses medical provider for the life of the claim  
***In Pennsylvania employee choice of medical provider may be limited to employer-designated list for initial 90 days of claim***
- Ohio:**
- (a) Scheduled permanent partial awards lower than comparable provisions in Pennsylvania
  - (b) Maximum payment for non-scheduled permanent partial disability benefits limited to 1/3 of Statewide Average Weekly Wage  
***Pennsylvania maximum is 100% of Statewide Average Weekly Wage***

- West Virginia:** (a) 1997 maximum weekly indemnity benefit of \$441.61  
**1997 Pennsylvania maximum weekly benefit is \$542**  
(b) Death benefits limited by law to 360 times Statewide Average  
Weekly Wage  
**No maximum in Pennsylvania**

The above observations were based on the 1997-1998 Survey of Workers Compensation Laws published by the Alliance of American Insurers. Most of the points noted for each state represent differences which in isolation might produce lower insurance costs and, therefore, lower insurance rates in each other jurisdiction than in Pennsylvania. It must be recognized that many system differences (indeed a great majority of such differences which exist) are omitted entirely from these brief illustrative references and that some such differences may include system features in other states which in isolation would be expected to produce higher insurance costs, and thus higher insurance rates, in those other jurisdictions as compared to Pennsylvania. Finally, significant system differences are often manifest in controlling judicial decisions and administrative procedures which cannot be addressed in detail in publications such as the Alliance's survey.

Since the 1996 study, of course, significant statutory changes have been enacted in Pennsylvania, and a February 1, 1997 loss cost revision produced an average reduction of approximately 25 percent in PCRB loss costs. Among the significant changes embodied in the 1996 law changes were the following:

- Authorization for offsets to workers compensation indemnity benefits based on social security old age benefits, other employer-funded pension benefits and severance benefits
- Revisions in procedures used to determine worker wages as the basis for establishing indemnity compensation rates
- Use of the American Medical Association's "Guides to the Evaluation of Permanent Impairment" to distinguish total disability claims from partial disability claims, with statutory limitations on duration being applicable to the latter types of cases

The above noted system changes in Pennsylvania have contributed to recent reductions in approved rating values in the Commonwealth. Longer term, experience related to these recent changes and many other factors both related and unrelated to them will determine the magnitude and direction of future rating value changes in Pennsylvania.

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Pennsylvania Compensation Rating Bureau															Exhibit 1			
Rating Value Comparison - 32 Selected Pennsylvania Classifications																		
PA	Range of Approved			DE	Range of Approved		MD	Range of Approved		NJ	Approved	NY	Range of Approved		OH	Approved	WV	Approved
Class	PA Rates as of 2/28/97			Class	DE Rates as of 8/1/94		Class	MD Rates as of 1/1/96		Class	NJ Rates	Class	NY Rates as of 10/1/96		Class	OH Rates	Class	WV Rates
Code	Description	Low	High	Code	Low	High	Code	Low	High	Code	1/1/97	Code	Low	High	Code	7/1/96	Code	1/1/96
<b>Group I: Eleven (11) Manufacturing Classifications</b>																		
105	Wholesale Bakery	3.87	8.49	105	4.53	7.35	2001	1.84	4.60	2001	8.62	2001	7.14	8.65	2000	7.57	2003	4.47
							2002	2.15	5.37	2002	4.81	2002	7.10	8.61				
							2003	1.96	4.90	2003	5.66	2003	7.28	8.82				
161	Apparel Mfg	2.59	5.70	161	2.20	3.58	2501	1.82	4.55	2501	3.03	2501	1.40	1.70	2501	5.67	2501	3.01
222	Plastic Articles Mfg, NOC	3.32	7.30	222	5.19	8.42	4431	1.64	4.10	4431	3.80	4431	4.89	5.93	4432	5.59	4484	4.08
							4432	1.33	3.33	4452	4.91	4452	6.46	7.83				
							4452	1.83	4.57	4459	4.87	4459	6.84	8.29				
							4459	1.46	3.66	4470	8.85	4470	7.28	8.82				
							4470	1.55	3.87	4484	3.82	4475	6.28	7.61				
							4484	1.73	4.32			4476	3.85	4.67				
257	Paper Container Mfg	4.20	9.22	257	7.07	11.48	4240	3.32	8.30	4240	5.02	4240	6.51	7.89	4241	5.24	4273	3.95
							4243	3.10	7.75	4243	4.75	4243	6.02	7.30	4273	13.43	4279	3.95
							4244	2.22	5.55	4244	5.48	4244	7.30	8.85	4276	4.40		
							4250	1.94	4.85	4250	4.42	4250	4.65	5.64	4286	4.81		
							4251	2.46	6.16	4251	5.24	4251	6.46	7.83				
							4273	1.37	3.43	4273	5.54	4273	4.94	5.99				
							4279	1.00	2.50	4279	5.56	4279	5.48	6.64				
281	Printing	2.35	5.16	281	2.89	4.70	2501	1.82	4.55	0700	2.54	2553	3.14	3.81	4300	3.24	4299	1.52
							4282	1.04	2.61	4282	3.03	4282	0.87	1.06	4361	2.12		
							4299	1.23	3.06	4299	2.93	4299	4.10	4.97				
							4307	1.73	4.32	4307	2.90	4307	4.55	5.51				
							4308	0.34	0.86	4308	1.35	4308	1.00	1.21				
							4351	0.29	0.72	4351	1.35	4351	1.83	2.22				
							4352	0.62	1.54	4352	1.35	4352	1.24	1.50				
301	Sawmill	5.73	12.60	301	9.88	16.04	2710	6.23	15.58	2710	13.65	2710	12.00	14.55	2710	22.37	2710	12.59
404	Steel Mfg	3.96	8.70	404	5.38	8.74	3004	2.33	5.83	3004	5.68	3004	8.09	9.81	3016	5.44	3002	7.99
413	Iron Works - Shop	4.03	8.85	413	7.43	12.06	3040	4.54	11.36	3040	9.30	3040	15.15	18.36	3040	12.35	3030	7.86
							3042	1.51	3.76	3042	8.58	3042	7.93	9.61	3042	7.65		
445	Hardware Mfg	2.95	6.49	445	6.36	10.33	3041	2.21	5.51	3041	3.88	3041	7.01	8.50	3145	4.09	3093	6.09
0067		0.42	0.92				3132	2.19	5.48	3113	2.58	3129	4.50	5.46	3146	5.61	3132	6.44
							3145	2.38	5.95	3132	5.42	3132	4.75	5.76	3188	6.57	3200	7.86
							3146	3.13	7.82	3145	2.63	3145	3.80	4.61	3311	7.28	3628	4.91
							3180	1.78	4.45	3146	5.54	3146	4.51	5.47	3400	6.68		
							3188	1.03	2.57	3193	5.81	3188	5.14	6.23	3612	2.93		
							3223	2.19	5.48	3188	6.50	3190	3.37	4.08	3632	4.80		
							3336	1.34	3.36	3192	3.05	3191	4.37	5.30	4951	6.60		
							3574	0.27	0.68	3581	1.71	3200	6.32	7.66				
							3581	0.71	1.77	3634	2.67	3581	2.03	2.46				
							3634	1.08	2.70	9501	3.82	3634	3.47	4.20				
							9501	1.50	3.75			9501	4.21	5.10				

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Code	Description	Low	High	Code	Low	High	Code	Low	High	Code	1/1/97	Code	Low	High	Code	7/1/96	Code	1/1/96
<b>Group I: Eleven (11) Manufacturing Classifications (continued)</b>																		
454	Sheet Metal Shop	3.53	7.77	454	6.27	10.18	3064	4.01	10.03	3066	5.24	3064	7.55	9.15	3066	7.33	3066	4.67
							3066	3.11	7.77	3076	6.47	3066	7.15	8.67	3172	5.52	3224	4.67
							3076	1.51	3.78	3091	9.30	3076	6.40	7.76	3220	6.70	3227	4.67
							3169	1.74	4.34	3169	9.88	3169	4.59	5.56	3228	9.53	3400	6.44
							3220	2.51	6.28	3220	7.19	3220	3.23	3.91	3311	7.28	3628	4.91
							3224	2.59	6.48	3227	2.51	3224	5.30	6.43	3400	6.68		
							3227	2.08	5.20	3400	5.18	3227	15.92	19.30	4951	6.60		
							3400	2.45	6.13	3807	2.70	3381	4.05	4.91				
							3632	1.39	3.48	9556	6.89	3400	7.97	9.66				
							3803	3.22	8.05			3515	4.46	5.40				
							3807	1.54	3.85			3807	5.36	6.50				
461	Machine Shop	2.85	6.26	461	4.71	7.65	3507	3.08	7.70	3507	6.47	3507	5.29	6.41	3504	4.06	3507	4.91
							3515	1.75	4.38	3548	4.34	3515	4.46	5.40	3526	4.15	3628	4.91
							3548	0.77	1.93	3612	5.59	3548	4.79	5.81	3606	1.50	3632	5.87
							3559	1.74	4.36	3632	3.88	3559	4.07	4.93	3612	2.93		
							3612	1.78	4.45	3635	2.81	3612	4.13	5.01	3632	4.80		
							3632	1.39	3.48	3826	2.27	3632	4.84	5.87				
							3635	1.06	2.64			3635	3.28	3.97				
							3826	1.07	2.68			3826	5.92	7.18				
							3827	1.27	3.19			3827	9.14	11.08				

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Code	Description		Low	High	Code	Low	High	Code	Low	High	Code	1/1/97	Code	Low	High	Code	7/1/96	Code	1/1/96
<b>Group II: Ten (10) Construction Classifications</b>																			
601	Road Construction		9.00	19.79	601	11.01	17.88	5506	4.85	12.13	5500	9.09	5506	13.09	15.87	6102	11.54	5506	12.14
								9019	1.57	3.92	7720	3.42	9019	3.56	4.31				
608	Flat Cement Work		5.09	11.18	608	4.99	8.10	5215	3.01	7.53	5200	8.21	5221	12.51	15.16	6102	11.54	5215	20.87
								5221	3.33	8.31	5215	12.78	6204	12.16	14.74				
								6204	5.37	13.42	6204	10.22							
609	Excavation		4.40	9.66	609	6.81	11.06	5703	8.85	22.12	5703	6.41	5703	26.84	32.53	6102	11.54	5703	35.20
								6018	3.05	7.63	6005	10.46	6018	20.20	24.49			6044	9.14
								6045	3.55	8.87	6217	6.68	6045	5.49	6.66			6217	9.14
								6217	2.74	6.86	6229	"A"	6217	7.99	9.69			6233	10.33
								6229	2.14	5.36	6233	7.82	6229	7.38	8.94				
								6233	6.19	15.47			6233	12.99	15.74				
651	Carpentry		7.33	16.12	643	9.13	14.82	5102	7.16	17.90	5103	7.02	5102	11.65	14.12	5081	20.77	5403	15.43
					651	8.23	13.37	5402	10.51	26.29	5402	5.74	5402	8.91	10.80	5103	16.65	5601	9.78
								5403	4.50	11.25	5403	10.01	5403	11.96	14.50	5601	11.38		
								5473	5.19	12.97	5473	18.98	5473	13.75	16.67				
652	Carpentry - Detached Dwellings		5.69	12.51	652	10.45	16.98	5102	7.16	17.90	5103	7.02	5102	11.65	14.12	5103	16.65	5403	15.43
								5645	3.44	8.61	5645	***	5645	12.70	15.39	5601	11.38	5601	9.78
								5651	3.69	9.22	5651	10.01	5651	12.70	15.39				
653	Masonry		6.96	15.29	653	7.31	11.86	5022	4.64	11.60	5022	10.54	5022	15.35	18.61	5022	13.42	5022	16.02
654	Concrete Construction		10.41	22.88	654	7.03	11.41	5213	8.93	22.31	5213	10.06	5213	20.56	24.92	5601	11.38	5040	13.27
								5222	5.19	12.97	5222	12.75	5222	18.72	22.69	6102	11.54	5213	20.87
								6017	8.02	20.04	6017	12.75	6017	4.93	5.98			5222	10.56
																		6017	10.56
661	Electrical Wiring - Within Buildings		3.28	7.20	661	4.48	7.27	5190	2.98	7.46	5190	3.78	5190	5.68	6.89	5190	5.12	5190	5.01
663	Plumbing		4.37	9.61	643	9.13	14.82	5183	2.74	6.86	5183	4.71	5183	7.45	9.03	5183	6.80	5183	7.40
					663	4.41	7.17	5188	4.05	10.12	5184	5.16	5184	8.38	10.16				
								5472	2.74	6.86	5188	3.83	5188	5.61	6.80				
675	Machinery or Equipment Erection or Repair		4.75	10.44	675	4.96	8.05	3724	2.93	7.32	3724	5.69	3724	10.24	12.41	3723	14.74	3724	5.01
								5160	2.32	5.79	5160	3.18	5160	6.09	7.38	3724	21.23	9529	13.27
								9534	2.84	7.11			5403	11.96	14.50	3725	3.07		
													9526	20.11	24.38				
													9527	24.37	29.54				
NOTE: "A" Rated Classifications Require Rating Organization Approval of Specific Rate to be Applied to Individual Insureds																			



## PENNSYLVANIA COMPENSATION RATING BUREAU

### Classification Descriptions for States Other than Pennsylvania Used in Rate Comparison

The following listing presents brief descriptions of classification definitions from states other than Pennsylvania used in the PCRB's rate comparison study. For detailed definitions refer to each state's classification manual and related rules.

#### SECTION 1: MANUFACTURING CLASSIFICATION CODES

##### DELAWARE

As of February 1, 1997, the Pennsylvania manufacturing classifications studied correspond to or fall entirely within the same numerical classification in Delaware.

##### MARYLAND

<u>Pennsylvania Classification Code</u>	<u>Maryland Classification Code</u>	<u>Maryland Description of Business</u>
105	2001	Cracker Manufacturing
	2002	Macaroni Manufacturing
	2003	Bakery & Drivers, Route Supervisors
161	2501	Clothing Manufacturing
222	4431	Phonograph Manufacturing
	4452	Plastics Mfg., Fabricated Products N.O.C.
	4459	Plastics Mfg., Sheets, Rods or Tubes
	4470	Cable Mfg., Insulated Electrical
257	4484	Plastics Mfg., Molded Products N.O.C.
	4240	Box Manufacturing - Set-up Paper
	4243	Box Manufacturing - Folding Paper, N.O.C.
	4244	Corrugated or Fiber Board Container Mfg.

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**MARYLAND** (Continued)

<u>Pennsylvania Classification Code</u>	<u>Maryland Classification Code</u>	<u>Maryland Description of Business</u>
257 (continued)	4250	Paper Coating
	4251	Stationery Mfg.
	4273	Bag Manufacturing - Paper
	4279	Paper Goods Mfg., N.O.C.
281	2501	Clothing Mfg.
	4282	Dress Pattern Mfg.
	4299	Printing
	4307	Book binding
	4308	Linotype or Hand Composition
	4351	Photoengraving
	4352	Engraving
301	2710	Sawmills
404	3004	Steel Manufacturing
413	3040	Iron or Steel Fabrication - Iron Works - Shop - Ornamental & Drivers
	3042	Elevator or Escalator Mfg.
445	3041	Iron or Steel Fabrication - Iron Works Shop Decorative or Artistic & Foundries
	3132	Nut or Bolt Mfg.
	3145	Screw Mfg.
	3146	Hardware Mfg., N.O.C.
	3180	Electric or Gas Lighting Fixture Mfg.
	3188	Plumbers' Supplies Mfg.
	3223	Lamp or Portable Lantern Mfg.
	3336	Type Foundry
	3574	Computing, Recording or Office Machine Mfg. (& Small Arms or Cartridge Mfg.)
	3581	Carburetor Mfg.
	3634	Valve Mfg.
	9501	Painting, Shop Only & Drivers

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**MARYLAND** (Continued)

<u>Pennsylvania Classification Code</u>	<u>Maryland Classification Code</u>	<u>Maryland Description of Business</u>
454	3064	Sign Mfg., Metal - (Shop Only)
	3066	Sheet Metal Work - Shop
	3076	Fireproof Equipment Mfg.
	3169	Stove Mfg.
	3220	Can Mfg.
	3224	Agate Ware Mfg.
	3227	Aluminum Ware Mfg.
	3400	Metal Goods Mfg., N.O.C.
	3632	Machine Shop, N.O.C.
	3803	Automobile Wheel Mfg., Metal (not cast)
	3807	Automobile Radiator Mfg.
461	3507	Construction or Agricultural Machinery Mfg.
	3515	Textile Machinery Mfg.
	3548	Printing or Bookbinding Machinery Mfg.
	3559	Confection Machine Mfg.
	3612	Pump Mfg.
	3632	Machine Shop N.O.C.
	3635	Gear Mfg. or Grinding
	3826	Aircraft Engine Mfg.
	3827	Automobile Engine Mfg.

**NEW JERSEY**

<u>Pennsylvania Classification Code</u>	<u>New Jersey Classification Code</u>	<u>New Jersey Description of Business</u>
105	2001	Cracker Manufacturing
	2002	Macaroni Manufacturing
	2003	Bakery & Drivers, Route Supervisors
161	2501	Clothing Manufacturing

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**NEW JERSEY** (Continued)

<u>Pennsylvania Classification Code</u>	<u>New Jersey Classification Code</u>	<u>New Jersey Description of Business</u>
222	4431	Phonograph Manufacturing
	4452	Plastics Mfg., Fabricated Products N.O.C.
	4459	Plastics Mfg., Sheets, Rods or Tubes
	4470	Cable Mfg., Insulated Electrical
	4484	Plastics Mfg., Molded Products N.O.C.
257	4240	Box Manufacturing - Set-up Paper
	4243	Box Manufacturing - Folding Paper, N.O.C.
	4244	Corrugated or Fiber Board Container Mfg.
	4250	Paper Coating
	4251	Stationery Mfg.
	4273	Bag Manufacturing - Paper
	4279	Paper Goods Mfg., N.O.C.
281	0700	Textile Printing - Hand Work Only
	4282	Dress Pattern Mfg.
	4299	Printing
	4307	Book binding
	4308	Linotype or Hand Composition
	4351	Photoengraving
	4352	Engraving
301	2710	Sawmills
404	3004	Steel Manufacturing
413	3040	Iron or Steel Fabrication - Iron Works - Shop - Ornamental & Drivers
	3042	Elevator or Escalator Mfg.
445	3041	Iron or Steel Fabrication - Iron Works Shop
	3113	Decorative or Artistic & Foundries Tool Mfg. - not Drop or Machine Forged N.O.C.
	3132	Nut or Bolt Mfg.

**NEW JERSEY** (Continued)

<u>Pennsylvania Classification Code</u>	<u>New Jersey Classification Code</u>	<u>New Jersey Description of Business</u>
445 (continued)	3146	Hardware Mfg., N.O.C.
	3188	Plumbers' Supplies Mfg.
	3192	Lamp Mfg., or Assembly - Electric - Floor or Table
	3193	Electric or Gas Lighting Fixture Mfg. or Assembly
	3581	Carburetor Mfg.
	3634	Valve Mfg.
	9501	Painting, Shop Only & Drivers
454	3066	Sheet Metal Work - Shop - also includes Automobile Wheel Mfg.
	3076	Fireproof Equipment Mfg.
	3091	Enameled Iron Ware Mfg.
	3169	Stove Mfg.
	3220	Can Mfg.
	3227	Aluminum Ware Mfg.
	3400	Metal Goods Mfg., N.O.C.
	3807	Automobile Radiator Mfg.
	9556	Sign Mfg., Erection or Repair N.O.C.
461	3507	Construction or Agricultural Machinery Mfg.
	3548	Printing or Bookbinding Machinery Mfg.
	3612	Pump Mfg. - includes Engine Mfg., N.O.C.
	3632	Machine Shop N.O.C. - includes Confection Machine Mfg.
	3635	Gear Mfg. or Grinding
	3826	Aircraft Engine Mfg.

**NEW YORK**

<u>Pennsylvania Classification Code</u>	<u>New York Classification Code</u>	<u>New York Description of Business</u>
105	2001	Cracker Manufacturing
	2002	Macaroni Manufacturing

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**NEW YORK** (Continued)

<u>Pennsylvania Classification Code</u>	<u>New York Classification Code</u>	<u>New York Description of Business</u>
105 (continued)	2003	Bakery & Drivers, Route Supervisors
161	2501	Clothing Manufacturing
222	4431	Phonograph Manufacturing
	4452	Plastics Mfg., Fabricated Products N.O.C.
	4459	Plastics Mfg., Sheets, Rods or Tubes
	4470	Cable Mfg., Insulated Electrical
	4475	Molded Products N.O.C. (Assembly and Subsequent Finishing Operations to be Separately Rated
	4476	Molded Products N.O.C. - Assembly & Subsequent Finishing Only
257	4240	Box Manufacturing - Set-up Paper
	4243	Box Manufacturing - Folding Paper, N.O.C.
	4244	Corrugated or Fiber Board Container Mfg.
	4250	Paper Coating
	4251	Stationery Mfg.
	4273	Bag Manufacturing - Paper or Plastic
	4279	Paper Goods Mfg., N.O.C.
281	2553	Furnishing Goods Mfg., N.O.C.
	4282	Dress Pattern Mfg.
	4299	Printing
	4307	Book binding
	4308	Linotype or Hand Composition
	4351	Photoengraving
	4352	Engraving
301	2710	Sawmills
404	3004	Iron or Steel Manufacturing & Drivers

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**NEW YORK** (Continued)

<u>Pennsylvania Classification Code</u>	<u>New York Classification Code</u>	<u>New York Description of Business</u>	
413	3040	Iron or Steel Fabrication - Iron Works - Shop - Ornamental & Drivers	
	3042	Elevator or Escalator Mfg.	
445	3041	Iron or Steel Fabrication - Iron Works Shop Decorative or Artistic & Foundries & Drivers	
	3132	Nut or Bolt Mfg.	
	3145	Screw Mfg.	
	3146	Hardware Mfg., N.O.C.	
	3188	Plumbers' Supplies Mfg., N.O.C.	
	3190		Electric Lighting Fixture or Lamp Mfg. Assembly & Finishing
		3191	Electric Lighting Fixture or Lamp Mfg., All Operations except Assembly & Finishing
	3200	Small Arms Mfg.	
	3129	Metal Stamped Parts Mfg.	
	3336	Type Foundry	
	3581	Carburetor Mfg.	
	3634	Valve Mfg.	
	9501	Sign Painting, Shop Only & Drivers	
	454	3064	Sign Mfg. or Repair, Metal - (Shop Only)
3066		Sheet Metal Work - Shop	
3076		Furniture Mfg. - Metal	
3169		Stove Mfg.	
3220		Can Mfg.	
3224		Agate or Enamel Ware Mfg.	
3227		Aluminum Ware Mfg.	
3381			Silverware Mfg., (includes Automobile Wheel Mfg., Metal Wheels (not Cast)
		3400	Metal Goods Mfg., N.O.C.
3515		Textile Machinery Mfg.	
3807	Automobile Radiator Mfg.		

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**NEW YORK** (Continued)

<u>Pennsylvania Classification Code</u>	<u>New York Classification Code</u>	<u>New York Description of Business</u>
461	3507	Construction or Agricultural Machinery Mfg.
	3515	Textile Machinery Mfg.
	3548	Printing or Bookbinding Machinery Mfg.
	3559	Confection Machine Mfg.
	3612	Pump Mfg.
	3632	Machine Shop N.O.C.
	3635	Gear Mfg. or Grinding
	3826	Aircraft Engine Mfg.
	3827	Automobile Engine Mfg.

**OHIO**

<u>Pennsylvania Classification Code</u>	<u>Ohio Classification Code</u>	<u>Ohio Description of Business</u>
105	2000	Flour Dough Products Mfg.
161	2501	Sewn Products Mfg.
222	4432	Plastic Products Mfg.
257	4241	Paper Board Products Mfg.
	4273	Bag Manufacturing - Paper
	4276	Paper Coating, Impregnating and Finishing Paper Goods Mfg., N.O.C.
	4286	Paper Office Supplies Mfg.
281	4300	Printing Operations - Commercial. Includes Dress Pattern Mfg., Bookbinding, Linotype or Hand Composition, and Photoengraving
	4361	Photo Art and Reproduction Operations. Includes Photocopying and Instant Print Shops
301	2710	Timber Cutting and Sawmill Operations

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**OHIO** (Continued)

<u>Pennsylvania Classification Code</u>	<u>Ohio Classification Code</u>	<u>Ohio Description of Business</u>
404	3016	Rolled or Drawn Metal Products includes Steel Mfg.
413	3040	Iron, Steel, Brass and Bronze Fabrication
	3042	Elevator Mfg.
445	3145	Automatic Screw Machine Products Mfg., Nut & Bolt Mfg., Screw Mfg.
	3146	Hardware Hand Tools Mfg., Hardware Mfg.
	3188	Plumbers' Supplies Mfg.
	3311	Non-Ferrous Metal Products Mfg. Lamp or Lantern Mfg., Cartridge Mfg.
	3400	Metal Stamp, Electric or Gas Fixture Mfg.
	3612	Pump Mfg., Carburetor Mfg. (& Small Arms or Cartridge Mfg.)
	3632	Machining Parts, Valve Mfg.
	4951	Sign Mfg. and in-Shop Painters
454	3066	Sheet Metal Products Mfg., Fireproof Equipment Mfg., Agate Ware Mfg., Aluminum Ware Mfg.
	3172	Heating and Cooking Equipment Mfg.
	3220	Can Mfg.
	3228	Barrel Mfg. - Metal
	3311	Non-Ferrous Metal Products Mfg., Automobile Radiator Mfg.
	3400	Metal Stamping
	4951	Sign Mfg. and in-Shop Painting, Sign Mfg. - Shop
461	3504	Agricultural Implement or Machinery Mfg.

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**OHIO** (Continued)

<u>Pennsylvania Classification Code</u>	<u>Ohio Classification Code</u>	<u>Ohio Description of Business</u>
461 (continued)	3526	Industrial Equipment or Machinery Mfg., also includes Textile Machinery Mfg., Printing or Bookbinding Equipment Mfg.
	3606	Internal Combustion Engine Mfg., also including Aircraft Engine Mfg.
	3612	Pump Mfg.
	3632	Machining Parts, Gear Mfg. or Grinding

**WEST VIRGINIA**

<u>Pennsylvania Classification Code</u>	<u>West Virginia Classification Code</u>	<u>West Virginia Description of Business</u>
105	2003	Bakeries
161	2501	Clothing Manufacturing
222	4484	Molding and Fabricated Plastic Products Mfg., N.O.C.
257	4273 4279	Paper Bag and Box Manufacturing Paper Goods Mfg. N.O.C.
281	4299	Printing, Publishing
301	2710	Sawmills, Barking Mills
404	3002	Manufacturing or Production of Iron or Steel, N.O.C.
413	3030	Iron or Steel Shop Operations (includes Fabricating)
445	3093	Pipe Mfg., includes Plumbing Supplies Mfg.

**WEST VIRGINIA** (Continued)

<u>Pennsylvania Classification Code</u>	<u>West Virginia Classification Code</u>	<u>West Virginia Description of Business</u>
445	3132 3200 3628	Hardware Mfg. Small Arms Mfg. Machinery Mfg. N.O.C. including Electric Fixtures & Valves
454	3066 3224 3227 3400 3628	Sheet Metal Shop Operations, including Can Mfg. Coating of Metalware, N.O.C. Aluminum Ware Mfg. Manufacturing Metal Goods, N.O.C. Machinery Mfg. N.O.C.
461	3507 3628 3632	Agricultural and Mining Machinery Mfg. Machinery Mfg., N.O.C. Machine Shops N.O.C.

**SECTION 2: CONTRACTING CLASSIFICATION CODES**

**DELAWARE**

<u>Pennsylvania Classification Code</u>	<u>Delaware Classification Code</u>	<u>Delaware Description of Business</u>
601	601	Road or Street Construction
608	608	Flat Cement Work
609	609	Excavation
651	643 651	Asbestos Contractor Carpentry - N.O.C.
652	652	Carpentry - Detached Dwelling
653	653	Masonry

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**DELAWARE** (Continued)

<u>Pennsylvania Classification Code</u>	<u>Delaware Classification Code</u>	<u>Delaware Description of Business</u>
654	654	Concrete Construction
661	661	Electrical Contractor
663	643 663	Asbestos Contractor Plumbing
675	675	Machinery or Equipment Erection or Repair

**MARYLAND**

<u>Pennsylvania Classification Code</u>	<u>Maryland Classification Code</u>	<u>Maryland Description of Business</u>
601	5506	Street or Road Construction, Paving or Repaving
	9019	Bridge or Vehicular Tunnel Operation
608	5215	Concrete Work - Incidental to Construction of Private Residences
	5221	Concrete or Cement Work - Floors, Driveways, Yards or Sidewalks
	6204	Drilling, N.O.C.
609	5703	Building Moving or Raising
	6018	Dam or Lock Construction: Earth Moving or Placing - All Operations
	6045	Levee Construction - All Operations to Completion
	6217	Excavation
	6229	Irrigation or Drainage System Construction
	6233	Oil or Gas Pipeline Construction
651	5102	Door, Door Frame or Sash Erection - Metal or Metal Covered

**MARYLAND** (Continued)

<u>Pennsylvania Classification Code</u>	<u>Maryland Classification Code</u>	<u>Maryland Description of Business</u>
651 (continued)	5402	Hothouse Erection - All Operations
	5403	Carpentry N.O.C.
	5473	Asbestos Contractor, N.O.C.
652	5102	Door, Door Frame or Sash Erection - Metal or Metal Covered
	5645	Carpentry - Detached One or Two Family Dwellings
	5651	Carpentry - Dwellings - Three Stories or Less
653	5022	Masonry, N.O.C.
654	5213	Concrete Construction, N.O.C.
	5222	Concrete Construction in Connection with Bridges or Culverts
	6017	Dam or Lock Construction: Concrete Work All Operations
661	5190	Electrical Wiring Within Buildings
663	5183	Plumbing, N.O.C.
	5188	Automatic Sprinkler Installation
	5472	Asbestos Contractor - Pipe & Boiler Work Exclusively
675	3724	Machinery or Equipment Erection or Repair
	5160	Elevator Erection or Repair
	9534	Mobile Crane & Hoisting Service

**NEW JERSEY**

<u>Pennsylvania Classification Code</u>	<u>New Jersey Classification Code</u>	<u>New Jersey Description of Business</u>
601	5500	Street Paving and Yard Employees
	7720	Bridge or Vehicular Tunnel Operation

**NEW JERSEY** (Continued)

<u>Pennsylvania Classification Code</u>	<u>New Jersey Classification Code</u>	<u>New Jersey Description of Business</u>
608	5200	Cement Work - Sidewalks, Cellar Floors, Driveways including Drivers
	5215	Concrete Work - Incidental to Construction of Private Residences
	6204	Drilling, N.O.C.
609	5703	Building Moving or Raising
	6005	Jetty or Breakwater Construction
	6217	Excavation, including Dam or Lock Construction, Earth Moving or Placing - All Operations
	6229	Irrigation or Drainage System Construction
651	6233	Oil or Gas Pipeline Construction
	5103	Door, Door Frame or Sash Erection or Repair-Metal
	5402	Hothouse Erection - All Operations
	5403	Carpentry N.O.C.
652	5473	Asbestos Contractor - Removal, Replacement, Repair, Enclosure, Encapsulation
	5103	Door, Door Frame or Sash Erection or Repair- Metal
	5645	Carpentry - Detached One or Two Family Dwellings
	5651	Carpentry - Dwellings - Three Stories or Less
653	5022	Masonry, N.O.C.
654	5213	Concrete Construction, N.O.C.
	5222	Concrete Construction in Connection with Bridges or Culverts
	6017	Dam or Lock Construction: Concrete Work All Operations
661	5190	Electrical Wiring Within Buildings

**NEW JERSEY** (Continued)

<u>Pennsylvania Classification Code</u>	<u>New Jersey Classification Code</u>	<u>New Jersey Description of Business</u>
663	5183	Plumbing, N.O.C.
	5184	Steam Pipe or Boiler Insulating
	5188	Automatic Sprinkler Installation
675	3724	Machinery or Equipment Erection or Repair
	5160	Elevator Erection or Repair

**NEW YORK**

<u>Pennsylvania Classification Code</u>	<u>New York Classification Code</u>	<u>New York Description of Business</u>
601	5506	Street or Road Construction, Paving or Repaving
	9019	Bridge or Vehicular Tunnel Operation
608	5221	Concrete or Cement Work - Floors, Driveways, Yards or Sidewalks
	6204	Drilling, N.O.C.
609	5703	Building Moving or Raising
	6018	Dam or Lock Construction: Earth Moving or Placing - All Operations
	6045	Levee Construction - All Operations to Completion
	6217	Excavation
	6229	Irrigation or Drainage System Construction
651	6233	Oil or Gas Pipeline Construction
	5102	Door, Door Frame or Sash Erection - Metal or Metal Covered
	5402	Hothouse Erection - All Operations
	5403	Carpentry N.O.C.
	5473	Asbestos Contractor - Removal, Replacement, Repair, Enclosure or Encapsulation

**NEW YORK** (Continued)

<u>Pennsylvania Classification Code</u>	<u>New York Classification Code</u>	<u>New York Description of Business</u>
652	5102	Door, Door Frame or Sash Erection - Metal or Metal Covered
	5645	Carpentry - Detached One or Two Family Dwellings
	5651	Carpentry - Dwellings - Three Stories or Less
653	5022	Masonry, N.O.C.
654	5213	Concrete Construction, N.O.C.
	5222	Concrete Construction in Connection with Bridges or Culverts
	6017	Dam or Lock Construction: Concrete Work All Operations
661	5190	Electrical Wiring Within Buildings
663	5183	Plumbing, N.O.C.
	5184	Steam, Pipe or Boiler Insulating
	5188	Automatic Sprinkler Installation
675	3724	Machinery or Equipment Erection or Repair
	5160	Elevator Erection or Repair
	5403	Carpentry N.O.C. (Scaffolds - Outrigger Installation)
	9526	Scaffolds, Built Up Installation
	9527	Scaffolds, Sidewalk Bridges Installation

**OHIO**

<u>Pennsylvania Classification Code</u>	<u>Ohio Classification Code</u>	<u>Ohio Description of Business</u>
601	6102	General Construction
608	6102	General Construction

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**OHIO** (Continued)

<u>Pennsylvania Classification Code</u>	<u>Ohio Classification Code</u>	<u>Ohio Description of Business</u>
609	6102	General Construction
651	5103 5081 5601	Metal Erection Within Buildings Metal Structure Erection - Exterior, also including Hothouse Erection Building Construction or Carpentry
652	5103 5601	Metal Erection Within Buildings (also including Door, Door Frame or Sash Erection - Metal or Metal Covered Building Construction or Carpentry
653	5022	Masonry, N.O.C.
654	5601 6102	Building Construction or Carpentry - also includes Reinforced Concrete Construction General Construction - also includes Concrete Work in Connection with Bridges, Dams or Locks
661	5190	Electrical Systems Installation Within Buildings
663	5183	Plumbing, Heating and Air Conditioning
675	3723 3724 3725	Conveying Equipment Erection Millwrighting Elevator Erection or Repair

**WEST VIRGINIA**

<u>Pennsylvania Classification Code</u>	<u>West Virginia Classification Code</u>	<u>West Virginia Description of Business</u>
601	5506	Street and Road Construction

**WEST VIRGINIA** (Continued)

<u>Pennsylvania Classification Code</u>	<u>West Virginia Classification Code</u>	<u>West Virginia Description of Business</u>
608	5215	Cellar, Concrete Floor, Sidewalk, Driveway and Foundation Construction
609	5703 6044 6217 6233	Building Razing or Moving Clearing and Grading Land, N.O.C. Excavation, N.O.C. Oil or Gas Pipeline Construction
651	5403 5601	Carpentry N.O.C. General Building Construction, N.O.C.
652	5403 5601	Carpentry N.O.C. General Building Construction, N.O.C.
653	5022	Masonry, N.O.C.
654	5040 5213 5222 6017	Iron or Steel Erection, N.O.C. Concrete Construction, Grouting, Gunniting Bridge Construction, including Piers and Docks Concrete Construction of Dams, Locks
661	5190	Electrical Wiring Within Buildings
663	5183	Plumbing and Pipefitting, N.O.C.
675	3724 9529	Millwright work Scaffolding Construction

**SECTION 3: OTHER INDUSTRIES CLASSIFICATION CODES**

**DELAWARE:**

The Delaware classification plan is identical to Pennsylvania for all Other Industries classifications studied.

**MARYLAND**

<u>Pennsylvania Classification Code</u>	<u>Maryland Classification Code</u>	<u>Maryland Description of Business</u>
009	2702	Logging
811	7222	Trucking, Oil Field Equipment, All Employees & Drivers
	7228	Trucking, Local Hauling
	7229	Trucking - Long Distance Hauling
	7230	Trucking- Parcel or Package Delivery
	7360	Freight Handling, N.O.C.
	9534	Mobile Crane and Hoisting Service Contractor N.O.C. - All Operations (Including Yard)
815	8380	Automobile Service or Repair
	8393	Automobile Body Repair
	9505	Painting: Automobile or Carriage Bodies
917	8006	Store: Grocery Retail
	8033	Store: Meat, Grocery & Provision Combined N.O.C.
	8061	Store: Grocery Convenience - Retail
951	8720	Inspection of Risks for Insurance or Valuation Purposes
	8742	Salespersons, Collectors or Messengers
	8755	Labor Unions - All Employees
	8803	Auditors, Accountants or Factory Cost or Office Systematizer
	9012	Building Operation by Owner, Lessee or Real Estate Management Firm: Professional Employees, Property Managers & Leasing Agents including Clerical Office & Sales
953	8810	Clerical Office Employees, N.O.C.
960 **	8829	Convalescent or Nursing Home -All Employees

**MARYLAND** (Continued)

<u>Pennsylvania Classification Code</u>	<u>Maryland Classification Code</u>	<u>Maryland Description of Business</u>
961	8833 9040	Hospital: Professional Employees Hospital: All Other Employees
965 *	8868 8869 9059 9101	Colleges: Professional Employees & Clerical Child Day Care Center - Professional Staff & Clerical Child Day Care Center - All Other Employees Colleges: All Other Employees
971	0917 9014 9015	Domestic Service Contractor - Inside Buildings - Operation by Contractor Buildings - Operation by Owner
975 **	9061 9082 9083 9084	Club, N.O.C. including Clerical Restaurant, N.O.C. Restaurant - Fast Food Bar, Discotheque, Lounge, Night Club or Tavern

**NEW JERSEY**

<u>Pennsylvania Classification Code</u>	<u>New Jersey Classification Code</u>	<u>New Jersey Description of Business</u>
009	2702	Logging
811	7219 7360 9530	Trucking, N.O.C., includes Trucking, Oil Field Equipment, All Employees & Drivers Freight Handling, N.O.C. Mobile Crane N.O.C.
815	8393 8397	Automobile Body Repair, includes Painting Automobile or Carriage Bodies Automobile Garage

**NEW JERSEY** (Continued)

<u>Pennsylvania Classification Code</u>	<u>New Jersey Classification Code</u>	<u>New Jersey Description of Business</u>
917	8006	Store: Grocery Retail, includes Store - Grocery Convenience - Retail
	8033	Store: Meat, Grocery & Provision Combined N.O.C.
951	8720	Inspection of Risks for Insurance or Valuation Purposes
	8742	Salespersons, Collectors or Messengers
	8755	Labor Unions - All Employees
	8803	Auditors, Accountants or Factory Cost or Office Systematizer
953	8810	Clerical Office Employees, N.O.C.
960 **	8829 *	Convalescent or Nursing Home including Clerical and Drivers
961 *	9045 *	Hospital and Clerical, Drivers
965 *	8868	Colleges: Professional Employees & Clerical
	9106	Colleges: Non-Professional Employees & Drivers
971	0917	Domestic Service Contractor - Inside
	9014	Buildings - Operation by Contractor
	9015	Buildings - Operation by Owner
975 **	9061 *	Club, N.O.C. including Clerical
	9079	Restaurant, N.O.C.

**NEW YORK**

<u>Pennsylvania Classification Code</u>	<u>New York Classification Code</u>	<u>New York Description of Business</u>
009	2702	Logging

**NEW YORK** (Continued)

<u>Pennsylvania Classification Code</u>	<u>New York Classification Code</u>	<u>New York Description of Business</u>
811	7219	Trucking, N.O.C., includes Trucking, Oil Field Equipment All Employees & Drivers
	7367	Freight Handling, N.O.C.
	9534	Mobile Crane & Hoisting Service Contractors N.O.C.
815	8391	Automobile Repair Shop - All Operations & Drivers. Includes Automobile Body Repair Shop
	9505	Painting: Automobile or Carriage Bodies
917	8006	Store: Grocery Retail, includes Store: Grocery Convenience Retail
	8033	Store: Meat, Grocery & Provision Combined N.O.C.
951	8720	Inspection of Risks for Insurance or Valuation Purposes
	8742	Salespersons, Collectors or Messengers
	8755	Labor Unions - All Employees
	8803	Auditors, Accountants or Factory Cost or Office Systematizer
953	8810	Clerical Office Employees, N.O.C.
960 **	8829	Convalescent or Nursing Home -All Employees
961 *	8833	Hospital: Professional Employees
	9040	Hospital: All Other Employees
965 *	8868	Colleges: Professional Employees & Clerical
	9101	Colleges: All Other Employees

**NEW YORK** (Continued)

<u>Pennsylvania Classification Code</u>	<u>New York Classification Code</u>	<u>New York Description of Business</u>
971	0917 9014 9026 9028 9029 9030	Domestic Service Contractor - Inside Exterminator Building Operation - Commercial Building Operation N.O.C. Building N.O.C., Repair Only Building Service Contractor
975 **	9061 * 9079 *	Club, N.O.C. including Clerical Restaurant, including Clerical

**OHIO**

<u>Pennsylvania Classification Code</u>	<u>Ohio Classification Code</u>	<u>Ohio Description of Business</u>
009	2710	Timber Cutting and Sawmill Operations
811	7218 7308 6102	General Trucking Stevedoring and Freight Handling General Construction (also includes Mobile Crane and Hoisting Contractors
815	3816 8350	Automobile Body Mfg. and/or Repair, also including Automobile Body Shops and Paint Shops Automobile Repair and Service
917	8017	Food Products Stores, N.O.C. (includes Grocery or Supermarkets - Retail and the Retail Convenience Grocery
951	8747	Traveling Salespersons and Field Representatives
953	8810	Office N.O.C.

Pennsylvania Compensation Rating Bureau  
 Comparison of Rates: Pennsylvania to Other Northeastern States  
 Exhibit 2  
 Page 24

**OHIO** (Continued)

<u>Pennsylvania Classification Code</u>	<u>Ohio Classification Code</u>	<u>Ohio Description of Business</u>
960 **	9045 9062	Nursing or Convalescent Home Welfare, Social Service and Religious Organizations which also includes Philanthropic Nursing Homes, Skilled Care Homes or Convalescent Homes
961 *	9040	Hospital
965 *	9063	Schools
971	9007	Commercial Building Operation, Care and Maintenance
975 **	9071 9072	Restaurant or Food Service Operation Private Clubs or Swimming Pools

**WEST VIRGINIA**

<u>Pennsylvania Classification Code</u>	<u>West Virginia Classification Code</u>	<u>West Virginia Description of Business</u>
009	2702	Logging
811	5695 7219 7360	Crane Operations Trucking Freight Handlers
815	8350 8387 8393	Full Service Gasoline Stations Automobile and Truck Repair Automobile Body Repair
917	8292	Retail Grocery Stores
951	8742 8755 8803 9019	Salespersons, (includes Inspectors) Labor Unions Accountants, Auditors Bridge & Tunnel Toll Collectors

**WEST VIRGINIA** (Continued)

<u>Pennsylvania Classification Code</u>	<u>West Virginia Classification Code</u>	<u>West Virginia Description of Business</u>
953	8810 9422	Clerical Employees, N.O.C. State Government Clerical Agencies or Clerical Operations
960 **	8829	Nursing Homes
961 *	9040	Hospitals
965 *	9417 9418 9419 9420 9421	Primary & Secondary Public Schools Primary & Secondary Private Schools State Colleges and Universities Private Colleges and Universities Trade Schools, Adult Education
971	9014 9031	Building Maintenance Pest Control
975 **	9061 9079	Clubs Preparing Food N.O.C. Restaurants

**NOTES:**

- N.O.C. - Not Otherwise Classified in state manual
- \* Designates classification which includes all employees including office
- \*\* Designates classification which includes all employees EXCEPT office

**Pennsylvania Compensation Rating Bureau**

Summary Rate Comparison for Selected Largest Pennsylvania Classifications

**Exhibit 3**

PA Code	Description	Approved PA Rates		Approved DE Rates		Approved MD Rates		Approved NJ Rates		Approved NY Rates		Approved OH Rates		Approved WV Rates	
		Effective 2/11/97	Effective 8/1/94	Effective 1/1/96	Effective 1/1/97	Effective 10/1/96	Effective 7/1/96	Effective 1/1/96	Effective 1/1/96	Effective 1/1/96	Effective 1/1/96	Effective 1/1/96	Effective 1/1/96	Effective 1/1/96	
		Low	High	Low	High	Low	High	Low	High	Low	High	Low	High	Low	High
<b>Group I: Manufacturing Classifications</b>															
105	Wholesale Bakery	\$3.87	\$8.49	\$4.53	\$7.35	\$1.84	\$5.37	\$4.81	\$8.62	\$7.10	\$8.82	\$7.57	\$7.57	\$4.47	\$4.47
161	Apparel Mfg	2.59	5.70	2.20	3.58	1.82	4.55	3.03	3.03	1.40	1.70	5.67	5.67	3.01	3.01
222	Plastic Articles Mfg, NOC	3.32	7.30	5.19	8.42	1.33	4.57	3.80	8.85	3.85	4.67	5.59	5.59	4.08	4.08
257	Paper Container Mfg	4.20	9.22	7.07	11.48	1.00	8.30	4.42	5.56	4.65	8.85	4.40	13.43	3.95	3.95
281	Printing	2.35	5.16	2.89	4.70	0.29	4.55	1.35	3.03	0.87	5.51	2.12	3.24	1.52	1.52
301	Sawmill	5.73	12.60	9.88	16.04	6.23	15.58	13.65	13.65	12.00	14.55	22.37	22.37	12.59	12.59
404	Steel Mfg	3.96	8.70	5.38	8.74	2.33	5.83	5.68	5.68	8.09	9.81	5.44	5.44	7.99	7.99
413	Iron Works - Shop	4.03	8.85	7.43	12.06	1.51	11.36	8.58	9.30	7.93	18.36	7.65	12.35	7.86	7.86
445	Hardware Mfg	2.95	6.49	6.36	10.33	0.27	7.82	1.71	6.50	2.03	8.50	2.93	7.28	4.91	7.86
0067	OD Supplemental for 445	0.42	0.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
454	Sheet Metal Shop	3.53	7.77	6.27	10.18	1.39	10.03	2.51	9.88	3.23	19.30	5.52	9.53	4.67	6.44
461	Machine Shop	2.85	6.26	4.71	7.65	0.77	7.70	2.27	6.47	3.28	11.08	1.50	4.80	4.91	5.87
	<b>Group I Average *</b>	<b>\$3.14</b>	<b>\$6.89</b>	<b>\$4.83</b>	<b>\$7.84</b>	<b>\$1.13</b>	<b>\$6.91</b>	<b>\$3.19</b>	<b>\$6.22</b>	<b>\$3.40</b>	<b>\$9.07</b>	<b>\$4.23</b>	<b>\$6.80</b>	<b>\$4.33</b>	<b>\$5.00</b>
<b>Group II: Contracting Classifications</b>															
601	Road Construction	\$9.00	\$19.79	\$11.01	\$17.88	\$1.57	\$12.13	\$3.42	\$9.09	\$3.56	\$15.87	\$11.54	\$11.54	\$12.14	\$12.14
608	Flat Cement Work	5.09	11.18	4.99	8.10	3.01	13.42	8.21	12.78	12.16	15.16	11.54	11.54	20.87	20.87
609	Excavation	4.40	9.66	6.81	11.06	2.14	22.12	6.41	10.46	5.49	32.53	11.54	11.54	9.14	35.20
651	Carpentry	7.33	16.12	8.23	14.82	4.50	26.29	5.74	18.98	8.91	16.67	11.38	20.77	9.78	15.43
652	Carpentry - Detached Dwellings	5.69	12.51	10.45	16.98	3.44	17.90	7.02	10.01	11.65	15.39	11.38	16.65	9.78	15.43
653	Masonry	6.96	15.29	7.31	11.86	4.64	11.60	10.54	10.54	15.35	18.61	13.42	13.42	16.02	16.02
654	Concrete Construction	10.41	22.88	7.03	11.41	5.19	22.31	10.06	12.75	4.93	24.92	11.38	11.54	10.56	20.87
661	Electrical Wiring - Within Buildings	3.28	7.20	4.48	7.27	2.98	7.46	3.78	3.78	5.68	6.89	5.12	5.12	5.01	5.01
663	Plumbing	4.37	9.61	4.41	14.82	2.74	10.12	3.83	5.16	5.61	10.16	6.80	6.80	7.40	7.40
675	Machinery or Equipment Erection or Repair	4.75	10.44	4.96	8.05	2.32	7.32	3.18	5.69	6.09	29.54	3.07	21.23	5.01	13.27
	<b>Group II Average *</b>	<b>\$5.40</b>	<b>\$11.87</b>	<b>\$6.57</b>	<b>\$12.09</b>	<b>\$3.16</b>	<b>\$14.39</b>	<b>\$5.72</b>	<b>\$9.19</b>	<b>\$7.94</b>	<b>\$16.74</b>	<b>\$9.06</b>	<b>\$12.31</b>	<b>\$9.71</b>	<b>\$14.76</b>
<b>Group III: "Other" Classifications</b>															
009	Logging	\$18.46	\$40.56	\$37.67	\$61.18	\$16.28	\$40.71	\$31.65	\$31.65	\$32.25	\$39.09	\$22.37	\$22.37	\$42.46	\$42.46
811	Trucking	7.33	16.10	10.21	16.58	2.84	14.11	5.05	11.63	6.22	18.25	11.54	14.61	11.07	13.27
815	Automobile Service Center	3.01	6.62	3.38	6.25	0.88	5.39	3.17	4.31	4.55	5.96	4.59	6.62	3.63	5.34
917	Grocery Store	2.95	6.49	3.38	5.48	1.26	5.48	4.16	4.25	2.81	5.15	3.66	3.66	2.77	2.77
951	Outside Salesmen	0.43	0.94	0.68	1.10	0.08	1.30	0.33	1.74	0.36	3.13	0.57	0.57	0.53	1.52
953	Office	0.21	0.47	0.39	0.63	0.13	0.32	0.33	0.33	0.36	0.44	0.40	0.40	0.66	0.67
960	Nursing Homes	5.16	11.34	4.07	6.62	1.28	3.20	3.88	3.88	4.30	5.21	3.54	7.13	6.87	6.87
961	Hospitals	1.05	2.31	2.13	3.46	0.47	4.43	1.37	1.37	1.33	7.07	2.02	2.02	1.52	1.52
965	Colleges and Schools	0.43	0.95	0.61	0.99	0.20	2.49	0.80	5.20	0.68	5.98	1.23	1.23	0.64	1.11
971	Building Operation	4.00	8.80	4.62	7.50	1.54	4.90	4.25	5.06	3.53	7.48	6.52	6.52	4.87	4.87
975	Restaurants	2.22	4.87	3.10	5.03	1.02	2.92	2.06	3.59	1.95	3.15	2.86	3.26	3.26	3.26
	<b>Group III Average *</b>	<b>\$0.74</b>	<b>\$1.64</b>	<b>\$1.04</b>	<b>\$1.70</b>	<b>\$0.31</b>	<b>\$1.61</b>	<b>\$0.85</b>	<b>\$1.96</b>	<b>\$0.84</b>	<b>\$2.77</b>	<b>\$1.17</b>	<b>\$1.32</b>	<b>\$1.20</b>	<b>\$1.48</b>
<b>Combined Average - All Groups *</b>		<b>\$1.22</b>	<b>\$2.68</b>	<b>\$1.69</b>	<b>\$2.83</b>	<b>\$0.54</b>	<b>\$2.80</b>	<b>\$1.33</b>	<b>\$2.74</b>	<b>\$1.47</b>	<b>\$4.11</b>	<b>\$1.88</b>	<b>\$2.42</b>	<b>\$1.95</b>	<b>\$2.54</b>

\* - Averages Computed Using Pennsylvania Payrolls by Classification as Weights