



## Pennsylvania Compensation Rating Bureau

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October 18, 2018

### **PCRB CIRCULAR NO. 1711**

To All Members of the PCRB:

Re: **APPROVAL OF PCRB FILING NO. 293**  
**BASIC MANUAL REVISIONS – SECTION 2**  
**EFFECTIVE APRIL 1, 2019**

#### **TWO CLASSIFICATION PROCEDURAL CHANGES:**

- (1) Classification applicable to Fence Erection Contractors**
- (2) Classification applicable to Kitchenware Sales**

The Pennsylvania Insurance Commissioner has approved PCRB's filing regarding two classification procedural changes with effective dates of April 1, 2019 or later. The effective date of implementation aligns concurrently PCRB's normal annual loss cost revision filing, which will be filed with the Commissioner at a later date. This coordination will consolidate necessary changes that our members and other constituents must make to policies, forms and systems so that they occur less frequently than would otherwise be the case.

The two classification procedural changes included in Filing No. 293 are summarized below. These changes do not impact any classification's PCRB loss cost rating value. A Pennsylvania employer's premium will only be impacted if the employer's business is reclassified as a result of these changes.

#### **(1) Classification applicable to fence erection contractors.**

Prior to the approval of this filing, the PCRB classified fence erection to two classifications depending upon the type of fencing erected. The erection of wood and/or vinyl fencing was classified to Code 651, which is formally titled "Carpentry – Commercial Structures" and the erection of metal fencing was classified to Code 658, which is titled "Iron Erection or Installation – Ornamental or Non-Structural Only". Metal fencing includes but is not necessarily limited to chain link, woven wire, wrought iron and barbed wire fence erection. A fence erection contractor submitted an inquiry which posed that aluminum fence erection work was analogous in process and hazard to the erection of vinyl fencing, and should be classified to Code 651, which prompted the review of the fence erection industry.

Staff concluded, from the study, that fence erection work involved similar processes irrespective of the type of fencing being installed, whether it is wood, vinyl or metal. The PCRB filing recommended that all types of fence erection be assigned to the same classification Code 651. Employers eligible for reclassification from Code 658 to Code 651 or for reassignment of a portion of their Code 658 payroll to Code 651 as a result of this change, will receive a rating value reduction of 26.41% on the basis of the approved April 1, 2018 Code 651 and 658 voluntary market loss costs (\$6.24 for Code 651 and \$8.48 for Code 658).

**(2) Classification applicable to the retail sale and wholesale distribution of kitchenware.**

Prior to this change, the PCRB classified retail stores principally engaged in the sale of kitchenware to Code 925, Hardware Store, Retail, and wholesale dealers principally engaged in the sale of kitchenware to Code 926, Hardware Store, Wholesale.

A study of these codes was conducted and staff concluded from the historical record that the characterization of kitchenware as a type of hardware in both the Code 925 and Code 926 Basic Manual classification descriptions was in error. It was recommended that retail stores principally engaged in the sale of kitchenware be reclassified from Code 925 to Code 928, Retail Store, N.O.C., and that wholesale dealers principally engaged in the sale of kitchenware be reclassified from Code 926 to Code 924, Wholesale Store, N.O.C.

Those employers found to be eligible for reclassification from Code 925 to Code 928 will see a rating value increase of 3.7% on the basis of the approved April 1, 2018 PCRB loss costs (\$1.68 for Code 928 and \$1.62 for Code 925). Those employers found to be eligible for reclassification from Code 926 to Code 924 will see a rating value increase of 31.5% on the basis of the approved April 1, 2018 PCRB loss costs (\$3.09 for Code 924 and \$2.35 for Code 926).

For additional details regarding these classification procedural changes, see PCRB Filing No. 293, under the "Filings" tab of the PCRB's website (<http://www.pcrb.com>). The Basic Manual will be updated on the PCRB's website at a later date. For any question regarding this Circular, please contact Robert Ferrante, Senior Classification Analyst – Technical Services, at (215) 320-4584 or by email at [rferrante@pcrb.com](mailto:rferrante@pcrb.com), or Joseph Lombo, Manager – Classification, at (215) 320-4498 or by email at [jlombo@pcrb.com](mailto:jlombo@pcrb.com).

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President

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

*Approved Effective April 1, 2019*

**INFORMATION PAGE** *remains unchanged.*

**PREFACE** *remains unchanged.*

**MEMBERSHIP** *remains unchanged.*

**SECTION 1 – Underwriting Rules through Appeals Procedure** *remain unchanged.*

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

**CLASSIFICATIONS**

**651 CARPENTRY – COMMERCIAL STRUCTURES**

**UNDERWRITING GUIDE ADDITIONS:**

Metal Fence (e.g., Aluminum, Chain Link or Wrought Iron) Erection – Commercial or Residential

Wood Fence Erection – Commercial or Residential

**UNDERWRITING GUIDE CHANGES:**

Fence Erection –All Types – Commercial or Residential

Vinyl Fence Erection – Commercial or Residential

**658 IRON ERECTION OR INSTALLATION – ORNAMENTAL OR NON-STRUCTURAL ONLY**

**UNDERWRITING GUIDE DELETION:**

Fence Erection - Metal

Metal Fence Erection – By Specialist Contractor

**924 WHOLESALE STORE, N.O.C.**

**UNDERWRITING GUIDE ADDITION:**

Kitchenware (e.g., Utensils, Cutlery and Dinnerware) Dealer - Wholesale

**925 HARDWARE STORE – Retail**

Applies to retail stores principally engaged in selling hardware. The term hardware as used in this classification includes but is not necessarily limited to: nails, screws, bolts, washers, gaskets, brackets, locks, hinges, electrical outlet boxes, switches, fuses, plugs, sockets, hand or portable electric tools, plumbing fixtures, paint, small household electrical appliances, radios, stereo equipment, televisions, video and/or audio equipment, garden tools and equipment such as lawn mowers and snow blowers.

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**926     **HARDWARE STORE – Wholesale****

Applies to dealers principally engaged in the wholesale selling of hardware. The term hardware as used in this classification includes but is not necessarily limited to: nails, screws, bolts, washers, gaskets, brackets, locks, hinges, hand or portable electric tools, machine tools, small household electrical appliances, stereo equipment, radios, televisions, video and/or audio equipment, mill supplies or garden tools or garden equipment such as lawn mowers or snow blowers.

**928     **RETAIL STORE, N.O.C.****

**UNDERWRITING GUIDE ADDITION:**

Kitchenware (e.g., Utensils, Cutlery and Dinnerware) Store – Retail