



## Pennsylvania Compensation Rating Bureau

30 South 17th Street • Suite 1500  
Philadelphia, PA 19103-4007  
(215)568-2371 • FAX (215)564-4328 • www.pcrb.com

December 14, 2018

### **PCRB CIRCULAR NO. 1714**

To All Members of the PCRB:

Re: **JANUARY 1, 2019 LOSS COST REVISION APPROVAL**

By action dated December 13, 2018, Pennsylvania Insurance Commissioner Jessica Altman has approved revised loss costs and related rating values **effective on a new and renewal basis** as of 12:01 a.m., **January 1, 2019**.

Two PCRB filings were approved: Filing No. C-372 (the "Interim Loss Cost Filing") and Filing No. C-373 (Filing for HB 1840, the "Protz Adjustment Filing"). These filings were applicable for policies with effective dates of January 1, 2019 and later. However, only the loss costs in the Protz Adjustment Filing are to be used by carriers. The loss costs in the Interim Loss Cost Filing are not to be used. The combined impact of these two loss cost filings is a change of -14.74% over the loss costs resulting from Filing No. C-370, the annual loss cost filing effective April 1, 2018.

All approved loss costs, expected loss factors and other rating values are available in two Excel files in the "Rating Values" section of the PCRB's website.

The Manual loss costs in the files include all of the following provisions and/or adjustments:

- Offset for Experience Rating Plan off-balance
- Offset for Merit Rating Plan off-balance
- Loadings in construction classifications for the effects of Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP) credits
- Provision for the Office of the Small Business Advocate's portion of the Administration Fund
- Offsets for the effects of credits granted under the Certified Safety Committee Program

The items listed above are included in current loss costs in Pennsylvania and continue to be included in the approved values effective January 1, 2019.

The other rating values approved by the Insurance Commissioner, effective January 1, 2019 are:

- Code 994 loss costs by population band
- State and hazard group relativities
- Optional retrospective rating plan loss development factors

Manual revisions reflecting approval of PCRB Filings No. C-372 and C-373 with respect to rating values effective January 1, 2019 will be updated on our website ([www.pcrb.com](http://www.pcrb.com)) at a later date.

Questions regarding the approved January 1, 2019 Loss Cost Filings may be directed to Ken Creighton, Chief Actuary, at Extension 4924 or [kcreighton@pcrb.com](mailto:kcreighton@pcrb.com) or to me at Extension 4413 or [wtaylor@pcrb.com](mailto:wtaylor@pcrb.com).

William V. Taylor  
President

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