



Pennsylvania Compensation Rating Bureau

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VIA FEDERAL EXPRESS WITH DELIVERY CONFIRMATION

August 27, 2014

The Honorable Michael F. Consedine
Insurance Commissioner
Commonwealth of Pennsylvania
Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

Attention: Michael McKenney

- RE: PCRB Filing No. 261 Proposed Effective April 1, 2015**
Manual Revisions to Sections 1 and 2
- (1) Revisions to Mapping of Direct Employment Classifications Into Temporary Staffing Classifications, Code 520 – 529**
 - (2) Clarification of Code 892 Language Pertaining to Early Intervention Services**
 - (3) Use of Published Decennial Census Data Only as the Basis for Populations of Areas Served by Volunteer Fire Companies Subject to Code 994**
 - (4) Revision of Manual Language Pertaining to Tips for Premium Computation Purposes in Recognition of IRS Ruling Regarding “Service Charges”**
 - (5) Manual Revisions to Sections 1 and 2 – Housekeeping**

Dear Commissioner Consedine:

On behalf of the members of the Pennsylvania Compensation Rating Bureau, I am filing herewith proposed revisions to the PCRB Workers Compensation Manual of Rules, Classifications and Rating Values for Workers Compensation and for Employers Liability Insurance (the Pennsylvania Manual). These revisions are proposed to be **effective 12:01 a.m., April 1, 2015** with respect to new and renewal policies having normal anniversary rating dates on or after that date.

This proposed effective date is intended to make the implementation of these changes concurrent with the PCRB's normal annual loss cost filing revision, which will be filed separately 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 once annually.

Items number (2), (3), (4) and (5) in caption do not affect loss costs for any Pennsylvania employers. Item number (1) in caption, if approved, would affect loss costs for some portions of the insured operations for some temporary staffing contractors. The PCRB's normal annual loss cost proposal must anticipate and reflect approved classification definitions and designations in the course of its preparation and submission. *Accordingly, if the adjudication of this filing cannot be accomplished by November 1, 2014, the PCRB may be required to withdraw or amend this filing, or to present alternative schedules of proposed loss costs and related rating values consistent with the approval or disapproval of this filing in the normal annual loss cost filing.*

Each of the proposals included in this filing are discussed in sequence below.

(1) Revisions to Mapping of Direct Employment Classifications Into Temporary Staffing Classifications, Code 520 – 529

PCRB Filing No. 240 effective December 1, 2010 introduced a new procedure for mapping direct employment classes into temporary staffing classes. That filing eliminated five temporary staffing classes and replaced them with 10 new temporary staffing exposure groups, classes 520-529.

The original mapping of direct assignment classes into temporary staffing classes tended to have classes with a wide range of rating values mapping into a single temporary staffing class. The revised procedure sought to correct that feature by tying the direct employment classes with similar rating values into a common temporary staffing exposure group.

The direct assignment classes were arranged by increasing exposure based on April 1, 2010 loss cost values. Maximum and minimum ranges were defined for each temporary staffing exposure group and direct employment classes were mapped into the temporary staffing classes based on loss cost values.

As part of PCRB Filing No. 240, it was observed that classification rating value relativities would shift over time and that the rating values of the direct employment classes mapping into the proposed temporary staffing exposure groups might subsequently move outside the bounds of currently-constructed ranges. With that possibility in mind, the PCRB intended to review the composition of direct business classes and the ranges of direct employment classification rating values defining the temporary staffing exposure groups every three years, unless circumstances suggested that an earlier review is necessary. (Based on the results of this year's analysis, the PCRB intends to perform future reviews every two years.)

This procedure was used in the April 1, 2011, April 1, 2012 and April 1, 2013 PCRB annual loss cost filings. Subsequent to approval of the April 1, 2013 filing, the PCRB reviewed the direct employment mappings defined by Filing No. 240 and updated those mappings to reflect shifts in current rating values since December 1, 2010 based on approved April 1, 2013 loss costs.

The PCRB intended to include this analysis as part of PCRB Filing No. C-363, the April 1, 2014 loss cost filing. However, prior to the submission of that filing, the Pennsylvania Insurance Department requested that the analysis and its attendant changes to temporary staffing rating values be removed from the filing until temporary staffing insureds could be given appropriate notification regarding the filed changes so that public comments could be solicited from those insureds. Therefore, the previous analysis has been updated by reviewing rating value relativities based on approved April 1, 2014 loss costs. Appropriate notification of all temporary staffing insureds will occur upon this filing's submission.

The following narrative will describe the format and interpretation of the enclosed exhibit pages.

The top portion of Exhibit 1 shows the composition of the 10 temporary staffing exposure groups as originally defined, and includes the number of direct employment classes mapping into each temporary staffing group as well as the maximum and minimum loss costs for the direct employment classes within those groupings.

Note that the loss costs discussed throughout this study report reflect rating values calculated prior to being adjusted to include certain surcharges that are included in approved and published loss costs. Those surcharges include provision for the funding of the Office of the Small Business Advocate, offsets for the net credits offered for participation in the Merit Rating Plan, the Certified Safety Committee Program and the Construction Classification Premium Adjustment Program.

The bottom portion of Exhibit 1 shows the proposed revisions to the mapping of direct employment classes into temporary staffing exposure groups and includes the number of direct employment classes mapping into each temporary staffing group as well as the maximum and minimum loss costs for the direct employment classes within those groupings.

Exhibit 2 shows the calculation of the maximum and minimum loss costs defining the range of direct employment rating values for each exposure group. The original ranges defined in Filing No. 240 were adjusted for the combined effects of the approved overall changes in loss cost level from April 1, 2011 through and including April 1, 2014.

Exhibit 3 summarizes the overall impact of the proposed new mapping of direct employment classes. As part of the analysis, no direct employment class was permitted to be assigned more than one temporary staffing exposure group higher or lower than its current exposure group assignment. As a result, the increase of one direct employment class and the decrease of another direct employment class were capped. 23 direct employment classes will move to one higher temporary staffing exposure group. Those risks would see an average increase in rating value of approximately 55 percent. 29 direct employment classes will move to one lower temporary staffing exposure group. Those risks would see an average decrease in rating value of approximately 32 percent. 199 (79 percent) of direct employment classes will have no change to their temporary staffing exposure group assignment. There will be generally modest changes in rating values for this category because, although there is no change in exposure group assignment, the overall composition of the exposure groups is being redefined. The large changes attributed to moving from one exposure group to another are the result of the relatively wide range of potential direct employment rating values within each exposure group and therefore from one exposure group to another.

For each direct employment class, Exhibit 4 shows the April 1, 2014 pre-surge loss cost, the current and proposed (from Exhibit 6) temporary staffing exposure group and loss cost as well as the percentage change in loss cost and an indicator showing whether the direct employment class is moving to a higher or lower exposure group or if no change is being made.

Once a temporary staffing exposure is placed into one of the current temporary staffing classes addressed in this study, there is no way of knowing the corresponding direct employment class(es) that would best describe the work being performed. Thus, a precise measurement of payrolls that each direct employment class is contributing to the current temporary staffing classes is not available. Absent such exact payroll information, the PCRB has assumed that each direct employment class's contribution to any temporary staffing class is proportional to the total payroll for that direct employment class. A measure of direct employment class payroll within each temporary staffing class allows an accounting for the movement of risks from old to new temporary staffing classifications and provides a mechanism for estimating loss costs that will maintain overall revenue neutrality.

At the time of the April 1, 2014 filing, payrolls for only the December, 2010 effective month policies were available for the 10 temporary staffing exposure groups introduced effective December 1, 2010. Therefore, those payrolls were added to the payrolls of the five temporary staffing classes (544, 682, 929, 937 and 947) that were replaced December 1, 2010 by distributing that payroll data to the five temporary staffing classes on a pro rata basis. Estimates of payroll contributions from the direct employment classes to the temporary staffing exposure groups were therefore adjusted to payroll levels reported for the five original temporary staffing classes (including the pro-rated payroll data from the ten temporary staffing exposure groups).

Exhibit 5 shows the calculation of adjusted payroll attributed to each direct employment class mapping into the five original temporary staffing classes (including the pro-rated payroll). The payrolls shown in Column (2) represent the latest two available years of payroll and are expressed in thousands of dollars. For example, for temporary staffing Class 682, payrolls are shown for each direct employment class mapped to Class 682, and the sum of those payrolls is \$12,206,066. The total payroll for Class 682 is \$36,551,000. The adjusted payroll attributed to each direct employment class is calculated by multiplying the direct employment class payroll by the ratio of the temporary staffing class exposure to the total statewide exposure for all direct employment classes contributing to the temporary staffing class. For Class 601 the adjusted exposure is equal to \$1,335,000 (i.e., $1,335 = 445,722 \times (36,551/12,206,066)$). It is proposed that direct employment Class 601 be mapped into the temporary staffing Exposure Group H based on an April 1, 2014 loss cost value of \$5.78. Thus, it is assumed that Exposure Group H will include payrolls of \$1,335,000 from risks corresponding to direct employment Class 601. Similar calculations were performed for each current temporary staffing class and their associated direct employment classifications.

Exhibit 6 shows the calculation of indicated and balanced loss costs for the proposed temporary staffing exposure groups. In the upper portion of the exhibit, the average loss cost value, total payrolls and expected losses are shown for the 15 temporary staffing classes. The expected losses are equal to the loss cost times the payroll times 10 (payroll in thousands divided by one hundred because exposure is measured in \$100 units of payroll) and are a measure of premiums to be charged prior to adjustment for carrier expenses. Expected losses for the 15 current temporary staffing classes originally subject to this proposal total \$39,446,501.

The second section of Exhibit 6 shows the proposed temporary staffing exposure groups, the adjusted payrolls, the indicated expected losses and the average indicated loss costs. The indicated expected losses are calculated by summing the products of loss cost times adjusted payroll (times 10) for each direct employment class mapping to the revised temporary staffing exposure groups. The indicated average loss cost is the ratio of indicated expected losses divided by adjusted payroll (divided by 10).

Total expected losses for the proposed classes are \$14,779,990. To maintain revenue neutrality, the expected losses for the proposed class definitions must generate the same expected losses as the current temporary staffing classes (\$39,446,501). The third section of Exhibit 6 shows the balanced and proposed loss costs for the proposed temporary staffing exposure groups as of April 1, 2014. The proposed loss costs in Column (9) of Exhibit 6 are calculated by multiplying the indicated average loss cost in Column (6) by a balancing factor of 2.6689. The balancing factor is approximately equal to the ratio of current loss costs (\$39,446,501) to indicated loss costs (\$14,779,990).

The proposed loss costs (pre-surcharge) are then loaded by a factor of 1.0143, which is the April 1, 2014 approved provision to adjust for the combined costs associated with the funding of the Office of the Small Business Advocate and offsets for the net credits offered for participation in the Merit Rating Plan and the Certified Safety Committee Program. The result is shown in Exhibit 7 and represents the post-surcharge loss costs. Generally, the adjustment factor noted above would include consideration of the Construction Classification Premium Adjustment Program. This program applies to specified construction classifications. However, it does not apply to classes 520 through 529.

Exhibit 6 shows the proposed rating values, hazard groups and industry groups for the proposed temporary staffing exposure group classifications **as of April 1, 2014**. Hazard group and industry group were selected based on the distribution of adjusted payroll for direct employment classes mapping into each temporary staffing exposure group.

The proposed Manual revisions are shown below with new wording underlined and deleted wording bracketed.

SECTION 2

CLASSIFICATIONS

GENERAL AUDITING & CLASSIFICATION INFORMATION

EMPLOYMENT CONTRACTOR – TEMPORARY STAFFING

Temporary staffing is a.....business classification(s).

Code 521 chart **addition:** 890

deletion: [936]

Code 522 chart **additions:** 488, 744, 936

deletions: [474, 752, 755, 884, 890, 892, 927, 967]

Code 523 chart **additions:** 474, 551, 752, 755, 884, 892, 927, 935, 967

deletions: [488, 744, 981]

Code 524 chart **additions:** 263, 449, 473, 507, 716, 978, 981

deletions: [132, 285, 463, 551, 660, 935, 945]

Code 525 chart **additions:** 055, 132, 227, 285, 404, 416, 463, 617, 660, 663, 664, 675, 676, 945, 971

deletions: [108, 111, 263, 306, 319, 427, 449, 467, 473, 507, 716, 978]

Code 526 chart **additions:** 108, 111, 306, 319, 427, 467, 607, 669, 857, 910

deletions: [055, 227, 282, 404, 416, 617, 663, 664, 675, 676, 812, 971]

Code 527 chart **additions:** 282, 606, 615, 806, 812

deletions: [112, 607, 669, 857, 910]

Code 528 chart **additions:** 015, 112

deletions: [606, 615, 806]

Code 529 chart **deletion:** [015]

Exhibits 1 through 6 referenced in the discussion above are attached.

(2) Clarification of Code 892 Language Pertaining to Early Intervention Services

Early Intervention is a statewide program that provides support and services to children with disabilities or developmental delays and their families. Services typically provided in Early Intervention include physical, occupational, speech and/or language therapy. PCRB Staff initiated a study of Code 892 in order to better understand issues that were raised in an informal appeal filed by an employer in response to the PCRB's reclassification of the employer's business from Code 957, Physician or Dentist, to Code 892. Comments made by the employer in the course of the informal appeal and subsequent review of the employer's business operations suggested that there were employers providing Early Intervention services that were classified to Code 957. The employer's comments also suggested that the Pennsylvania Workers' Compensation Manual of Rules, Classifications and Rating Values (Manual) Code 892 language might contain inaccuracies.

Staff performed a file by file review of the 84 employers reporting payroll to Code 892. Staff also reviewed the Commonwealth of Pennsylvania's approved Early Intervention Provider listing. Staff identified 15 employers on that listing that were principally engaged in providing Early Intervention services and which were misclassified to Code 957. Based on background research, historical experience exhibit comparisons, t-test results, and underwriting analysis, staff concluded and hereby recommends the following:

- That Code 892 be sustained as a Pennsylvania classification.
- That Pennsylvania Manual language be clarified to better define Early Intervention and the scope of Code 892.

Staff recommends that the Manual language amendments discussed herein be made effective for new and renewal business as of April 1, 2015 and later, the projected effective date of the PCRB's next annual comprehensive loss cost filing.

A copy of PCRB's Classification Study Report of Code 892 and proposed revisions to the Pennsylvania Manual proposed based on that study are attached as Exhibit 8.

(3) Use of Published Decennial Census Data Only as the Basis for Populations of Areas Served by Volunteer Fire Companies Subject to Code 994

Premium calculation for Code 994 is based on the population served by the insured volunteer fire company. Presently the Pennsylvania Manual provides that populations of areas served by volunteer fire companies will be determined on the basis of the figures provided by the U. S. Bureau of the Census as published in either actual population counts (Census of Population and Housing Reports) or interim actuarial estimates of population.

The existing procedure invokes biennial revisions that often reflect only small changes in population. Recently, the publication of population estimates by the Pennsylvania Data Center U. S. Bureau of the Census has been delayed, giving rise to questions about the values as maintained and published by the PCRB.

It is proposed that on a going-forward basis, the PCRB will perform comprehensive updates of populations of areas served by volunteer fire companies on the basis of published decennial census data only. Results of those updates will be published on PCRB data cards for each volunteer fire company. No other population reference source will be used. Additional editorial clarifications are also indicated.

Proposed revisions to Pennsylvania Manual language are attached as Exhibit 9.

(4) Revision of Manual Language Pertaining to Tips for Premium Computation Purposes in Recognition of IRS Ruling Regarding “Service Charges”

The IRS recently published the following ruling:

When a business adds service charges to customers’ bills (such as “auto-gratuities”) and distributes those charges to its employees, the business should characterize the distributed service charges as social security wages, not as social security tips.

Payments must meet the following criteria to be considered as tips:

- *The customer must freely determine the payment.*
- *The customer must be able to determine the amount without restriction.*
- *The payment cannot be determined by negotiations between the customer and employer, or dictated by the employer.*
- *The customer should generally have the right to decide who receives the payment.*

In recognition of this IRS ruling, the PCRB is proposing that service charges as distinguished above will be treated as wages and, as such, will be subject to inclusion for premium computation purposes. The current Manual exclusion of tips for premium computation purposes will remain unchanged.

Proposed revisions to Pennsylvania Manual language are attached as Exhibit 10.

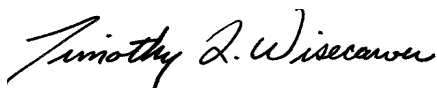
(5) Manual Revisions to Sections 1 and 2 – Housekeeping

The proposals submitted as housekeeping changes are intended to make the Manual language clearer and less ambiguous. The proposed revisions clarify existing classification procedures and update language defining certain classifications to align the verbiage used with that in other Manual provisions, and/or to recognize ongoing technological or industrial changes.

A copy of a memorandum previously prepared for the PCRB’s Classification and Rating Committee and addressing the proposed housekeeping revisions including manual language changes consistent with these proposals, is attached as Exhibit 11. Due to time constraints the Classification and Rating Committee has not reviewed or commented upon the items included in this section (5). PCRB Staff perceives these proposals to be non-controversial and wishes to have the benefit of the maximum amount of time for Insurance Department review, and accordingly has submitted these proposals absent Committee comment at this time.

Particularly in light of the intended coordination of this filing with the PCRB’s next normal annual loss cost filing noted at the beginning of this letter, the PCRB respectfully requests a prompt review and approval of this filing toward the objective of its implementation, as proposed, on a new and renewal basis **effective April 1, 2015**. Toward that objective, the PCRB will be pleased to answer any questions you or Insurance Department staff may have.

Sincerely,



Timothy L. Wisecarver
President

Enclosures: Exhibits 1 through 7 Pertaining to the Revisions to Mapping of Direct Employment Classifications into Temporary Staffing Classification Codes 520 – 529

Exhibit 8: Classification Study Report of Code 892 and Proposed Revisions to the Pennsylvania Manual Based on That Study

Exhibit 9: Proposed Revisions to Pennsylvania Manual Language to Provide That Populations of Areas Served by Volunteer Fire Companies Will be Determined on the Basis of Decennial Census Data Provided by the U. S. Bureau of the Census Only

Exhibit 10: Proposed Revisions to Pennsylvania Manual Language to Provide That Service Charges as Defined by IRS Ruling Will be Treated as Wages and, as Such, Will be Subject to Inclusion for Premium Computation Purposes

Exhibit 11: PCRB Memorandum Discussing Proposed Housekeeping Changes and Dated July 8, 2014

Temporary Staffing Classification Study - Selected "Grouped" Classifications

	Current Temporary Staffing Class Exposure Group										
	A	B	C	D	E	F	G	H	I	J	All
Number of Direct Employment Classes	2	3	14	21	34	68	68	32	4	5	251
Maximum Loss Cost*	\$ 0.25	\$ 0.53	\$ 0.97	\$ 1.45	\$ 2.47	\$ 3.95	\$ 6.22	\$ 9.84	\$ 11.98	\$ 25.81	\$ 25.81
Minimum Loss Cost*	0.24	0.39	0.61	1.02	1.56	2.53	3.98	6.45	10.13	16.27	0.24
Ratio - High to Low	1.04	1.36	1.59	1.42	1.58	1.56	1.56	1.53	1.18	1.59	107.54

	Revised Temporary Staffing Class Exposure Group										
	A	B	C	D	E	F	G	H	I	J	All
Number of Direct Employment Classes	2	3	9	27	34	71	66	32	3	4	251
Maximum Loss Cost*	\$ 0.20	\$ 0.47	\$ 0.80	\$ 1.48 **	\$ 2.15	\$ 3.43	\$ 5.48	\$ 8.66	\$ 13.08	\$ 21.30	\$ 21.30
Minimum Loss Cost*	0.15	0.43	0.53	0.85	1.39	1.85 **	3.44	5.53	9.33	14.53	0.15
Ratio - High to Low	1.33	1.09	1.51	1.74	1.55	1.85	1.59	1.57	1.40	1.47	142.00

* Based on pre-surge loss costs

** Reflects capping of movement between exposure groups.

Therefore, loss costs within exposure groups may exceed the Proposed Ranges in Exhibit 2.

Temporary Staffing Classification Study - Selected "Grouped" Classifications
 Exposure Group Loss Cost Ranges

Current Ranges

Exposure Group	Minimum Pre Surcharge Loss Cost	Maximum Pre Surcharge Loss Cost
A	0.24	0.37
B	0.38	0.60
C	0.61	0.97
D	0.98	1.55
E	1.56	2.48
F	2.49	3.96
G	3.97	6.33
H	6.34	10.12
I	10.13	16.16
J	16.17	& higher

Factor to bring existing loss cost ranges (eff. 12/1/10) to current loss cost levels

(1) April 1, 2011 average loss cost change	1.0087
(2) April 1, 2012 average loss cost change	0.9434
(3) April 1, 2013 average loss cost change	0.9599
(4) April 1, 2014 average loss cost change	0.9485

(5) = (1) * (2) * (3) * (4)

0.8664

Proposed Ranges = Current Ranges * 0.8664

Exposure Group	Minimum Pre Surcharge Loss Cost	Maximum Pre Surcharge Loss Cost
A	0.15 *	0.32
B	0.33	0.52
C	0.53	0.84
D	0.85	1.34
E	1.35	2.15
F	2.16	3.43
G	3.44	5.48
H	5.49	8.77
I	8.78	14.00
J	14.01	& higher

* Adjusted to include loss cost values for two direct employment classes.

Temporary Staffing Classification Study - Selected "Grouped" Classifications
 Summary of Proposed Changes to Group Assignments

	<u># of Direct Classes</u>	<u>Sum of Adj Exposure</u>	<u>Current Group</u>	<u>Proposed Group</u>	<u>Current LC</u>	<u>Proposed LC</u>	<u>% Chg</u>
No change in group assignment							
	2	46,378	A	A	0.45	0.45	0.0%
	2	6,297	B	B	1.22	1.15	-5.7%
	6	27,201	C	C	2.01	1.63	-18.9%
	18	44,183	D	D	2.78	2.94	5.8%
	27	75,691	E	E	4.71	4.56	-3.2%
	56	123,855	F	F	7.33	7.50	2.3%
	56	78,688	G	G	10.90	11.90	9.2%
	27	41,868	H	H	17.43	17.45	0.1%
	1	436	I	I	24.15	26.05	7.9%
	4	1,550	J	J	39.57	40.19	1.6%
	199	446,147			7.02	7.21	2.8%
Moved one group higher							
	1	3,313	B	C	1.22	1.63	33.6%
	7	18,355	C	D	2.01	2.94	46.3%
	1	1,142	D	E	2.78	4.56	64.0%
	5	11,851	E	F	4.71	7.50	59.2%
	6	4,465	F	G	7.33	11.90	62.3%
	2	4,205	G	H	10.90	17.45	60.1%
	1	2,621	H	I	17.43	26.05	49.5%
	23	45,952			4.88	7.58	55.3%
Moved one group lower							
	1	529	C	B	2.01	1.15	-42.8%
	2	11,602	D	C	2.78	1.63	-41.4%
	2	4,632	E	D	4.71	2.94	-37.6%
	6	6,384	F	E	7.33	4.56	-37.8%
	10	31,347	G	F	10.90	7.50	-31.2%
	4	4,009	H	G	17.43	11.90	-31.7%
	3	1,775	I	H	24.15	17.45	-27.7%
	1	95	J	I	39.57	26.05	-34.2%
	29	60,373			9.28	6.27	-32.4%
TOTAL	251	552,472			7.08	7.14	0.8%

Pennsylvania Compensation Rating Bureau

Temporary Staffing Classification Study - Selected "Grouped" Classifications
Mapping of Direct Employment Classes to Temporary Staffing Exposure Groups

Direct Employment Class	Direct Employment 4/1/2014 Loss Cost (Pre-Surcharge)	Current Group Assignment		Proposed Group Assignment		Loss Cost % Change	Group Assignment Change
		4/1/2014 Loss Cost (Pre-Surcharge)	Temporary Staffing Exposure Group	Proposed Loss Cost (Pre-Surcharge)	Temporary Staffing Exposure Group		
005	14.86	39.57	J	40.19	J	1.6%	No
009	21.30	39.57	J	40.19	J	1.6%	No
0011	3.01	7.33	F	7.50	F	2.3%	No
0012	4.46	10.90	G	11.90	G	9.2%	No
0013	3.70	10.90	G	11.90	G	9.2%	No
015	13.08	39.57	J	26.05	I	-34.2%	Lower
025	3.43	7.33	F	7.50	F	2.3%	No
028	3.20	7.33	F	7.50	F	2.3%	No
050	2.65	7.33	F	7.50	F	2.3%	No
051	3.34	7.33	F	7.50	F	2.3%	No
055	3.42	10.90	G	7.50	F	-31.2%	Lower
059	3.91	10.90	G	11.90	G	9.2%	No
101	2.67	7.33	F	7.50	F	2.3%	No
103	1.24	2.78	D	2.94	D	5.8%	No
105	2.80	7.33	F	7.50	F	2.3%	No
106	5.31	10.90	G	11.90	G	9.2%	No
108	3.44	7.33	F	11.90	G	62.3%	Higher
109	3.94	10.90	G	11.90	G	9.2%	No
110	2.77	7.33	F	7.50	F	2.3%	No
111	3.66	7.33	F	11.90	G	62.3%	Higher
112	9.33	17.43	H	26.05	I	49.5%	Higher
114	6.13	17.43	H	17.45	H	0.1%	No
115	1.72	4.71	E	4.56	E	-3.2%	No
119	3.54	10.90	G	11.90	G	9.2%	No
130	4.83	10.90	G	11.90	G	9.2%	No
132	2.60	4.71	E	7.50	F	59.2%	Higher
134	3.14	7.33	F	7.50	F	2.3%	No
135	2.44	7.33	F	7.50	F	2.3%	No
136	2.33	7.33	F	7.50	F	2.3%	No
139	3.75	10.90	G	11.90	G	9.2%	No
141	3.74	10.90	G	11.90	G	9.2%	No
142	1.91	4.71	E	4.56	E	-3.2%	No
163	3.04	7.33	F	7.50	F	2.3%	No
165	4.46	10.90	G	11.90	G	9.2%	No
166	2.60	7.33	F	7.50	F	2.3%	No
201	3.67	10.90	G	11.90	G	9.2%	No
204	2.21	7.33	F	7.50	F	2.3%	No
205	2.66	7.33	F	7.50	F	2.3%	No
225	2.46	7.33	F	7.50	F	2.3%	No
227	3.37	10.90	G	7.50	F	-31.2%	Lower
257	2.33	7.33	F	7.50	F	2.3%	No
261	2.45	7.33	F	7.50	F	2.3%	No
263	1.95	7.33	F	4.56	E	-37.8%	Lower
265	2.43	7.33	F	7.50	F	2.3%	No
282	5.84	10.90	G	17.45	H	60.1%	Higher
285	2.44	4.71	E	7.50	F	59.2%	Higher
301	5.02	10.90	G	11.90	G	9.2%	No

Direct Employment	Direct	Current Group Assignment			Proposed Group Assignment		Loss Cost	Group Assignment
	Employment	4/1/2014	Temporary Staffing	Proposed	Temporary Staffing			
	Loss Cost (Pre-Surcharge)	Loss Cost (Pre-Surcharge)	Exposure Group	Loss Cost (Pre-Surcharge)	Exposure Group			
305	3.70	10.90	G	11.90	G	9.2%	No	
306	3.68	7.33	F	11.90	G	62.3%	Higher	
311	2.32	7.33	F	7.50	F	2.3%	No	
319	3.52	7.33	F	11.90	G	62.3%	Higher	
323	3.34	7.33	F	7.50	F	2.3%	No	
327	3.10	7.33	F	7.50	F	2.3%	No	
402	4.22	10.90	G	11.90	G	9.2%	No	
404	2.92	10.90	G	7.50	F	-31.2%	Lower	
406	4.09	10.90	G	11.90	G	9.2%	No	
407	3.33	7.33	F	7.50	F	2.3%	No	
411	4.42	10.90	G	11.90	G	9.2%	No	
413	4.65	10.90	G	11.90	G	9.2%	No	
415	2.83	7.33	F	7.50	F	2.3%	No	
416	1.85	10.90	G	7.50	F	-31.2%	Lower	
421	4.90	10.90	G	11.90	G	9.2%	No	
425	6.80	17.43	H	17.45	H	0.1%	No	
427	3.51	7.33	F	11.90	G	62.3%	Higher	
429	4.11	10.90	G	11.90	G	9.2%	No	
431	4.89	10.90	G	11.90	G	9.2%	No	
433	2.62	7.33	F	7.50	F	2.3%	No	
435	3.93	10.90	G	11.90	G	9.2%	No	
441	1.23	2.78	D	2.94	D	5.8%	No	
446	1.47	4.71	E	4.56	E	-3.2%	No	
447	4.43	10.90	G	11.90	G	9.2%	No	
449	2.01	7.33	F	4.56	E	-37.8%	Lower	
454	2.66	7.33	F	7.50	F	2.3%	No	
456	3.23	7.33	F	7.50	F	2.3%	No	
457	3.06	7.33	F	7.50	F	2.3%	No	
458	1.80	4.71	E	4.56	E	-3.2%	No	
459	0.99	2.78	D	2.94	D	5.8%	No	
461	2.37	7.33	F	7.50	F	2.3%	No	
463	2.54	4.71	E	7.50	F	59.2%	Higher	
465	3.10	7.33	F	7.50	F	2.3%	No	
467	3.77	7.33	F	11.90	G	62.3%	Higher	
471	0.90	2.78	D	2.94	D	5.8%	No	
473	1.71	7.33	F	4.56	E	-37.8%	Lower	
474	1.48	2.01	C	2.94	D	46.3%	Higher	
476	1.25	2.78	D	2.94	D	5.8%	No	
477	1.91	4.71	E	4.56	E	-3.2%	No	
483	1.29	2.78	D	2.94	D	5.8%	No	
485	1.27	2.78	D	2.94	D	5.8%	No	
486	1.54	4.71	E	4.56	E	-3.2%	No	
487	0.96	2.78	D	2.94	D	5.8%	No	
488	0.80	2.78	D	1.63	C	-41.4%	Lower	
489	1.48	4.71	E	4.56	E	-3.2%	No	
501	2.72	7.33	F	7.50	F	2.3%	No	
502	3.10	7.33	F	7.50	F	2.3%	No	
506	1.49	4.71	E	4.56	E	-3.2%	No	
507	2.03	7.33	F	4.56	E	-37.8%	Lower	
509	5.09	10.90	G	11.90	G	9.2%	No	
511	4.94	10.90	G	11.90	G	9.2%	No	
512	4.32	10.90	G	11.90	G	9.2%	No	
513	3.04	7.33	F	7.50	F	2.3%	No	

Direct Employment	Direct	Current Group Assignment			Proposed Group Assignment		Loss Cost % Change	Group Assignment Change
	Employment	4/1/2014	Temporary Staffing	Proposed	Temporary Staffing			
	Loss Cost (Pre-Surcharge)	Loss Cost (Pre-Surcharge)	Exposure Group	Loss Cost (Pre-Surcharge)	Exposure Group			
514	4.06	10.90	G	11.90	G	9.2%	No	
535	2.47	7.33	F	7.50	F	2.3%	No	
536	4.64	10.90	G	11.90	G	9.2%	No	
551	1.24	4.71	E	2.94	D	-37.6%	Lower	
553	1.30	2.78	D	2.94	D	5.8%	No	
555	0.55	2.01	C	1.63	C	-18.9%	No	
571	2.58	7.33	F	7.50	F	2.3%	No	
573	3.39	7.33	F	7.50	F	2.3%	No	
581	1.95	4.71	E	4.56	E	-3.2%	No	
601	5.78	17.43	H	17.45	H	0.1%	No	
603	4.78	10.90	G	11.90	G	9.2%	No	
605	6.08	17.43	H	17.45	H	0.1%	No	
606	8.25	24.15	I	17.45	H	-27.7%	Lower	
607	5.48	17.43	H	11.90	G	-31.7%	Lower	
608	5.08	10.90	G	11.90	G	9.2%	No	
611	7.38	17.43	H	17.45	H	0.1%	No	
615	8.33	24.15	I	17.45	H	-27.7%	Lower	
617	3.35	10.90	G	7.50	F	-31.2%	Lower	
645	5.47	10.90	G	11.90	G	9.2%	No	
646	4.48	10.90	G	11.90	G	9.2%	No	
647	6.15	17.43	H	17.45	H	0.1%	No	
648	5.24	10.90	G	11.90	G	9.2%	No	
649	2.26	7.33	F	7.50	F	2.3%	No	
652	7.59	17.43	H	17.45	H	0.1%	No	
653	6.22	17.43	H	17.45	H	0.1%	No	
654	7.16	17.43	H	17.45	H	0.1%	No	
655	11.59	24.15	I	26.05	I	7.9%	No	
656	5.90	17.43	H	17.45	H	0.1%	No	
657	6.52	17.43	H	17.45	H	0.1%	No	
658	7.26	17.43	H	17.45	H	0.1%	No	
659	14.53	39.57	J	40.19	J	1.6%	No	
660	2.37	4.71	E	7.50	F	59.2%	Higher	
662	3.91	10.90	G	11.90	G	9.2%	No	
663	3.38	10.90	G	7.50	F	-31.2%	Lower	
664	3.27	10.90	G	7.50	F	-31.2%	Lower	
665	6.65	17.43	H	17.45	H	0.1%	No	
666	5.31	10.90	G	11.90	G	9.2%	No	
667	1.51	4.71	E	4.56	E	-3.2%	No	
668	4.64	10.90	G	11.90	G	9.2%	No	
669	5.45	17.43	H	11.90	G	-31.7%	Lower	
670	4.27	10.90	G	11.90	G	9.2%	No	
673	4.38	10.90	G	11.90	G	9.2%	No	
674	3.84	10.90	G	11.90	G	9.2%	No	
675	3.26	10.90	G	7.50	F	-31.2%	Lower	
676	3.40	10.90	G	7.50	F	-31.2%	Lower	
677	2.99	7.33	F	7.50	F	2.3%	No	
679	6.52	17.43	H	17.45	H	0.1%	No	
681	4.27	10.90	G	11.90	G	9.2%	No	
716	2.10	7.33	F	4.56	E	-37.8%	Lower	
718	2.30	7.33	F	7.50	F	2.3%	No	
721	8.66	17.43	H	17.45	H	0.1%	No	
744	0.59	2.78	D	1.63	C	-41.4%	Lower	
751	2.24	7.33	F	7.50	F	2.3%	No	

Direct Employment	Direct	Current Group Assignment		Proposed Group Assignment		Loss Cost % Change	Group Assignment Change
	Employment	4/1/2014	Temporary Staffing	Proposed	Temporary Staffing		
	Loss Cost (Pre-Surcharge)	Loss Cost (Pre-Surcharge)	Exposure Group	Loss Cost (Pre-Surcharge)	Exposure Group		
752	0.94	2.01	C	2.94	D	46.3%	Higher
753	2.85	7.33	F	7.50	F	2.3%	No
755	0.98	2.01	C	2.94	D	46.3%	Higher
757	1.77	4.71	E	4.56	E	-3.2%	No
759	5.11	10.90	G	11.90	G	9.2%	No
801	6.93	17.43	H	17.45	H	0.1%	No
803	15.39	39.57	J	40.19	J	1.6%	No
804	3.12	7.33	F	7.50	F	2.3%	No
805	5.01	10.90	G	11.90	G	9.2%	No
806	8.38	24.15	I	17.45	H	-27.7%	Lower
807	5.38	10.90	G	11.90	G	9.2%	No
808	3.85	10.90	G	11.90	G	9.2%	No
809	4.96	10.90	G	11.90	G	9.2%	No
810	4.73	10.90	G	11.90	G	9.2%	No
811	6.66	17.43	H	17.45	H	0.1%	No
812	6.02	10.90	G	17.45	H	60.1%	Higher
814	2.65	7.33	F	7.50	F	2.3%	No
815	3.07	7.33	F	7.50	F	2.3%	No
816	1.94	4.71	E	4.56	E	-3.2%	No
817	5.55	17.43	H	17.45	H	0.1%	No
818	1.19	2.78	D	2.94	D	5.8%	No
820	2.29	7.33	F	7.50	F	2.3%	No
821	5.16	10.90	G	11.90	G	9.2%	No
825	2.90	7.33	F	7.50	F	2.3%	No
828	7.64	17.43	H	17.45	H	0.1%	No
855	3.92	10.90	G	11.90	G	9.2%	No
857	5.11	17.43	H	11.90	G	-31.7%	Lower
858	6.38	17.43	H	17.45	H	0.1%	No
859	6.67	17.43	H	17.45	H	0.1%	No
860	7.46	17.43	H	17.45	H	0.1%	No
862	6.52	17.43	H	17.45	H	0.1%	No
865	3.24	7.33	F	7.50	F	2.3%	No
880	4.98	10.90	G	11.90	G	9.2%	No
882	5.53	17.43	H	17.45	H	0.1%	No
884	1.01	2.01	C	2.94	D	46.3%	Higher
885	2.91	7.33	F	7.50	F	2.3%	No
886	2.02	4.71	E	4.56	E	-3.2%	No
887	0.70	2.01	C	1.63	C	-18.9%	No
890	0.47	2.01	C	1.15	B	-42.8%	Lower
891	1.17	2.78	D	2.94	D	5.8%	No
892	0.85	2.01	C	2.94	D	46.3%	Higher
893	0.66	2.01	C	1.63	C	-18.9%	No
894	1.20	2.78	D	2.94	D	5.8%	No
896	1.60	4.71	E	4.56	E	-3.2%	No
897	1.39	4.71	E	4.56	E	-3.2%	No
898	2.14	4.71	E	4.56	E	-3.2%	No
899	1.26	2.78	D	2.94	D	5.8%	No
907	3.81	10.90	G	11.90	G	9.2%	No
910	4.82	17.43	H	11.90	G	-31.7%	Lower
911	5.13	10.90	G	11.90	G	9.2%	No
915	2.36	7.33	F	7.50	F	2.3%	No
916	1.70	4.71	E	4.56	E	-3.2%	No
917	1.71	4.71	E	4.56	E	-3.2%	No

Direct Employment	Direct	Current Group Assignment			Proposed Group Assignment		Loss Cost % Change	Group Assignment Change
	Employment	4/1/2014	Temporary Staffing	Proposed	Temporary Staffing			
	Loss Cost (Pre-Surcharge)	Loss Cost (Pre-Surcharge)	Exposure Group	Loss Cost (Pre-Surcharge)	Exposure Group			
918	2.39	7.33	F	7.50	F	2.3%	No	
919	2.15	4.71	E	4.56	E	-3.2%	No	
920	0.43	1.22	B	1.15	B	-5.7%	No	
922	2.92	7.33	F	7.50	F	2.3%	No	
924	3.38	7.33	F	7.50	F	2.3%	No	
925	2.14	4.71	E	4.56	E	-3.2%	No	
927	0.87	2.01	C	2.94	D	46.3%	Higher	
932	0.68	2.01	C	1.63	C	-18.9%	No	
933	4.13	10.90	G	11.90	G	9.2%	No	
934	3.01	7.33	F	7.50	F	2.3%	No	
935	1.24	4.71	E	2.94	D	-37.6%	Lower	
936	0.53	1.22	B	1.63	C	33.6%	Higher	
939	5.13	10.90	G	11.90	G	9.2%	No	
941	1.98	4.71	E	4.56	E	-3.2%	No	
944	1.49	4.71	E	4.56	E	-3.2%	No	
945	2.51	4.71	E	7.50	F	59.2%	Higher	
948	1.67	4.71	E	4.56	E	-3.2%	No	
952	0.74	2.01	C	1.63	C	-18.9%	No	
954	1.96	4.71	E	4.56	E	-3.2%	No	
963	0.43	1.22	B	1.15	B	-5.7%	No	
964	1.56	4.71	E	4.56	E	-3.2%	No	
966	1.84	4.71	E	4.56	E	-3.2%	No	
967	1.04	2.01	C	2.94	D	46.3%	Higher	
968	1.06	2.78	D	2.94	D	5.8%	No	
969	2.50	7.33	F	7.50	F	2.3%	No	
971	3.15	10.90	G	7.50	F	-31.2%	Lower	
973	2.72	7.33	F	7.50	F	2.3%	No	
975	1.43	4.71	E	4.56	E	-3.2%	No	
976	1.22	2.78	D	2.94	D	5.8%	No	
977	0.53	2.01	C	1.63	C	-18.9%	No	
978	2.04	7.33	F	4.56	E	-37.8%	Lower	
980	4.56	10.90	G	11.90	G	9.2%	No	
981	1.48	2.78	D	4.56	E	64.0%	Higher	
983	6.28	17.43	H	17.45	H	0.1%	No	
984	0.15	0.45	A	0.45	A	0.0%	No	
986	1.17	2.78	D	2.94	D	5.8%	No	
987	0.89	2.78	D	2.94	D	5.8%	No	
988	0.20	0.45	A	0.45	A	0.0%	No	
992	4.96	10.90	G	11.90	G	9.2%	No	
995	6.20	17.43	H	17.45	H	0.1%	No	
997	0.91	2.78	D	2.94	D	5.8%	No	
999	4.02	10.90	G	11.90	G	9.2%	No	
4771	2.21	7.33	F	7.50	F	2.3%	No	
4777	6.82	17.43	H	17.45	H	0.1%	No	
7428	4.56	10.90	G	11.90	G	9.2%	No	

Temporary Staffing Classification Study - Selected "Grouped" Classifications
 Estimated Payroll by Direct Employment Class for Temporary Staffing Class 544

Prior Temporary Staffing Class = 544
 Payroll (000) = \$ 209,052 *

Direct Employment Class	Payroll (\$000)	Adjusted Payroll (\$000)
101	\$ 156,151	\$ 1,304
103	1,515	13
105	933,563	7,795
106	147,003	1,227
108	66,484	555
109	402,179	3,358
110	19,769	165
111	334,870	2,796
112	313,961	2,621
114	14,122	118
115	80,330	671
119	71,820	600
130	1,754	15
132	222,548	1,858
134	27,466	229
135	2,747	23
136	26,616	222
139	20,150	168
163	122,585	1,024
165	46,147	385
166	34,485	288
201	4,181	35
204	26,264	219
205	21,912	183
225	370,981	3,098
227	76,624	640
257	555,498	4,638
261	287,152	2,398
263	76,178	636
265	145,504	1,215
282	392,464	3,277
285	340,293	2,841
301	134,526	1,123
305	515,233	4,302
306	20,859	174
311	561,272	4,686
319	30,019	251
323	233,514	1,950
327	53,530	447
402	206,335	1,723
404	530,668	4,431
406	227,720	1,901
407	316,558	2,643
411	219,894	1,836
413	206,243	1,722
415	487,505	4,070
416	550,067	4,593
421	76,234	637
425	74,500	622

Temporary Staffing Classification Study - Selected "Grouped" Classifications
 Estimated Payroll by Direct Employment Class for Temporary Staffing Class 544 (Continued)

Direct Employment Class	Payroll (\$000)	Adjusted Payroll (\$000)
427	56,801	474
429	69,663	582
431	63,876	533
433	80,472	672
435	21,092	176
441	447,820	3,739
446	407,581	3,403
447	121,307	1,013
449	155,590	1,299
454	1,299,041	10,847
456	315,743	2,636
457	206,577	1,725
458	34,800	291
459	272,174	2,273
461	2,274,827	18,994
463	517,754	4,323
465	96,868	809
467	25,784	215
471	621,922	5,193
473	301,406	2,517
474	268,730	2,244
476	125,038	1,044
477	114,783	958
483	74,387	621
485	392,893	3,281
486	93,517	781
487	395,711	3,304
488	542,214	4,527
489	87,781	733
501	107,729	899
502	2,273	19
506	391,917	3,272
507	169,562	1,416
509	-	-
511	281,721	2,352
512	29,687	248
513	60,412	504
514	74,601	623
535	209,889	1,752
536	76,395	638
551	511,906	4,274
553	215,720	1,801
555	1,990,842	16,623
571	289,185	2,415
573	53,578	447
581	416,809	3,480
718	1,408	12
744	847,385	7,075
4771	16,179	135
4777	16,058	134
Total	\$ 25,037,401	\$ 209,052

* Includes pro-rata share of payroll for codes 520-529

Temporary Staffing Classification Study - Selected "Grouped" Classifications
 Estimated Payroll by Direct Employment Class for Temporary Staffing Class 682

Prior Temporary Staffing Class = 682
 Payroll (000) = \$ 36,553 *

Direct Employment Class	Payroll (\$000)	Adjusted Payroll (\$000)
601	\$ 445,722	\$ 1,335
603	186,470	558
605	34,961	105
606	357,177	1,070
607	735,711	2,203
608	750,545	2,248
611	8,641	26
615	8,803	26
617	405,774	1,215
645	337,948	1,012
646	142,998	428
647	92,246	276
648	196,386	588
649	142,922	428
652	837,797	2,509
653	529,327	1,585
654	378,049	1,132
655	145,707	436
656	170,744	511
657	16,226	49
658	122,684	367
659	228,602	685
660	588,401	1,762
663	1,622,017	4,857
664	1,356,754	4,063
665	265,607	795
666	103,877	311
667	37,548	112
668	96,687	290
669	19,102	57
670	86,705	260
673	66,170	198
674	39,087	117
675	1,354,013	4,055
676	90,909	272
677	174,732	523
679	17,381	52
681	11,636	35
Total	\$ 12,206,066	\$ 36,551

* Includes pro-rata share of payroll for codes 520-529

Temporary Staffing Classification Study - Selected "Grouped" Classifications
 Estimated Payroll by Direct Employment Class for Temporary Staffing Class 929

Prior Temporary Staffing Class = 929
 Payroll (000) = \$ 49,930 *

Direct Employment Class	Payroll (\$000)	Adjusted Payroll (\$000)
885	\$ 218,493	\$ 861
886	180,588	712
910	97,934	386
915	84,120	332
916	2,055,047	8,099
917	3,836,095	15,119
918	167,906	662
919	144,144	568
920	480,791	1,895
922	774,074	3,051
925	615,379	2,425
927	2,688,313	10,595
932	289,344	1,140
933	200,324	790
934	745,166	2,937
935	90,783	358
Total	\$ 12,668,501	\$ 49,930

* Includes pro-rata share of payroll for codes 520-529

Temporary Staffing Classification Study - Selected "Grouped" Classifications
 Estimated Payroll by Direct Employment Class for Temporary Staffing Class 937

Prior Temporary Staffing Class = 937
 Payroll (000) = \$ 97,664 *

Direct Employment Class	Payroll (\$000)	Adjusted Payroll (\$000)
005	\$ 99,787	\$ 742
009	10,770	80
015	12,830	95
025	26,864	200
028	337,160	2,506
050	109,289	812
051	157,819	1,173
055	85,963	639
059	51,527	383
721	377	3
801	78,496	584
803	5,838	43
804	527,677	3,923
805	95,566	710
806	91,292	679
807	480,521	3,572
808	1,201,905	8,934
809	431,832	3,210
810	65,686	488
811	2,654,113	19,730
812	124,776	928
817	452,647	3,365
821	151,792	1,128
828	68,802	511
855	927,828	6,897
857	183,331	1,363
858	157,030	1,167
859	41,940	312
860	14,690	109
862	93,037	692
865	195,976	1,457
907	240,481	1,788
911	734,414	5,459
924	1,706,748	12,687
980	755,478	5,616
992	63,258	470
995	700,699	5,209
Total	\$ 13,138,239	\$ 97,664

* Includes pro-rata share of payroll for codes 520-529

Temporary Staffing Classification Study - Selected "Grouped" Classifications
 Estimated Payroll by Direct Employment Class for Temporary Staffing Class 947

Prior Temporary Staffing Class = 947
 Payroll (000) = \$ 159,275 *

Direct Employment Class	Payroll (\$000)	Adjusted Payroll (\$000)
0011	\$ 100,768	\$ 255
0012	814,600	2,063
0013	74,694	189
141	291,436	738
142	85,680	217
662	102,688	260
716	15,086	38
751	93,796	238
752	120,972	306
753	622,947	1,578
755	1,184,041	2,998
757	1,280,114	3,242
759	444,094	1,125
814	513,855	1,301
815	2,305,322	5,838
816	327,481	829
818	5,225,471	13,233
820	91,642	232
825	163,499	414
880	623,448	1,579
882	35,132	89
884	290,742	736
887	275,221	697
890	208,982	529
891	1,640,788	4,155
892	144,849	367
893	1,065,868	2,699
894	261,955	663
896	322,494	817
897	2,500,098	6,331
898	1,121,560	2,840
899	338,139	856
936	1,308,217	3,313
939	8,546	22
941	1,848,487	4,681
944	707,952	1,793
945	421,175	1,067
948	340,854	863
952	1,394,634	3,532
954	902,408	2,285
963	1,738,278	4,402
964	190,320	482
966	183,884	466
967	437,761	1,109
968	191,830	486
969	500,713	1,268
971	2,599,065	6,582
973	1,072,453	2,716
975	4,036,053	10,221

Temporary Staffing Classification Study - Selected "Grouped" Classifications
 Estimated Payroll by Direct Employment Class for Temporary Staffing Class 947 (Continued)

Direct Employment Class	Payroll (\$000)	Adjusted Payroll (\$000)
976	734,630	1,860
977	991,219	2,510
978	188,929	478
981	450,987	1,142
983	190,079	481
984	9,694,927	24,551
986	368,077	932
987	57,634	146
988	8,619,062	21,827
997	230,085	583
999	63,763	161
7428	735,950	1,864
Total	\$ 62,895,434	\$ 159,275

* Includes pro-rata share of payroll for codes 520-529

**Temporary Staffing Classification Study - Selected "Grouped" Classifications
Proposed Loss Costs (April 1, 2014 Filing)**

Temporary Staffing Classes 544, 682, 929, 937 and 947	Indicated Pre-Surcharge Loss Cost (1)	Payroll (\$000) (2)	Indicated Expected Loss (3) #
Total - Ave	7.14	552,472	39,446,501

(3) = (1)*(2)*1,000/100

Indicated Values Based on Revised Direct Employment Class Assignments

Class	Temporary Staff Exposure Group	Adjusted Payroll (\$000) (4)	Indicated Expected Loss (5)	Average Pre-Surcharge Loss Cost (6)=(5)/((4)*10)
520	A	46,378	80,480	0.17
521	B	6,826	29,570	0.43
522	C	42,116	256,830	0.61
523	D	67,170	740,600	1.10
524	E	83,217	1,419,020	1.71
525	F	167,053	4,698,550	2.81
526	G	87,162	3,884,830	4.46
527	H	47,848	3,129,160	6.54
528	I	3,152	307,500	9.76
529	J	1,550	233,450	15.06
	Total - Ave	552,472	14,779,990	2.68

Balanced Values

Balancing Factor = 39446501 / 14779990 = 2.6689

Class	Temporary Staff Exposure Group	Adjusted Payroll (\$000) (7)	Indicated Expected Loss (8) ##	Proposed Pre-Surcharge Loss Cost (9) ###
520	A	46,378	208,701	0.45
521	B	6,826	78,499	1.15
522	C	42,116	686,491	1.63
523	D	67,170	1,974,798	2.94
524	E	83,217	3,794,695	4.56
525	F	167,053	12,528,975	7.50
526	G	87,162	10,372,278	11.90
527	H	47,848	8,349,476	17.45
528	I	3,152	821,096	26.05
529	J	1,550	622,945	40.19
	Total - Ave	552,472	39,437,954	7.14

(8) = (7)*1,000/100*(9)

(9)=(6)*2.6689

Current and Proposed Loss Costs (pre-Surcharge) at April 1, 2014

Temporary Staff Exposure Group	Current Loss Cost	Ratio	Proposed Loss Cost	Ratio	Percent Change
A	0.45		0.45		0.0%
B	1.22	2.71	1.15	2.56	-5.7%
C	2.01	1.65	1.63	1.42	-18.9%
D	2.78	1.38	2.94	1.80	5.8%
E	4.71	1.69	4.56	1.55	-3.2%
F	7.33	1.56	7.50	1.64	2.3%
G	10.90	1.49	11.90	1.59	9.2%
H	17.43	1.60	17.45	1.47	0.1%
I	24.15	1.39	26.05	1.49	7.9%
J	39.57	1.64	40.19	1.54	1.6%
	Wtd Avg	7.14	7.14		0.0%

Pennsylvania Compensation Rating Bureau

**Temporary Staffing Classification Study - Selected "Grouped" Classifications
Loss Costs and Expected Loss Factors
For Pennsylvania Workers Compensation Insurance
Indicated Rating Values based on April 1, 2014 Filing**

EXPOSURE GROUP	CODE NO	LOSS COST	EXPERIENCE RATING PLAN EXPECTED LOSS FACTORS TABLE *			HAZARD GROUP A-G	INDUSTRY GROUP
			A-1	A-2	A-3		
A	520	0.46	0.27	0.35	0.39	C	3
B	521	1.17	0.70	0.90	0.99	B	3
C	522	1.65	0.99	1.27	1.41	C	1
D	523	2.98	1.79	2.29	2.54	C	3
E	524	4.63	2.77	3.56	3.94	C	3
F	525	7.61	4.56	5.85	6.48	D	1
G	526	12.07	6.99	8.89	10.00	D	3
H	527	17.70	10.24	13.04	14.67	E	3
I	528	26.42	15.84	20.31	22.49	D	1
J	529	40.76	24.44	31.34	34.70	F	3



Pennsylvania Compensation Rating Bureau

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EXHIBIT 8

TO: Pennsylvania Compensation Rating Bureau Classification and Rating Committee

FROM: Robert Ferrante, Senior Classification Analyst
David T. Rawson, Technical Director, Classification and Field Operations

DATE: April 11, 2014

RE: **Executive Summary** – Classification Study Report
Code 892, Early Intervention for Infants or Toddlers (No Residential Affiliation) – All Employees Including Office

Early Intervention is a statewide program that provides support and services to children with disabilities or developmental delays and their families. Services typically provided in Early Intervention include physical, occupational, speech and/or language therapy. This Code 892 study was prompted by an informal appeal filed by an employer in response to the PCRB's reclassification of the employer's business from Code 957, Physician or Dentist, to Code 892. Comments made by the employer in the course of the informal appeal and subsequent review of the employer's business operations suggested that there are employers providing Early Intervention services that are classified to Code 957. The employer's comments also suggested that the Pennsylvania Workers' Compensation Manual of Rules, Classifications and Rating Values (Manual) Code 892 language may contain inaccuracies. Staff initiated the study of Code 892 in order to enhance the PCRB's understanding of Early Intervention and to determine the classification applicable thereto.

Staff performed a file by file review of the 84 employers reporting payroll to Code 892 for this study. Staff also reviewed the Commonwealth of Pennsylvania's approved Early Intervention Provider listing. Staff identified 15 employers on that listing that are principally engaged in providing Early Intervention services and which are presently misclassified to Code 957. Pursuant to background research, historical experience exhibit comparisons, t-test results and underwriting analysis, staff concluded and recommends the following:

- That Code 892 be sustained as a Pennsylvania classification.
- That Manual language be clarified to better define Early Intervention and the scope of Code 892.

Staff recommends that the Manual language amendments discussed herein be made effective for new and renewal business as of April 1, 2015 and later, the projected effective date of the PCRB's next annual comprehensive loss cost filing.



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TO: Pennsylvania Compensation Rating Bureau Classification and Rating Committee

FROM: Robert Ferrante, Senior Classification Analyst
David T. Rawson, Technical Director – Classification & Field Operations

DATE: April 11, 2014

RE: Class Study Report – Code 892, Early Intervention for Infants or Toddlers

INTRODUCTION AND CLASS HISTORY

Code 892 was created effective for new and renewal business as of December 1, 1999 and later, as announced in PCRB Circular No. 1400, dated August 12, 1999. The creation of Code 892 developed from a PCRB study of Code 965, presently titled “College or School, N.O.C.” The PCRB concluded from the Code 965 study results that the scope of Code 965 was overly broad and recommended that Code 965 be focused to academic, trade or vocational institutions of learning. To achieve this focusing of Code 965, the PCRB recommended the creation of four new and separate classifications for operations formerly classified to Code 965: Code 892, Code 891, Pre-School Child Care or Early Education Services, Code 893, Intermediate Unit (Special Education) and Code 894, School for Disturbed or Delinquent Children. At the time of the PCRB Code 965 study, 69 employers were identified as being principally engaged in providing Early Intervention services and were targeted for reclassification from Code 965 to Code 892. The PCRB did not review any classifications other than Code 965 in order to identify additional Early Intervention providers. Code 892 is designated as “all employees including office” meaning that Code 892 does not permit a division of payroll with either standard exception classification, i.e., Code 953, Office, and Code 951, Salesperson – Outside.

The present PCRB study of Code 892 was prompted by an informal appeal filed by an employer in response to the PCRB’s reclassification of the employer’s business from Code 957, Physician or Dentist, to Code 892. Comments made by the employer in the course of the informal appeal and subsequent review of the employer’s business operations suggested that there are employers providing Early Intervention services that are classified to Code 957. The employer’s comments also suggested that the Pennsylvania Workers’ Compensation Manual of Rules, Classifications and Rating Values (Manual) Code 892 language may contain inaccuracies. The Code 892 Manual language presently states that Code 892 is:

Applicable to employers principally engaged in providing early intervention services to children, generally from birth to the age of 6, who are determined to have or to be at risk of developing a handicapping or other condition that may affect their development. Services are provided by speech or physical therapists in conjunction with special education teachers and are designed to maximize the pre-school handicapped child’s attainment of age-appropriate skills in the areas of cognition, communication, socialization, self-help and/or motor development. Early intervention services may be provided in the child’s home, at a provider operated center, in an unrelated group daycare home or a combination thereof.

The employer stated that the Commonwealth’s Early Intervention program is directed towards children from birth to age 3. The employer further suggested that state regulations dictate that Early Intervention services be provided in a setting familiar to the child such as the child’s home, day care or other county approved group setting, and may not be conducted in a provider operated center. With the employer’s comments in mind, the PCRB developed two objectives for this Code 892 study:

Pennsylvania Compensation Rating Bureau Classification and Rating Committee

Re: PCRB Study of Code 892

April 11, 2014, Page No. 2

- 1) To determine the classification properly applicable to Early Intervention providers i.e., whether Code 892 should be retained for such employers or if Early Intervention providers should be reclassified from Code 892 to another existing PCRB classification.
- 2) To enhance the PCRB's understanding of Early Intervention and revise the Manual language for such as warranted.

The PCRB's research shows that Early Intervention is a statewide program administered by the Bureau of Early Intervention Services within the Office of Child Development and Early Learning (OCDEL). Early Intervention provides support and services to children with disabilities or developmental delays and their families. The Office of Child Development and Early Learning is jointly overseen by the Pennsylvania Department of Public Welfare (DPW) and the Pennsylvania Department of Education (PDE). Services typically provided in Early Intervention include physical, occupational, speech and/or language therapy.

The Individuals with Disabilities Education Improvement Act of 2004 (IDEA) is the federal legislation assuring the availability of special education services. Early Intervention services for children from birth to age 3 are funded under Part C of the IDEA. DPW is the lead agency for Part C Early Intervention (Part C) services, and as such is responsible for assuring compliance with federal Early Intervention requirements. Assessments are performed to determine eligibility for services. A child is eligible for Part C services if the child has at least a 25% delay in one or more areas of development, if a specialist determines through an informed clinical opinion that there is a developmental delay even if such does not show up in the assessment, or if the child has a known physical or mental condition that has a high probability for developmental delays (such as Down Syndrome). Upon determination of eligibility, the Early Intervention team develops the Individualized Family Service Plan (IFSP). The IFSP is a written document that identifies the child's level of development, the expected goals for treatment, and the specific services to be provided and related considerations. Part C services are provided in a "natural setting." A "natural setting" is defined as a setting familiar to the child and the child's family such as the child's home, day care, pre-school or early education facility. Part C services may be provided in a clinic, therapist office or other special setting if called for in the IFSP, but such arrangements are rare. County Mental Health/Mental Retardation agencies are generally responsible for Part C services but may contract such services through other agencies.

Early Intervention for children from age 3 to the "age of beginners" is funded under Part B of the IDEA. The age of beginners is defined as the minimum age at which the child may enter first grade in the child's school district. PDE is the lead agency for Part B Early Intervention (Part B) services. A child is eligible for Part B services if the child has at least a 25% delay in one or more areas of development or if the child has autism/pervasive developmental disorder, serious emotional disturbance, neurological impairment, deafness/hearing loss, specific learning disability, intellectual disability, multiple disabilities, other health impairment, physical disability, speech impairment or blindness/visual impairment and is in need of special education and related services. The written plan for Part B services is the Individualized Education Program (IEP). Part B services are provided in the "least restrictive environment". Pursuant to the IDEA:

"Least restrictive environment" means that a student who has a disability should have the opportunity to be educated with non-disabled peers to the greatest extent appropriate. They should have access to the general education curriculum, or any other program that non-disabled peers would be able to access. The student should be provided with supplementary aids and services necessary to achieve educational goals if placed in a setting with non-disabled peers. Academically, a resource room may be available within the school for specialized instruction, with typically no more than two hours per day of services for a student with learning disabilities.

The OCDEL contracts Part B services through Intermediate Units, school districts and private agencies.

CLASSIFICATION PROCEDURE IN OTHER JURISDICTIONS

The National Council on Compensation Insurance, Inc. (NCCI) Scopes of Basic Manual Classifications is silent on the NCCI classification procedure for Early Intervention. Neither the New York Compensation Rating Bureau (NYCIRB) Workers' Compensation and Employers Liability Manual nor the Workers' Compensation Insurance Rating Board of California (WCIRB) California Workers' Compensation Uniform Statistical Reporting Plan reference Early Intervention. PCRB staff reached out to contacts with the NCCI, NYCIRB and WCIRB. Staff was advised that the NCCI classifies Early Intervention to Code 8869, Child Care Center, All Employees Including Clerical, Salespersons & Drivers. The NYCIRB classifies Early Intervention to Code 8869, Day Care Centers - Children – Professional Employees & Clerical, Salespersons and Code 9059, Day Care Centers – Children – All Other Employees and Drivers. Codes 8869 and 9059 are equivalent to Pennsylvania Code 891.

Staff was advised that the WCIRB classifies Early Intervention to Code 8868, Colleges or Schools – Private – Professors, Teachers or Academic Professional Employees, and Code 9101, Colleges or Schools – Private – All Employees Other Than Professors, Teachers or Academic Professional Employees – Including Cafeterias. Codes 8868 and 9101 are equivalent in parts to Pennsylvania Code 965, Code 893, Intermediate Unit (Special Education), and Code 894, School for Disturbed or Delinquent Children.

The PCRB is the only workers' compensation rating authority using a separate classification exclusively applicable to Early Intervention.

HISTORICAL EXPERIENCE EXHIBITS AND STATISTICAL ANALYSIS

Staff created various historical experience exhibits for the study of Pennsylvania Code 892. Only those historical experience exhibits discussed in this report are attached. The Code 892 historical experience exhibits were developed on the basis of the PCRB's April 1, 2014 comprehensive rating values revision as approved by the Pennsylvania Insurance Department (Department). The indicated loss cost values found at the bottom of those exhibits have not been loaded for the revenue neutral plans (Merit Rating and the Certified Safety Committee Credit Program) that are a part of approved PCRB loss cost values. That loading factor is 0.0143.

In addition to the review of historical experience exhibits, the PCRB's classification plan analysis includes statistical testing to determine whether the data for the various study groups are or are not significantly different based on specified statistical criteria. In this procedure, selected exhibits are compared using a paired t-test analysis to determine when there is a natural correspondence or "pairing" of specific observations between study groups. The t-test reduces the two samples to one by examining the difference between the corresponding observations in the two groups. The advantage to this approach is that variation within the groups does not mask the difference between their means as much as if the two groups were not paired. T-tests were run for reported pure premium, claim frequency (per million dollars of payroll) and claim severity (excluding medical only). For these tests, a value of .10 or less indicates a significant statistical difference. Only those t-tests discussed in the report are attached.

CLASS STUDY GROUPS

Staff performed a file by file review of the 84 employers reporting payroll to Code 892 for this study. Staff also reviewed the Commonwealth of Pennsylvania's approved Early Intervention Provider listing. The Commonwealth's listing may be accessed on the Commonwealth's website at http://www.portal.state.pa.us/portal/server.pt/community/Early_Intervention/8710/. As of the drafting of this report, the Commonwealth's listing was comprised of 389 concerns reported to be engaged in either providing and/or facilitating Early Intervention services. Of those 389 concerns, 50 reported payroll to Code 892, 15 were shown through staff's review to be principally engaged in providing Early Intervention Services but were classified to Code 957, 12 were shown to be insured through a group self-insurance program and 58 were shown through staff's review to be principally engaged in an operation other than Early Intervention and assigned to a classification other than Code 892. Staff could find no PCRB file or

Pennsylvania Compensation Rating Bureau Classification and Rating Committee

Re: PCRB Study of Code 892

April 11, 2014, Page No. 4

evidence of current workers' compensation insurance for 245 concerns based on the name provided on the Commonwealth's listing. The report notes that the majority of those 245 concerns are shown on the Commonwealth's listing as individuals, and that sole proprietors are not mandatorily covered by the Pennsylvania Workers' Compensation Act (although pursuant to Act 20 of 2011, a sole proprietor, partner of a legal partnership or member of a Limited Liability Company (LLC) may be able to purchase and/or be insured under a standard workers' compensation insurance policy). Staff has not yet identified the operations conducted by the remaining 9 concerns on the Commonwealth's listing, 6 of which are classified to Code 957.

Staff's analysis did not include the 12 group self-insured employers, the 58 employers that are not principally engaged in providing Early Intervention Services and are assigned to a classification other than Code 892, or the 245 employers for which staff could not find a PCRB file or evidence of workers' compensation insurance. This review focused on the 84 employers reporting payroll to Code 892, the 15 employers from the Commonwealth's listing shown to be principally engaged in providing Early Intervention Services but which are classified to Code 957, and the remaining 6 employers from the Commonwealth's listing that are classified to Code 957 but for which staff has not yet identified their operations. The file by file review divided these 105 employers into the following study groups:

Group No.	Study Group	No. of Employers
1	Early Intervention – Classified to Code 892	51
2	Early Intervention – Classified to Code 957	15
3	No Current Coverage/Unable to Determine (NCC/UTD)	7
4	Misclassified	19
5	Not Yet Group Assigned	11
6	Multiple Enterprise	2

The employers assigned to Group 3 did not have current workers' compensation coverage at the time of review and there was no information (e.g., a PCRB survey, Description of Operations Questionnaire, or test audit) in their PCRB file that disclosed what each individual employer's operations had been when in business. Of the employers assigned to Group 3, 6 were classified to Code 892 and 1 was classified to Code 957.

Staff determined the employers in Group 4 to be misclassified to Code 892. Staff has reclassified the employers in Group 4 from Code 892 to each individual employer's appropriate Pennsylvania business classification(s) based upon each individual employer's operations.

The employers in Group 5 have no information in their PCRB file that discloses what their business operations are. Staff will assign the employers in Group 5 to each employer's appropriate study group based upon each individual employer's operations as information becomes available.

The two employers assigned to Group 6 are presently classified to Code 892. Both of these employers conduct both Early Intervention services and other operations that may be assigned to a separate classification due to their fulfillment of the multiple enterprise criteria discussed in Manual Rule IV.C.3. Staff will determine what portions of the operations conducted by the two employers in Group 6 should be reclassified from Code 892 to another classification pending the Insurance Commissioner's adjudication of staff's Code 892 study proposals.

CLASSIFICATION APPLICABLE TO EARLY INTEVENTION

The report will cite the following historical exhibits in analyzing the classification applicable to Early Intervention:

Exhibit No.	Exhibit Title
1	Early Intervention – Classified to Code 892
2	Early Intervention – Classified to Code 957
3	Early Intervention – (Including both Early Intervention Classified to Code 892 and Early Intervention Assigned to Code 957)
4	April 1, 2014 Code 892 Class Book Page
5	April 1, 2014 Code 957 Class Book Page
6	Code 957 Residual (April 1, 2014 Code 957 Class Book Page Excluding Early Intervention Classified to Code 957)
7	April 1, 2014 Code 891 Class Book Page
8	April 1, 2014 Code 965 Class Book Page

Exhibit 3 includes all employers identified as Early Intervention service providers in the course of this study, whether they are classified to Code 892 (Exhibit 1) or to Code 957 (Exhibit 2). The employers included in Exhibit 3 that are presently classified to Code 892 include 35 employers that are principally engaged in providing Early Intervention services under Part C of the IDEA, 10 employers that are principally engaged in providing Early Intervention services under Part B of the IDEA, and 6 employers that provide Early Intervention services under both Part C and Part B of the IDEA with no established principal business. The employers included in Exhibit 3 that are presently classified to Code 957 include 11 employers that are principally engaged in providing Early Intervention services under Part C of the IDEA and 4 employers that are principally engaged in providing Early Intervention services under Part B of the IDEA.

FEASIBILITY OF RECLASSIFYING EARLY INTERVENTION FROM CODE 892 TO CODE 957

Staff compared the historical experience of Exhibit 3 to the historical experience of the April 1, 2014 Code 892 Class Book Page (Exhibit 4) and the Code 957 Residual (Exhibit 6). Exhibit 6 is the April 1, 2014 Code 957 Class Book Page minus Exhibit 2 (Early Intervention – Assigned to Code 957). The report notes that Exhibit 2 comprises 0.043% of the April 1, 2014 Code 957 Class Book Page payroll and 0.003% of the April 1, 2014 Code 957 Class Book Page loss. The results of the historical experience comparison are summarized in the following table:

Exhibit No.	Reported Pure Premium	Indicated Pure Premium (Pre-Test)	Indicated Pure Premium (Post-Test)
3	\$0.819	\$0.988	\$1.008
4	\$0.723	\$0.839	\$0.855
6	\$0.285	\$0.340	\$0.347

Pennsylvania Compensation Rating Bureau Classification and Rating Committee

Re: PCRB Study of Code 892

April 11, 2014, Page No. 6

The results of the statistical exhibit testing Exhibit 3 against Exhibit 6 (Exhibit A) are summarized in the following table:

Exhibit	T-Test Value: Reported Pure Premium	T-Test Value: Claim Frequency	T-Test Value: Claim Severity (Excluding Medical Only)
A	0.0625	0.0048	0.1297

The results of Exhibit A show a significant statistical difference for reported pure premium and claim frequency between Early Intervention (Exhibit 3) and the Code 957 Residual (Exhibit 6) and no significant statistical difference for claim severity between the two Exhibits. Staff concludes from the historical experience comparisons and t-test results that it is not feasible to reclassify Early Intervention providers currently classified to Code 892 from Code 892 to Code 957.

FEASIBILITY OF RECLASSIFYING EARLY INTERVENTION FROM CODE 892 TO CODE 891

Given the NCCI and NYCIRB classification procedures for Early Intervention, staff compared the historical experience of Exhibit 3 to the historical experience of the April 1, 2014 Code 891 Class Book Page. The results of the historical experience exhibits are summarized in the following table:

Exhibit No.	Reported Pure Premium	Indicated Pure Premium (Pre-Test)	Indicated Pure Premium (Post-Test)
3	\$0.819	\$0.988	\$1.008
7	\$0.960	\$1.156	\$1.179

The results of the statistical exhibit testing Exhibit 3 against Exhibit 7 (Exhibit B) are summarized in the following table:

Exhibit	T-Test Value: Reported Pure Premium	T-Test Value: Claim Frequency	T-Test Value: Claim Severity (Excluding Medical Only)
B	0.5590	0.1917	0.9147

The results of Exhibit B show no significant statistical difference between Exhibit 3 and Exhibit 7 for reported pure premium, claim frequency or claim severity. The results of Exhibit B notwithstanding, staff does not recommend that Early Intervention be reassigned from Code 892 to Code 891. As noted earlier in the report, the April 1, 2014 PCRB loss costs for Code 892 and Code 957 are \$0.86 and \$0.34, respectively. The April 1, 2014 PCRB loss cost for Code 891 is \$1.19. The April 1, 2014 swing limits for Industry Group 3 permit a maximum rating value increase of 19% and a maximum rating value decrease of 31%. The reclassification of Early Intervention providers classified to Code 892 from Code 892 to Code 891 would result in a rating value increase of 38.37%. The reclassification of Early Intervention providers classified to Code 957 from Code 957 to Code 891 would result in a rating value increase of 250%. Staff concludes from the historical experience comparison that the degree of premium increase resulting from a reclassification of Early Intervention from Code 892 to Code 891 is not warranted.

Staff opines that the business focus of an employer classified to Code 891 is different from that of an employer classified to Code 892. Code 891 is applied to an employer principally engaged in the operation of a child daycare, nursery school, pre-school, Head Start program or kindergarten. Employers classified to Code 891 either provide for care and custody of children for various periods of time during the day (i.e., child daycare services) or provide educational services at the pre-elementary level (e.g.,

nursery school, pre-school, Head Start or kindergarten). As this report has shown, the focus of Early Intervention is the provision of therapy and related services to children with disabilities or developmental delays. Staff finds that Early Intervention providers are readily distinguishable from employers classified to Code 891. The Commonwealth’s approved Early Intervention Provider listing did not include any Early Intervention providers that are presently classified to Code 891.

FEASIBILITY OF RECLASSIFYING EARLY INTERVENTION FROM CODE 892 TO CODE 965

The report has noted that Code 892 was created as a result of the PCRB’s efforts to focus Code 965 to academic, trade or vocational institutions of learning. Staff opined in the Code 965 class study report presented to the Committee on April 26, 1999 that “...the operations conducted by Early Intervention providers are different from those conducted by operators of trade or vocational institutions of learning...” Staff remains of the opinion that the business operations of the academic, trade or vocational institutions of learning classified to Code 965 are different from the therapeutic services provided in Early Intervention. However, in view of the WCIRB classification procedure for Early Intervention, staff decided to compare the historical experience of Exhibit 3 and Exhibit 8 (the April 1, 2014 Code 965 Class Book Page) The results of the historical experience comparison are shown in the following table:

Exhibit No.	Reported Pure Premium	Indicated Pure Premium (Pre-Test)	Indicated Pure Premium (Post-Test)
3	\$0.819	\$0.988	\$1.008
8	\$0.436	\$0.506	\$0.515

The results of the statistical Exhibit testing Exhibit 3 against Exhibit 8 (Exhibit C) are shown in the following table:

Exhibit	T-Test Value: Reported Pure Premium	T-Test Value: Claim Frequency	T-Test Value: Claim Severity (Excluding Medical Only)
C	0.1541	0.0349	0.8792

The results of Exhibit C show a significant statistical difference between Exhibit 3 and Exhibit 8 for claim frequency and no significant statistical difference for reported pure premium or claim severity. The report notes that the t-tests performed in the course of the 1999 PCRB study of Code 965 that led to the creation of Code 892 comparing Early Intervention to Code 965 yielded the same results as Exhibit C. Due to the operational differences between employers classified to Code 965 and employers principally engaged in providing Early Intervention services, staff does not recommend that Early Intervention be merged into Code 965. The April 1, 2014 PCRB loss costs for Code 892, Code 957 and Code 965 are \$0.86, \$0.34 and \$0.52, respectively. The April 1, 2014 swing limits for Industry Group 3 permit a maximum rating value increase of 19% and a maximum rating value decrease of 31%. The reclassification of Early Intervention providers classified to Code 892 from Code 892 to Code 965 would result in a rating value decrease of 39.53%. The reclassification of Early Intervention providers classified to Code 957 from Code 957 to Code 965 would result in a rating value increase of 52.94%. Staff concludes from the historical experience comparison that that the degree of premium decrease resulting from a reclassification of Early Intervention from Code 892 to Code 965 is not warranted.

CONCLUSION

Staff concludes that Code 892 should remain a Pennsylvania classification at this time and that Early Intervention providers presently classified to Code 957 are misclassified. The report has shown that the majority of the Early Intervention providers identified in the course of this review are presently classified to Code 892. Early Intervention providers misclassified to Code 957 will be reclassified from Code 957 to Code 892 effective upon each individual employer's next normal policy anniversary 60 days subsequent to the PCRB's reclassification notice. The appellant's comments referenced earlier in the report stating that Early Intervention is limited to children from birth to age 3 are not accurate. The present Code 892 Manual language is essentially correct. Staff recommends that the Code 892 Section 2 Manual language be revised to clarify the scope of Code 892 and more fully define Early Intervention. The clarifying Section 2 Manual language amendments are attached for the Committee's review.

c: Tim Wisecarver
Bruce Decker
Vince Dean
Joe Lombo
Christina Yost

SECTION 2

ADDITIONS:

Underwriting Guide Addition to Code 892:

Early Intervention for Children From Birth to Age 3 and/or for Children From Age 3 to the Age of Beginners.

CHANGES:

892, Early Intervention for Infants or Toddlers (No Residential Affiliation) – All Employees Including Office

[Applicable to employers principally engaged in providing early intervention services to children, generally from birth to the age of 6, who are determined to have or to be at risk of developing a handicapping or other condition that may affect their development. Services are provided by speech or physical therapists in conjunction with special education teachers and are designed to maximize the pre-school handicapped child's attainment of age-appropriate skills in the areas of cognition, communication, socialization, self help and/or motor development. Early intervention services may be provided in the child's home, at a provider-operated center, in an unrelated group daycare home or a combination thereof.]

Applicable to an employer principally engaged in providing Early Intervention services to children from birth to age 3 and/or to children from age 3 to the age of beginners. The age of beginners is defined as the minimum age at which the child may enter first grade in the child's school district. Early Intervention provides services and support to children with disabilities or developmental delays and their families. Services typically provided in Early Intervention include but are not necessarily limited to: physical, occupational, speech and/or language therapy, and are designed to maximize the pre-school at risk child's attainment of age-appropriate skills in the areas of cognition, communication, socialization, self help and/or motor development. Services provided to children from birth to age 3 are provided in a "natural setting," which is defined as a setting familiar to the child and the child's family such as the child's home, day care, pre-school or early education facility. Services provided to children from age 3 to the age of beginners are provided in the "least restrictive environment," which means that a student who has a disability should have the opportunity to be educated with non-disabled peers to the greatest extent appropriate.

OPERATIONS NOT INCLUDED:

1. Early Intervention services provided by one of the Commonwealth's designated Intermediate Units shall be included in Code 893.

891, Pre-School (Child Care or Early Education) Services – All Employees Including Office

OPERATIONS NOT INCLUDED:

1. No change to number 1.
2. [Providers of early intervention services for infants or toddlers shall be assigned to Code 892.]
Assign Code 892 to providers of Early Intervention services for infants and toddlers.

893, Intermediate Unit (Special Education) All Employees Including Office

Applicable to [i]Intermediate [u]Units established by the Pennsylvania General Assembly (Title 24, Article IX - A, Intermediate Units) effective July 1,1971. [The] An [i]Intermediate [u]Unit is a regional educational service agency that works with its member school districts to provide specialized support services for students. [The services provided] An Intermediate Unit provides multiple services that may include but are not necessarily limited to: special education, summer curriculums, education in the arts, English as a second language, Head Start, Early Intervention, adult education and professional training to teachers and other professionals in the education field. Intermediate unit services may be provided in classrooms of unrelated schools or in mobile units positioned adjacent to such schools. [Teachers will have at minimum degrees in education and be state certified.]

957, Physician or Dentist, All Employees Including Office

OPERATIONS NOT INCLUDED:

1. No change to numbers 1, 2, 3, 4 or 5.
6. Assign Code 892 to providers of Early Intervention services for infants and toddlers.

965, College or School, N.O.C. – All Employees Including Office

OPERATIONS NOT INCLUDED:

1. No change to numbers 1, 2, 3, 4, 6, 7, 8 or 9.
5. [Assign Code 892 to employers principally engaged in providing early intervention services to children, generally from birth to age 6.] Assign Code 892 to providers of Early Intervention services for infants and toddlers.

DELETIONS:

Underwriting Guide Change to Code 892:
[Early Intervention for Infants and Toddlers (No Residential Affiliation)]

PENNSYLVANIA WORKERS COMPENSATION MANUAL
Section 2 – Rating Values (Page 16)

A. Definitions

HOME AREA

~~Any~~ The city, township or borough having its in which a volunteer fire department company is located within the city, township or borough.

OUTSIDE AREA

~~Any~~ A city, township or borough (or portion thereof) which does not have its volunteer fire department located within its boundaries and is different from the home area and protected pursuant to a fire protection contract provided by a volunteer fire company located in the home area.

VOLUNTEER AND PAID STAFF

In jurisdictions where a combination of volunteer and paid firemen are employed, the following procedure shall be followed to arrive at the proper population to be used for volunteer firemen premium calculation:

The number of salaried firemen and active volunteers shall be determined at the inception of the policy and shall not be subject to revision until renewal. 'Active volunteers' refers to members of the company who are on the roster as available to respond to a fire alarm.

Determine the number of salaried firemen and active volunteers, e.g. 14 paid and 35 volunteers, total staff 49. Take 35/49 or 71% of the service, as being provided by volunteers. Apply 71% to the population, e.g. population 37,769 x 71% = 26,816 as a revised population base.

B. The annual loss cost charge shall be determined on the basis of the sum of the populations from:

(1) The Volunteer Fire Company or Companies' "Home Area," (or portion thereof)

and

(2) Any "Outside Area" ~~serviced~~ served by the "Home Area" company or companies. When an "Outside Area" is ~~serviced~~ served by fire companies from two or more different "Home Areas," the separate populations ~~serviced~~ served by each company shall be determined.

C. POPULATION.

~~Population is determined on the basis of the figures provided by the U.S. Bureau of the Census as published in either actual population counts (Census of Population and Housing Reports) or semiannual actuarial estimates of population.~~

~~The latest report issued prior to June 30 of a given year shall be used for all policies issued on and after October 1 of that year and up to and including the following September 30.~~

Municipal populations are determined on the basis of the figures provided by the U.S. Bureau of the Census as published in actual population counts (Decennial Census Population). No other population reference source will be used.

A carrier or volunteer fire company may submit a Volunteer Firemen Exposure Form (VFEF) to the PCRB via the PCRB website to change or confirm areas served by a volunteer fire company.

MANUAL REVISIONS**SECTION 1
UNDERWRITING RULES****CHANGES****RULE V – PREMIUM BASIS****B. REMUNERATION – PAYROLL****3. Exclusions**

Remuneration excludes:

Items a through d remain unchanged

e. Tips and other gratuities received by employees (EXCEPTION: Automatic Gratuities. See Tips vs. Automatic Gratuities in the General Auditing & Classification Information section);

Items f through m remain unchanged

GENERAL AUDITING AND CLASSIFICATION INFORMATION**ADDITIONS****TIPS vs. AUTOMATIC GRATUITIES**

The IRS has ruled that when a business adds service charges to customers' bills (such as "automatic gratuities") and distributes those charges to its employees, the business should characterize the distributed amounts as social security wages, not as social security tips.

Payments must meet all of the following criteria to be considered as tips:

- The customer must freely determine the payment.
- The customer must be able to determine the amount without restriction.
- The payment cannot be determined by negotiations between the customer and employer, or dictated by the employer.
- The customer should generally have the right to decide who receives the payment.

Historically, tips, including automatic gratuities, have been excluded from remuneration and, therefore, have been excluded from the basis for premium in Pennsylvania. However, in recognition of this IRS ruling, the PCRB directs that automatic gratuities be included as remuneration. Note that tips, as defined above (and thus distinguished from automatic gratuities), remain an exclusion from remuneration in Pennsylvania.



Pennsylvania Compensation Rating Bureau

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EXHIBIT 11

TO: Pennsylvania Compensation Rating Bureau (PCRB) Classification and Rating Committee

FROM: David T. Rawson – Technical Director
Classification and Field Operations Department

DATE: July 8, 2014

RE: Proposed Manual Language Revisions to Sections 1, 2, 3 and 4 (Housekeeping)

The proposals discussed below are intended to make the Manual language clearer and less ambiguous. The proposed revisions clarify existing classification procedures and update language defining certain classifications to align the verbiage used with that in other Manual provisions, and/or to recognize ongoing technological or industrial changes.

This memorandum will propose one revision to classification procedure. That proposal and any of the Manual language revision proposals herein will not impact any classification's proposed April 1, 2015 class rating values. The PCRB recommends that all of the Section 1, 2, 3 or 4 language revisions proposed herein become effective upon new and renewal policies of April 1, 2015 and later.

The following narrative will first discuss the single proposed revision to existing classification procedure. Following that discussion, this memorandum will discuss the proposed Section 1 revisions and then the proposed Section 2 additions, changes and deletions. The proposed revisions to Sections 3 and 4 are results of one of the Section 1 proposals.

PROPOSED REVISION TO CLASSIFICATION PROCEDURE

The sole proposed revision to classification procedure is the reassignment of the "Ketchup Mfg.," Underwriting Guide (Guide) entry from Code 113, Canning or Preserving, to Code 104, Food Products Mfg., N.O.C. PCRB has had a "Ketchup Mfg.," Guide entry since before the creation of Code 104 for new and renewal policies of October 1, 1982 and later. Code 104 was comprised of businesses previously included in Code 113, then entitled "Food Mfg. or Processing N.O.C. The "Ketchup Mfg.," Guide entry was overlooked when the operations now assigned to Code 104 were originally removed from Code 113. "Ketchup" is a table sauce, and Code 104 has contemplated the manufacture of all types of sauces since its establishment as a separate classification. Staff did not review the "Ketchup Mfg." Guide entry until recently.

For the record, the approved April 1, 2014 loss costs for Code 104 and Code 113 are \$2.91 and \$2.04, respectively. Staff also observes that at this writing we are aware of only a single business that may have a production facility in Pennsylvania principally engaged in making ketchup, and that business is classified by Code 104. In the event that staff identifies additional Pennsylvania employers principally engaged in ketchup production in the future those employers will be assigned to Code 104 if that is not their current assignment at the time of our review.

PREFACE & SECTION ONE

There are three Section One language revision proposals. The first involves the systemic substitution of “Pennsylvania Workers’ Compensation Act of 1915, as amended” in place of “Act 44, 1993” and/or “Act 57 of 1996.” The latter two referenced Acts amended the Pennsylvania Workers’ Compensation Act of 1915. A systematic search of PCRB’s Manual showed nine references to “Act 44 of 1993” and two references to “Act 57 of 1996.” With the passage of time PCRB has stopped referring to Act 44 of 1993 and/or Act 57 of 1996 in other documents (e. g., PCRB’s annual comprehensive loss cost revisions). Staff submits that it is appropriate to end the inclusion of references thereto in the Manual.

The references to Act 44 of 1993 (nine) and/or Act 57 of 1996 (two) appear first in the “Preface” on Page 2 of the Manual. The Preface includes three of the Act 44 references and one of the Act 57 references. The proposed revisions also update the Preface to show the anticipated effective date of April 1, 2015. The remaining language substitutions include the following:

- Rule II, Paragraph F. – Page 10, Section One
- Rule II, Paragraph G. – Page 11, Section One
- Rule IV, Paragraph C. 1. b. – Page 17, Section One
- Rule IX, Paragraph I. – Page 48, Section One
- The Subclassification- Carrier Option paragraph on Page A1, Section 2
- The Special Pennsylvania Endorsement – Inspection Of Manuals on Page 51, Section 3
- Retrospective Rating Plans – Pennsylvania on Page 1, Section 4.

This memorandum also observes that in any of the above Manual provisions, staff also proposes (as warranted) to substitute “PCRB” for “Bureau” (e.g., in the Preface, the cited Rule IV provision and The Subclassification – Carrier Option paragraph). The proposed Section 4 revisions also include modernization of the United States Department of Labor’s present reference to the United States Longshore and Harbor Workers’ Compensation Act (LHWCA) along with deletion of the bullet point citing reference to Bureau Circular No. 1299 (issued December 8, 1993 and not available on PCRB’s website).

The second proposed Section One revision is an addition to Rule IX, Paragraph D., regarding where to find the statewide average weekly wage which is to be used as the auditable payroll for sole proprietors, partners and members of limited liability companies in the event payroll information is not available.

The third and last proposed Section One revision is to Premium Algorithm Preface in Rule VI, Paragraph G on Page 30. The preface begins with a sentence explaining when the premium algorithm will be available for optional use (July 1, 2000) and then when its use will become mandatory (“for policies effective on or after January 1, 2002”). As the later of those dates is now over twelve years ago,) staff is proposing that the first sentence in the preface be deleted.

SECTION TWO

Staff proposes the retitling of a single class, various additions or revisions to selected class descriptions and/or Guide entries, and two deletions.

CLASS TO BE RETITLED

The Code 112 class title was revised from “Beverage Mfg., including bottling” to “Beverage Mfg., N.O.C.” concurrent with the separation of businesses principally engaged as breweries from Code 112 to the then new class Code 108, Brewery. Code 112 has been entitled “Beverage Mfg., N.O.C.” since new and renewal policies of December 1, 1992 and later. In contrast to the broad Code 112 class title, however, it has come to staff’s attention that all of the Code 112 Guide entries contemplate the manufacture, bottling and/or canning of either alcoholic or non-alcoholic carbonated beverages.

Staff has revisited the 1991 Code 112 class study report which was based upon a file-by-file review of all businesses then assigned to Code 112. That examination found Code 112 constituted by businesses principally engaged as breweries, soft drink makers, bottlers and/or canners along with an assortment of businesses then found to be misclassified to Code 112. As a result, staff now proposes to retitle Code 112 to “Carbonated Beverage Mfg.” This will make Code 104, Food Products Mfg., N.O.C., the default class assignment for the manufacture of any non-carbonated beverage not otherwise classified. For the record, Code 104 has historically been the de facto assignment for the manufacture of any non-carbonated beverage for which PRCB does not have a specific Guide entry.

Staff also proposes to add “Operations Also Included” and “Operations Not Included” segments to the Code 112 class description.

PROPOSED REVISIONS TO SELECTED CLASS DESCRIPTIONS

Staff proposes language revisions to clarify the descriptions of eleven classifications. Typically such clarifications are made to either the “Operations Also Included” and/or to the “Operations Not Included” segment to the class description. Several of the proposals herein selectively correct oversights or “tidy up” the grammar originally proposed in previous April 1, 2014 Housekeeping. Several of the current proposals will be highlighted below.

Code 028, Oil or Gas Production – The “Operations Not Included” segment of the Code 028 class description states that the services listed below are to be separately rated. “Separately rated” is defined in PCRB’s Manual as permitting division of an employee’s payroll between the class contemplating the function specified to be “separately rated” or “separate rate” and the class that may contemplate the employee’s other tasks, provided that the employer’s original payroll records show an allocation of payroll to both classifications. The fifth “Operations Not Included” segment requires that a separate staff be in place in order to secure the specified class assignment of Code 012, Landscape Contractor.

The fifth “Operations Not Included” segment was added as a part of the Manual language proposals in PCRB Filing No. 253. The principal proposal in that filing was the merger of Code 602, Road Construction – Subsurface Work, into Code 609, Excavation, but the filing also included additional Manual language proposals intended to bring the Manual fully into alignment with that merger. Staff had been using Code 012 for payroll developed in the installation of well pad containment liners and fences (based upon analogy with artificial turf installation). As PCRB Filing No. 253 required concurrent revisions to Code 028’s language, staff decided to use PCRB Filing No. 253 to also propose “Operations Not Included” Number 5 for inclusion in the Manual.

The Department's approval of PCRB Filing No. 253 was announced by PCRB Circular No. 1618 issued July 24, 2013. Code 012 is a class that did not typically permit the division of an employee's payroll between Code 012 and another class (except Code 005, Tree Pruning).

Staff has reconsidered the need for separate staff being in place in order to secure an assignment of Code 012, and is now proposing that revised language.

Code 104, Food Products Mfg., N.O.C – Staff proposed several revisions to Code 104 as a part of the 2014 Housekeeping filing, including but not limited to: a revised class title, the modernization along with an expansion of the class' "Operations Not Included" segment, revisions to one Guide entry, and the deletion of two other Guide entries. For PCRB's 2015 Housekeeping filing, staff has reexamined Code 104 and makes the several proposals. The first is the addition of two new "Operations Not Included" entries. One of these entries is for carbonated beverage manufacture, bottling and/or canning and to further delineate operations contemplated by Code 113, Canning or Preserving. The second proposal expands the "Operations Not Included" entry for Code 907, Fruit or Vegetable Dealer, to recognize that the class also includes fresh fruit or vegetable packers. The third proposal simply renumbers seven of the previously existing "Operations Not Included" entries. Finally, staff proposes three new Guide entries and revisions that clarify four other existing Guide entries.

Note that staff has further proposed the reclassification of "Ketchup Mfg.," from Code 113 to Code 104. Separate discussion of this proposal was provided earlier in this memorandum.

Code 606, Oil Or Gas Well Drilling – Over the last six years, staff has reviewed the classification(s) applicable to numerous employers performing one or more services in the Marcellus Shale. One concept that for many (including this writer originally) take time to fully grasp is that the actual drilling effort in the Marcellus is a two-step procedure (first vertically, and then horizontally). Staff is now aware that this two-step drilling procedure may also be utilized when drilling into non-shale formations for various reasons. Consequently, staff proposes to add language describing briefly describing the two-step drilling effort.

Code 757, TELECOMMUNICATIONS COMPANY – Staff makes two proposals here. The first adds an "Operations Also Included" segment. The second corrects the grammar in two of the entries pertaining to cell phone tower erection in the class' "Operations Not Included."

UNDERWRITING GUIDE – ADDITIONS, REVISIONS & DELETION

Staff proposes seven new Guide entries in addition to the three new Code 104 entries discussed above. Staff further proposes revisions to clarify the scope of eleven existing Guide entries and the deletion of one guide entry. The proposed deletion is the Code 305 Guide entry "Cooper." A "Cooper" is an occupation, a person who makes parts for wooden barrels or makes complete wooden barrels. Wherever possible, PCRB tries to make Guide entries oriented toward a type of business rather than toward an occupation(s). This memorandum also observes that a "Cooper" may work for a business (e. g., a winery) that may make and/or repair its own wooden barrels, such operations then being incident to the classification that contemplates wineries.

DEFINITIONS - DELETION

Staff has recently completed a review of the "Campus" definition. The "Campus" definition was created in the early 1990's. It was felt at that time that such a definition would assist in classifying selected health care facilities. The type of health care facility for which "campus" was needed was commonly owned, had multiple contiguously located buildings, each of which could hold a different type of license issued by the Commonwealth Department of Health. The different segments of such facilities were also not "self-contained," which means that the different segments shared support staff including, but not limited to, dietary, laundry, housekeeping and/or buildings or grounds maintenance. It was believed that the "campus" definition would assist in the assignment of a single class to health care facilities' operations.

In practice, over the last twenty years the "Campus" definition has rarely been invoked.

PREFACE

A. In accordance with Section 654 of the Insurance Company Law of May 17, 1921, P.L. 682, as amended, and the Pennsylvania Workers' Compensation Act of June 2, 1915, P. L. 736, [Act 44 of 1993, Act 57 of 1996] as amended, the Insurance Commissioner has approved this Manual of risk classes, underwriting rules, bureau rating values and rating plans, to become effective 12:01 A.M., April 1, 2015[2014] with respect to all policies, the effective date of which is April 1, 2015[2014] or thereafter, subject to the following express conditions, for the State Workers' Insurance Fund and the insurance companies, corporations, associations and exchanges enumerated in the attached list and for no other insurance company, corporation, association of exchange.

B. No change

C. Definitions

The following words are referenced in the Pennsylvania Workers' Compensation Act June 2, 1915, P.L. 682, as amended, (Act), [Act 44 of 1993] or have been used in this Manual with meanings intended to be consistent with the requirements of that Act. For purposes of improving the understanding of the Manual, definitions of these words as used elsewhere in this Manual are set forth below.

1. No change through 8.

SECTION 1

CHANGES

RULE II – EXPLANATION OF COVERAGES AND METHODS OF INSURING

F. DEDUCTIBLE COVERAGE

The Pennsylvania Workers' Compensation Act of 1915, as amended, [Act 44 of 1993] requires an insurer issuing a workers' compensation policy to offer a deductible program upon the policyholder's request.

1. No change to Number 1 through Number 8

G. GROUP DEDUCTIBLE OR RETROSPECTIVE RATING PLAN COVERAGE

The Pennsylvania Workers' Compensation act of 1915 as amended, [Act 57 of 1996] permits an insurer issuing a workers' compensation policy to offer an endorsement for deductible or retrospective rating plans for groups of five or more employers, subject to approval by the Insurance Commissioner and subject to the individual insurer's underwriting criteria for deductible coverage (see F. 1. above).

Items 1 and 2 remain unchanged.

RULE IV – CLASSIFICATIONS

C. ASSIGNMENT OF CLASSIFICATIONS

1. Object of the Classification Procedure

a. No Change

b. The Pennsylvania Workers' Compensation Act of 1915, as amended, [Act 44 of 1993] permits an insurer to develop subclassifications to the PCRB[Bureau]'s classification system as approved by the Insurance Commissioner. Any such subclassification shall be filed by the developing insurer with the PCRB[Bureau] and the Insurance Commissioner thirty (30) days prior to its use. The insurer's filing shall demonstrate that payroll and loss data produced under such subclassification can be reported to the PCRB[Bureau] consistent with the PCRB[Bureau]'s classification system and statistical plan. Otherwise, the Insurance Commissioner shall disapprove the subclassification filing.

RULE VI – RATING VALUES AND PREMIUM DETERMINATION

G. PREMIUM DETERMINATION

Pennsylvania and Delaware Premium Algorithm Preface:

[Optional use uponon or after January 1, 2002.]

The computation of.....the workers compensation industry.

RULE IX – SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE AND PREMIUM

D. SOLE PROPRIETORS, PARTNERSHIPS AND MEMBERS OF LIMITED LIABILITY COMPANIES

Sole proprietors, partners and members of a Limited Liability Company (LLC) are not mandatorily covered by the Pennsylvania Workers' Compensation Act or the Pennsylvania Occupational Disease Act. A sole proprietor, partner or member of a Limited Liability Company (LLC) may be able to purchase and/or be insured under a standard workers' compensation insurance policy. When such coverage is provided, attach WC 00 03 10, Sole Proprietors, Partners, Officers and Others Coverage Endorsement, to the policy, naming the individual(s) so insured. Minimum and maximum payrolls on which premium is based for sole proprietors, partners and members of a Limited Liability Company shall be the same as those set forth in Rule IX, A., 6. for executive officers. If payroll information is not available [for a sole proprietor(s), partner(s), or member(s) of a Limited Liability Company (LLC) develop payroll] use[ing] the statewide average weekly wage (SAWW) in effect as of the inception date of the policy. The SAWW may be obtained, among other sources, from the Pennsylvania Department of Labor and Industry's website or from the PCRB's website under the "Quick Reference" table. [For the purposes of this rule, p]Profit or loss amounts attributed to the individual's interest in the business are not considered [as]payroll.

I. CERTIFIED SAFETY COMMITTEE CREDIT PROGRAM

1. The Pennsylvania Workers' Compensation Act of 1915, as amended[Act 44 of 1993] mandates that the Department of Labor and Industry develop certification criteria for the operation of safety committees. (For certification criteria contact the Department of Labor and Industry.)
Items 2 through 4 remain unchanged.

SECTION 2

ADDITIONS

UNDERWRITING GUIDE

To 104:

Beverage Mfg., N.O.C. (Non-Carbonated)
Energy/Sports Drinks Mfg. (Non-Carbonated)
Sports/Energy Drinks Mfg. (Non-Carbonated)

To 818:

Trailer (All Types) Sales, Rental Or Leasing

To 907:

Fruit Packing – Not Cannery

To 964:

Work Center

To 968:

Gun Range – Private or Public – Indoor

Housekeeping Manual Sections 1 & 2
Manual Language Proposals
Page 3

To 969:
Gun Range – Private Or Public – Outdoor

To 973:
Commercial Boarding Home

To 974:
Continuing Care Community, With Less Than 50 Percent of Beds Licensed as Intermediate Care or Higher

To 979:
Assisted Living Facility

CHANGES

SUBCLASSIFICATION – CARRIER OPTION

The Pennsylvania Workers' Compensation Act of 1915, as amended, [Act 44 of 1993] permits an insurer to develop subclassifications to the PCRB[Bureau]'s classification system as approved by the Insurance Commissioner. Any such subclassification shall be filed by the developing insurer with the PCRB[Bureau] and the Insurance Commissioner thirty (30) days prior to its use. The insurer's filing shall demonstrate that payroll and loss data produced under such subclassification can be reported to the PCRB[Bureau] consistent with the PCRB[Bureau]'s classification system and statistical plan. Otherwise, the Insurance Commissioner shall disapprove the subclassification filing.

028 OIL OR GAS PRODUCTION, Operation of wells – including gasoline mfg. from casing-head gas.

Applicable to the.....specialized intervention to fix.

OPERATIONS NOT INCLUDED:

As provided for in this Manual.....not necessarily limited to:

Items 1 through 4 remain unchanged

5. Assign Code 012 to [separate staff or an independent contractor principally engaged in performing] the installation of well pad containment liners and fences (barriers).
6. No Change

104 FOOD PRODUCTS MFG., N.O.C.

OPERATIONS NOT INCLUDED:

1. No change
2. No change
3. Assign Code 112 to a business manufacturing, bottling/and or canning any carbonated beverage.
- 4.[3] Assign Code 113.....or other foods.
- 5.[4] Assign Code 113.....the required ingredients.
- 6.[5] Assign Code 113.....and related ingredients.
7. Assign Code 113 to a business manufacturing fruit or vegetable juice by pressing the fruit or vegetables to extract the juice by mechanical means and the bottling or canning of the juice.
- 8.[6] Assign Code 571.....as used for perfume.
- 9.[7] Assign Code 898.....food by caterers.
- 10.[8] Assign Code 907 to fresh fruit or vegetable packers whose operations typically include washing, sorting, grading and/or chilling the fresh fruit or vegetables for shipment to customers or to fresh fruit and/or vegetable dealers whose operations may include washing, sizing and/or packaging the fresh fruit or vegetables.
- 11.[9] Assign Code 911.....or solid products.
- 12.[10] Assign the applicable agricultural.....shipment to customers.

UNDERWRITING GUIDE

Change to 104:
Ketchup Mfg. 104[113]

UNDERWRITING GUIDE

Changes to 104:
Food Products[Sundries] Mfg., N.O.C. [No Cereal Milling]
Nuts (All Types) – Cleaning and Shelling – By Specialist Contractor
Peanut Handling – Cleaning, Grading or Shelling – By Specialist Contractor
Relish Mfg. – Fruit Or[And] Vegetable – No Pickling Operations

UNDERWRITING GUIDE

Change to 113:
Fruit Or[And] Vegetable Juice, Canned, Bottled Or Bulk

UNDERWRITING GUIDE

Change to 305:
Barrel Repair[Dealer, Including Repairing -] Wood - By Specialist Contractor
Staircase Or[And] Stair Mfg. – Wood

UNDERWRITING GUIDE

Change to Code 926:
Oil And/or Gas Well Equipment Dealer Or Rental

UNDERWRITING GUIDE

Change to 968:
Shooting Range – Private Or Public[Gallery] – Indoor

UNDERWRITING GUIDE

Change to 969:
Shooting Range – Private [Club] Or Public[Range] – Outdoor

112 CARBONATED BEVERAGE MFG., [N.O.C., including bottling or canning]
[Includes the distribution.....to Code 108.]

OPERATIONS ALSO INCLUDED:

1. Applicable to a business principally engaged in manufacturing, bottling and/or canning any carbonated beverage.
2. The distribution of the carbonated beverage(s) by the manufacturer, bottler or canner.
3. Payroll developed by employees engaged as delivery salespersons, route salespersons, and/or route supervisors engaged in the delivery of the insured's products to customers.

OPERATIONS NOT INCLUDED:

1. Assign Code 108 to a business engaged in brewing, bottling and/or canning of beer, ale or malt liquors.

606 OIL OR GAS WELL DRILLING

OPERATIONS ALSO INCLUDED:

1. Drilling for oil or gas starts with drilling vertically to the depth where an oil or gas deposit is anticipated (from prior exploration of the site) and may also include horizontal drilling at the achieved depth in one or more additional directions.

607 DRILLING, N.O.C. – By Contractor

Applicable to all.....oil or gas wells.

OPERATIONS ALSO INCLUDED:

1. No change
2. Horizontal directional drilling for underground utility construction is a trenchless (non-excavating) method of installing underground pipes, conduits or cables[Geophysical exploration].

611 PILE DRIVING, including timber wharf building

OPERATIONS NOT INCLUDED:

1. Assign Code 654 to payroll developed in pouring concrete into driven pilings.

617 GAS, STEAM or WATER MAIN CONSTRUCTION

[Also includes conduit construction for cable or wires.]

OPERATIONS ALSO INCLUDED:

1. Conduit construction for cable or wires.

OPERATIONS NOT INCLUDED:

1. No Change
2. Horizontal directional drilling for underground utility construction is a trenchless (non-excavating) method of installing underground pipes, conduits or cables. Separately rate horizontal directional drilling for underground utility construction to Code 607.

656 ELECTRIC or Telephone LINE CONSTRUCTION – by contractors

Includes the setting of.....stringing of lines.

OPERATIONS NOT INCLUDED:

1. No change
2. No change
3. Separately rate the tasks performed by a contractor(s) in erecting a cell phone tower [as provided in this Manual]. Such tasks may include but are not necessarily limited to:
 - a. Assign Code 609 to the clearing, excavation and/or grading of the site.
 - b. Assign Code 654 to building the concrete pad.
 - c. Assign Code 655 to the erection of the tower and/or to the installation and/or repair of the tower's antennas.
 - d. Assign Code 660 to running a lateral connecting the cell tower site to the landline telephone network and/or wiring the cell site.
 - e. Assign Code 952 to the installation of computerized telephone call switching equipment in the cell site's base station.

757 TELECOMMUNICATIONS COMPANY [– including installation,office switching equipment.]

Applicable to FCC.....on a fee basis.

OPERATIONS ALSO INCLUDED:

Includes the installation, maintenance, repair and operation of telephone lines and systems, remote transmission sites and central office switching equipment.

OPERATIONS NOT INCLUDED:

1. No change
2. Separately rate the tasks performed by a contractor(s) in erecting a cell phone tower. Such tasks may include but are not necessarily limited to:
 - a. Assign Code 609[is] to the clearing, excavation and/or grading of the site.
 - b. No change
 - c. Assign Code 655[is applicable] to the erection of the tower and/or the installation, service and/or repair of the tower's antennas.Items d and e remain unchanged

907 FRUIT OR VEGETABLE DEALER – Wholesale

Applies to dealers principally.....boxes, bags or similar containers.

Also applies to fruit or vegetable packers who may contract with unrelated farming businesses to grow one or more fruits or vegetables or who may purchase unrelated farming businesses' fruit or vegetable crops on a bulk basis. The fruit or vegetable packer may also harvest part of the crops grown under contract. The fruit or vegetable packer will receive the crops that the packer's staff will first wash and then sort, grade and/or chill prior to shipment to customers.

In addition these.....of the gross receipts.

OPERATIONS NOT INCLUDED:

1. Assign the applicable agricultural class to a business principally engaged in raising of one or more different fruits or vegetables whose operations may include the washing, sizing and/or packaging thereof prior to shipment to customers.
2. Assign Code 113 to a business principally engaged in canning fruit or vegetables, pickling cucumbers, tomatoes, peppers or other vegetables, or preserving fruit or vegetables by another food preservation technique.

940 RESIDENTIAL CARE FACILITY for INDIVIDUALS WITH INTELLECTUAL DISABILITIES

Includes operations licensed as Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IID).....to intellectually disabled.

OPERATIONS NOT INCLUDED:

1. Assign Code 964 to separately staffed certified [sheltered workshops]work centers.
2. No change
3. No change

963 CHURCH – all employees including office

Applicable to the place of worship.....citing the location of each.

OPERATIONS ALSO INCLUDED:

1. [Includes r]Religious education provided by the church.

OPERATIONS NOT INCLUDED:

1. No change
 2. Assign Code 891 for a separately-staffed day nursery school, kindergarten,[or] child daycare center and/or a before and/or after school program operated on the church premises [from Monday through Friday].
- Items 3 and 4 remain unchanged

0006 FIELD CROP OR VEGETABLE FARM – the raising of.....variety of operations.

OPERATIONS NOT INCLUDED:

1. Assign Code 113 to separately-staffed canning, pickling or operations preserving vegetables by use of another food preservation technique[food processing operations].
2. No change

DELETIONS

DEFINITIONS

CAMPUS: The grounds, buildings.....as a single enterprise.

UNDERWRITING GUIDE

Deletion From 305:
Cooper

SECTION 3

Workers' Compensation and Employers Liability Insurance Policy

WC 37 06 01

SPECIAL PENNSYLVANIA ENDORSEMENT – INSPECTION OF MANUALS

The manuals of rules, rating plans and classifications are approved pursuant to the provisions of Section 654 of the Insurance Company Law of May 17, 1921, P.L. 682, as amended, and the Pennsylvania Workers' Compensation Act of June 2, 1915, P.L. 736, as amended, [Act 44 of 1993] and are on file with the Insurance Commissioner of the Commonwealth of Pennsylvania.

Note 1: Use this endorsement..... binding upon the insured.

SECTION 4

RETROSPECTIVE RATING PLANS – PENNSYLVANIA

Retrospective rating is an.....workers' compensation insurance.

The Pennsylvania Workers' Compensation Act of 1915, as amended, [Act 44 of 1993] requires PCRB[Bureau] filings other than United States Longshore and Harbor Workers' Compensation Act (LHWCA)[USL&HW] filings to exclude all expense and profit considerations as well as loss adjusted expenses. Beginning [E]effective December 1, 1993 the PCRB[Bureau] has filed and this Manual includes only selected rating values which are exclusive of expense and profit considerations for coverages other than LHWCA[USL&HW] and which are inclusive of such provisions for LHWCA[USL&HW] coverage.

For the sake of consistency.....Manual are synonymous.

A carrier may file retrospective rating plans which use different and/or additional rating values from those shown in the Manual. In such cases the individual carrier values supersede application of the PCRB[Bureau] values. Information regarding such individual carrier retrospective rating plans must be obtained from those carriers or their authorized representative.

IMPORTANT NOTES

- [Carriers may refer to.....with respect to retrospective rating plans.]
- Selected Retrospective.....of this Manual for values.