

**COAL MINE COMPENSATION RATING BUREAU
OF PENNSYLVANIA**

COMMERCE BUILDING — SUITE 403
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HARRISBURG, PENNSYLVANIA 17101

DALE W. BROADWATER
EXECUTIVE DIRECTOR

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February 23, 2007

Compensation Circular CM-417

To: All Coal Mine Compensation Insurance Carriers

From: Dale W. Broadwater
Executive Director

DWB

RE: Proposal CM-3-2006
Annual Loss Cost Filing
Proposed Effective Date: April 1, 2007
REVISED AND APPROVED

Proposal CM-3-2006 has been revised and the revised version has been approved by the PA Insurance Commissioner effective April 1, 2007. The approval implements an overall increase of 1.3%. By coverage, the approved changes for all classes combined are as follows: Traumatic, +4.4%; State OD, -3.2%; and Federal OD, -14.5%. Attached is a two page exhibit displaying the changes approved in Manual Loss Costs, by class, by coverage.

As the result of this approval, the Employer Assessment factor shall be 0.0222 effective April 1, 2007. The USL&H Traumatic rates for coal mine classes effective April 1, 2007 shall be \$62.33 for Anthracite operations and \$25.16 for Bituminous operations.

Each policy with an Anniversary Rating Date on or after April 1, 2007 shall contain the newly approved loss costs and revised Employer Assessment factor. Such policies, if issued at other than the April 1, 2007 approval, shall be endorsed to include the newly approved values. No policy is permitted to be extended, or terminated and re-written, to take advantage of, or avoid the application of, the newly approved rating values.

All experience mods/merit factors currently issued for April 2007 have been issued on a tentative basis. The CMCRB will reissue the corrected employer cards with the mods/merit factors calculated on the basis of the approved filing. Employer cards effective May 2007 and after will be issued on the actual basis.

Reprinted Manual pages will be distributed in the near future.

Any questions on the approval and implementation of CM-3-2006 should be directed to the CMCRB.

Attachment

COAL MINE COMPENSATION RATING BUREAU

Current and Approved Loss Costs
 Traumatic, State OD and Federal OD
 Effective: April 1, 2007

<u>Class</u>	<u>Code</u>	<u>Current Loss Cost April 1, 2006</u>	<u>Approved Loss Cost April 1, 2007</u>	<u>Percent Change</u>
<u>UNDERGROUND</u>				
Anthracite				
Traumatic	1010	\$44.67	\$44.41	-0.6%
State OD	1011	10.37	7.78	-25.0%
Federal OD	0160	<u>26.51</u>	<u>25.10</u>	<u>-5.3%</u>
TOTAL		\$81.55	\$77.29	-5.2%
Bituminous				
Traumatic	1001	\$18.15	\$18.18	0.2%
State OD	1002	0.77	0.70	-9.1%
Federal OD	0158	<u>1.27</u>	<u>1.03</u>	<u>-18.9%</u>
TOTAL		\$20.19	\$19.91	-1.4%
<u>SURFACE & CULM</u>				
Anthracite				
Traumatic	1012	\$15.29	\$14.23	-6.9%
State OD	1016	3.73	3.90	4.6%
Federal OD	0153	<u>4.97</u>	<u>4.23</u>	<u>-14.9%</u>
TOTAL		\$23.99	\$22.36	-6.8%
Bituminous				
Traumatic	1014	\$4.39	\$5.49	25.1%
State OD	1013	0.39	0.36	-7.7%
Federal OD	0156	<u>1.35</u>	<u>1.11</u>	<u>-17.8%</u>
TOTAL		\$6.13	\$6.96	13.5%
Coke				
Traumatic	1469	\$3.55	\$3.40	-4.2%
State OD	1017	0.17	0.13	-23.5%
Federal OD	0154	<u>0.25</u>	<u>0.19</u>	<u>-24.0%</u>
TOTAL		\$3.97	\$3.72	-6.3%
Auger				
Traumatic	1015	\$24.41	\$30.54	25.1%
State OD	1019	0.28	0.26	-7.1%
Federal OD	0157	<u>0.60</u>	<u>0.58</u>	<u>-3.3%</u>
TOTAL		\$25.29	\$31.38	24.1%

CO-GEN FUEL RECOVERY

Anthracite				
Traumatic	1021	\$3.05	\$3.02	-1.0%
State OD	1022	0.53	0.40	-24.5%
Federal OD	0181	<u>1.63</u>	<u>1.54</u>	<u>-5.5%</u>
TOTAL		\$5.21	\$4.96	-4.8%

Bituminous				
Traumatic	1023	\$2.24	\$2.24	0.0%
State OD	1024	0.27	0.25	-7.4%
Federal OD	0182	<u>0.41</u>	<u>0.40</u>	<u>-2.4%</u>
TOTAL		\$2.92	\$2.89	-1.0%

PREP PLANT

Anthracite				
Traumatic	1025	\$8.01	\$10.02	25.1%
State OD	1026	5.66	6.99	23.5%
Federal OD	0183	<u>4.66</u>	<u>4.40</u>	<u>-5.6%</u>
TOTAL		\$18.33	\$21.41	16.8%

Bituminous				
Traumatic	1027	\$2.48	\$3.09	24.6%
State OD	1028	0.5	0.46	-8.0%
Federal OD	0184	<u>0.76</u>	<u>0.68</u>	<u>-10.5%</u>
TOTAL		\$3.74	\$4.23	13.1%

GRAND TOTAL

Traumatic		\$9.74	\$10.17	4.4%
State OD		0.93	0.90	-3.2%
Federal OD		<u>1.66</u>	<u>1.42</u>	<u>-14.5%</u>
TOTAL		\$12.33	\$12.49	1.3%

Employer Assessment Factor	0.0222
USL&H Rates-Anthracite Mining	\$62.33
Bituminous Mining	\$25.16