

**GENERAL RULES OF THE GOVERNING BOARD**  
**OF THE PENNSYLVANIA COMPENSATION RATING BUREAU**

**(Adopted As Of March 8, 1993)**

**(Revised As Of January 25, 1995)**

**(Revised As Of August 23, 1996)**

**(Revised As Of January 24, 2001)**

**(Revised As Of April 27, 2005)**

**GENERAL RULE NUMBER 1**

**STANDING COMMITTEES**

The Governing Board shall appoint the following Standing Committees, determine their composition, and assign to them such powers and duties as the Governing Board shall deem appropriate.

**A. CLASSIFICATION AND RATING COMMITTEE**

As of August 23, 1996, the Classification and Rating Committee consists of twelve (12) Bureau members, each serving three-year terms with four (4) Bureau members' terms expiring at each consecutive annual meeting. Upon expiration of terms for Bureau members at the 1997, 1998 and 1999 Annual Meetings, the following numbers of Bureau member positions, each for three-year terms, shall be open for nomination:

January, 1997 Annual Meeting	Two (2) Positions
January, 1998 Annual Meeting	Two (2) Positions
January, 1999 Annual Meeting	Three (3) Positions

Effective as of the 1999 Annual Meeting and later, the Classification and Rating Committee shall include seven (7) Bureau members, each serving terms expiring at the annual meeting occurring three (3) years after their respective appointment.

As of August 23, 1996, the Classification and Rating Committee includes two (2) Employer Organization Representatives appointed by the Governing Board to three-year terms. Effective August 23, 1996 the Governing Board shall appoint five (5) additional Employer Organization Representatives to the Classification and Rating Committee. Of the new Employer Organization Representative positions established effective August 23, 1996, two (2) shall have initial terms expiring effective at the 1998 Annual Meeting, two (2) shall have initial term expiring effective at the 1999 Annual Meeting and one (1) shall have an initial term expiring effective at the 2000 Annual Meeting. Upon the expiration of terms for Employer Organization Representatives successor representatives shall be appointed to three-year terms.

To the extent required or permitted by or not contrary to law, the Classification and Rating Committee shall review classification studies and proposals for changes in the classification system and review filings which the Bureau proposes to make. Review of the Bureau's filing of workers compensation rates and rating plans that are limited to provisions for claim payment shall be limited to review of "provision for claim payment," as defined pursuant to the Workers' Compensation Act.

The Committee may only provide comments in an advisory capacity in the course of these reviews and shall not vote on matters pertaining to such filings. The President shall have final authority to determine the content of all filings.

Bureau members of the Committee shall designate employee representatives who are workers compensation specialists with senior and/or managerial standing within their companies.

Pursuant to the provisions of Section 717 of the Workers' Compensation Act, as amended, or the corresponding provisions of any successor statutes thereto, an Appeals Subcommittee of the Committee shall conduct hearings on appeals from individual classification assignments made by Bureau staff and on other written requests by any person aggrieved by the application of the Bureau's rating system (except any disputes relating to test audits). An Appeals Subcommittee shall consist of an equal number of Bureau members of the Classification and Rating Committee and Employer Organization Representatives of the Classification and Rating Committee. The Bureau may designate membership to the Appeals Subcommittee on a rotating basis.

The Appeals Subcommittee shall review written appeals of a classification assignment or other application of the rating system, and by vote of the members present, grant or reject the aggrieved person's request in whole or in part and, if applicable, decide the proper classification, subject to the right of appeal by the aggrieved person to the Insurance Commissioner. The aggrieved person or its authorized representative shall upon written request have an opportunity to be heard in person and shall receive not less than ten (10) days notice of the hearing date, time and place. The decision of the Appeals Subcommittee shall be in writing concisely setting forth the action determined and notice thereof shall promptly be sent to the aggrieved person or its authorized representative by first class United States mail together with notice of the right to appeal to the Insurance Commissioner within thirty (30) days of the date the decision is rendered.

**B. ACTUARIAL COMMITTEE**

The Actuarial Committee shall consist of nine (9) Bureau members, each serving three-year terms with three (3) Bureau members' terms expiring at each consecutive annual meeting.

To the extent required or permitted by or not contrary to law, the Actuarial Committee shall review proposed filings and components thereof, including actuarial methodologies. The Committee's review shall be in an advisory capacity only.

Members of the Committee shall designate employee representatives who shall be actuaries of professional stature within their companies.

**C. AUDIT COMMITTEE**

The Audit Committee shall consist of six (6) Bureau members, each serving three-year terms with two (2) Bureau members' terms expiring at each consecutive annual meeting.

To the extent required or permitted by or not contrary to law, the Audit Committee shall provide technical expertise to the Bureau's test audit program such as reviewing current procedures and making recommendations for future procedures. The Committee shall also hear appeals to resolve test audit disputes between the members and Bureau staff.

Members of the Committee shall designate employee representatives from the premium audit discipline with managerial standing within their companies.

**D. NOMINATING COMMITTEE**

This Committee shall be established as of the annual meeting of the Bureau held in January 1994, and shall consist of five (5) members who shall be Bureau members.

Two (2) of the members of the Committee shall have initial terms of three (3) years beginning January 1994, two (2) other members shall have initial terms of two (2) years beginning January 1994, and the remaining member of the Committee shall have an

initial term of one (1) year beginning January 1994. Upon the expiration of the initial terms of office of the Committee members, at each consecutive annual meeting of the Bureau a like number of Committee members shall be elected to terms of three (3) years.

Members of the Committee shall designate employee representatives who have managerial standing within their companies.

Prior to each annual meeting of the Bureau, the Committee shall propose a slate of candidates selected from the nominations made by all Bureau members for the vacancies on the Governing Board and all its Committees after the Committee has reviewed a compilation of all nominating ballots received from the members.

In proposing candidates for service on the Governing Board and its Committees, except as otherwise provided in the By-laws or General Rules, the Committee shall propose no more than one member to succeed itself unless there have not been sufficient nominations otherwise received to fill the remaining vacancies.

In proposing candidates, the Committee shall consider the following principles:

- (1) Equitable rotation of membership on the Governing Board and its Committees;
- (2) Breadth of representation;
- (3) Adequate representation from those insurers providing the major financial support to the Bureau.

## **GENERAL RULE NUMBER 2**

Ballots for nominations to fill all vacancies on the Governing Board and Committees shall be sent to all members. Each member is hereby required to return the ballots even if it chooses not to make any nominations. The Bureau staff will record all ballots received, with or without nominations.

### **GENERAL RULE NUMBER 3**

Each insurer member seeking nomination to serve on the Governing Board or a Committee shall designate in writing two knowledgeable employees, from specific disciplines when required, as its Committee representative and alternate representative respectively.

### **GENERAL RULE NUMBER 4**

Notice of all Committee meetings shall be given to all Committee members by mail, telefax, or telephone at least seven (7) calendar days prior to a meeting. Written notice shall be sent by United States mail, first class, postage prepaid. Attendance at a meeting shall be a waiver of such notice of that meeting.

LEF/pj

LEGCOM  
RESTRUCT

REVISED  
2/3/93

REVISED (KG)  
9/11/96  
1/24/01  
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