

**COAL MINE COMPENSATION RATING BUREAU
OF PENNSYLVANIA**

COMMERCE BUILDING – SUITE 403
300 NORTH SECOND STREET
HARRISBURG, PENNSYLVANIA 17101

DALE W. BROADWATER
EXECUTIVE DIRECTOR

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February 28, 2011

COMPENSATION CIRCULAR CM-434

To: All Coal Mine Compensation Insurance Carriers

From: Dale W. Broadwater, Executive Director



RE: **Proposal CM-1-2010**
Loss Cost Revision
Approved Effective: April 1, 2011

The CMCRB submitted Proposal CM-1-2010 and the Pennsylvania Insurance Department approved this filing as submitted to be effective April 1, 2011.

The approved loss costs reflect a 17.3% overall decrease for Traumatic, a 7.5% overall decrease for State OD and an 8.8% overall decrease for Federal OD. The approved loss costs reflect a 15.3% overall average decrease across all classes and all coverages.

Attached is an exhibit displaying the approved manual loss costs by class, by coverage.

As the result of the approval of this filing, the coal employer assessment factor shall be 0.0188 effective April 1, 2011.

Each policy with an Anniversary Rating Date (ARD) on or after April 1, 2011 shall contain the newly approved loss costs and the revised employer assessment factor. Such policies, if issued at the April 1, 2010 levels, shall be endorsed to include the newly approved values. No policy is permitted to be extended, or terminated and rewritten, to take advantage of, or avoid the application of, the newly approved loss costs and employer assessment factor.

All experience mods/merit factors currently issued for April policies and ARDs 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 Proposal CM-1-2010. Employer cards effective for May 2011 and after will be issued at the actual factors.

Updated manual pages are available on our website at:
<http://www.cmcrbpa.com/Manual.html>

Any questions should be directed to the CMCRB.

DWB:car
Attachment

Coal Mine Compensation Rating Bureau

Current and Approved Loss Costs
Traumatic, State O.D., and Federal O.D.
Effective: April 1, 2011

	<u>Code</u>	(1) <u>Current Loss Costs</u>	(2) <u>Approved April 1, 2011 Loss Costs</u>	<u>Percent Change</u>
<u>Underground</u>				
Anthracite				
Traumatic	1010	\$30.28	\$26.70	-11.8%
State O.D.	1011	5.30	4.46	-15.8%
Federal O.D.	0160	<u>18.14</u>	<u>16.85</u>	<u>-7.1%</u>
TOTAL		\$53.72	\$48.01	-10.6%
Bituminous				
Traumatic	1001	\$9.98	\$7.89	-20.9%
State O.D.	1002	0.88	0.85	-3.4%
Federal O.D.	0158	<u>0.92</u>	<u>0.82</u>	<u>-10.9%</u>
TOTAL		\$11.78	\$9.56	-18.8%
<u>Surface & Culm</u>				
Anthracite				
Traumatic	1012	\$10.28	\$9.75	-5.2%
State O.D.	1016	3.26	3.05	-6.4%
Federal O.D.	0153	<u>3.32</u>	<u>3.22</u>	<u>-3.0%</u>
TOTAL		\$16.86	\$16.02	-5.0%
Bituminous				
Traumatic	1014	\$3.70	\$3.18	-14.1%
State O.D.	1013	0.30	0.24	-20.0%
Federal O.D.	0156	<u>0.70</u>	<u>0.67</u>	<u>-4.3%</u>
TOTAL		\$4.70	\$4.09	-13.0%
Coke				
Traumatic	1469	\$5.51	\$6.86	24.5%
State O.D.	1017	0.13	0.13	0.0%
Federal O.D.	0154	<u>0.13</u>	<u>0.12</u>	<u>-7.7%</u>
TOTAL		\$5.77	\$7.11	23.2%

		(1) Current Loss Costs	(2) Approved April 1, 2011 Loss Costs	Percent Change
<u>Auger Mining</u>				
Traumatic	1015	\$26.37	\$21.57	-18.2%
State O.D.	1019	0.28	0.27	-3.6%
Federal O.D.	0157	<u>0.56</u>	<u>0.52</u>	<u>-7.1%</u>
TOTAL		\$27.21	\$22.36	-17.8%
<u>Co-Gen Fuel Recovery</u>				
<u>Anthracite</u>				
Traumatic	1021	\$2.04	\$1.81	-11.3%
State O.D.	1022	0.35	0.35	0.0%
Federal O.D.	0181	<u>1.14</u>	<u>0.96</u>	<u>-15.8%</u>
TOTAL		\$3.53	\$3.12	-11.6%
<u>Bituminous</u>				
Traumatic	1023	\$1.72	\$1.58	-8.1%
State O.D.	1024	0.30	0.31	3.3%
Federal O.D.	0182	<u>0.41</u>	<u>0.38</u>	<u>-7.3%</u>
TOTAL		\$2.43	\$2.27	-6.6%
<u>Prep Plant</u>				
<u>Anthracite</u>				
Traumatic	1025	\$13.93	\$11.12	-20.2%
State O.D.	1026	4.56	3.52	-22.8%
Federal O.D.	0183	<u>2.96</u>	<u>2.42</u>	<u>-18.2%</u>
TOTAL		\$21.45	\$17.06	-20.5%
<u>Bituminous</u>				
Traumatic	1027	\$2.56	\$1.94	-24.2%
State O.D.	1028	0.46	0.46	0.0%
Federal O.D.	0184	<u>0.65</u>	<u>0.52</u>	<u>-20.0%</u>
TOTAL		\$3.67	\$2.92	-20.4%
<u>GRAND TOTAL</u>				
Traumatic		\$7.15	\$5.91	-17.3%
State O.D.		0.93	0.86	-7.5%
Federal O.D.		<u>1.13</u>	<u>1.03</u>	<u>-8.8%</u>
TOTAL		\$9.21	\$7.80	-15.3%

Employer Assessment Factor		0.0188
USL&H Rates:	Anthracite Mining	\$ 37.98
	Bituminous Mining	\$ 11.54