

**COAL MINE COMPENSATION RATING BUREAU
OF PENNSYLVANIA**

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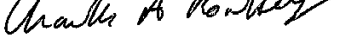
CHARLES A. ROMBERGER
EXECUTIVE DIRECTOR

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August 25, 2016

COMPENSATION CIRCULAR CM-468

To: All Coal Mine Compensation Insurance Carriers

From: Charles A. Romberger, Executive Director 

RE: Elimination of Anniversary Rating Date Provisions
Effective May 1, 2017

The CMCRB has filed and the Insurance Department has approved revisions to the Manual Rules, Endorsements and Statistical Plan regarding the elimination of Anniversary Rating Date provisions. The CMCRB filed these revisions to maintain consistency with the practices of both the Pennsylvania Compensation Rating Bureau and NCCI.

This Circular includes the following filing documents that describe and identify the changes associated with these revisions:

- 1) Proposal CM-2-2016 – Filing Memorandum – this document provides the background for this activity and summarizes the changes.
- 2) Proposal CM-2-2016 – Proposed Changes – this document identifies the changes that were proposed to and approved by the Insurance Department to Forms, Rates/Rules and Stat Plan provisions.
- 3) Revised forms – WC 37 04 04 C and WC 00 00 01 C. (Also note that WC 00 04 02 was approved to be withdrawn effective May 1, 2017.)

The revised Manual will be updated on our website at a later date. Should you have any questions regarding this topic, please contact the Bureau.

CAR:car

Attachments

Coal Mine Compensation Rating Bureau of Pennsylvania
Proposal CM-2-2016 -- Filing Memorandum
Elimination of Anniversary Rating Date (ARD) provisions

RE: CMCRB Filings:

- Proposal CM-2-2016 – Forms
- Proposal CM-2-2016 – Rates/Rules
- Proposal CM-2-2016 – Stat Plan

Background

Our Bureau recently became aware of initiatives to eliminate Anniversary Rating Date (ARD) provisions both in Pennsylvania and across the country. In Pennsylvania, our Bureau understands that the Pennsylvania Compensation Rating Bureau (PCRB) submitted filings to accomplish this initiative with PCRB Filing No. 272 FORM, PCRB Filing No. 272 RULE and PCRB Filing No. 272 STAT. Our Bureau also understands that these filings were approved to be effective May 1, 2017.

Our Bureau notes that PCRB submitted these proposals to achieve a national approach that is consistent with the revisions outlined by the National Council on Compensation Insurance (NCCI) in NCCI Item B-1430. Our Bureau has not submitted copies of these PCRB or NCCI documents because we understand that they are readily available. However, we can provide copies of these documents upon your request.

Our Bureau notes that less than 4% of policies subject to the jurisdiction of our Bureau (i.e., policies with Pennsylvania coal classes) were subject to ARD provisions in 2015. Similar to the comments shared by PCRB, our Bureau has also noted difficulty and confusion in applying ARD provisions for both policyholders and insurers alike.

Summary of Proposed Changes to the Pennsylvania Coal Mine Workers Compensation Manual

Preface

- Addition of Item C. Definitions. These items are consistent with definitions in the Preface to the PCRB's Manual.
- Amendment of Item C. Coal Mine Compensation Rating Bureau Membership List to Item **D.** Coal Mine Compensation Rating Bureau Membership List.

Section One – Underwriting Rules

- Elimination of the term anniversary rating date (ARD) throughout the section substituting the term policy effective date where appropriate.
- Addition of some items to be consistent with terms in the PCRB's Manual.

Section Three – Endorsements

- Withdrawal of WC 00 04 02 – Anniversary Rating Date Endorsement.

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Proposal CM-2-2016 -- Filing Memorandum
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- Amendment to WC 37 04 04 B – Certified Safety Committee Endorsement – to WC 37 04 04 C to reflect the elimination of ARD language within the form.
- Amendment to WC 00 00 01 A – Information Page – which was erroneously changed to version B. A new version of WC 00 00 01 C is proposed to coincide with ARD elimination.

Section Five – Experience Rating Plan

- Elimination of the term anniversary rating date throughout the section substituting the term rating effective date (RED).
- Addition of a definition for Rating Effective Date (RED) utilizing the term “RED” through the section.
- Addition of some items to be consistent with terms in the PCRB’s Manual.

Section Six – Merit Rating Plan

- Amendments were made to update references to portions of the Experience Rating Plan that were modified.

Statistical Plan

- Elimination of references to ARD.

Requested Action

Like the PCRB, our Bureau has purposely submitted this filing substantially before the proposed effective date in order to assure that all necessary review and discussion of this proposal can be concluded in advance of implementation. Your prompt review and early consideration of this proposal would be greatly appreciated.

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Proposal CM-2-2016 -- Proposed Changes
Elimination of Anniversary Rating Date (ARD) provisions

RE: CMCRB Filings:

- Proposal CM-2-2016 – Forms
- Proposal CM-2-2016 – Rates/Rules
- Proposal CM-2-2016 – Stat Plan

Proposed Changes to the Pennsylvania Coal Mine Workers Compensation Manual

Preface

Items A. and B. remain unchanged.

Item C. is added as follows:

C. Definitions

The following words are referenced in the Pennsylvania Workers' Compensation Act of June 2, 1915, P. L. 682, as amended, (Act) --- 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. Bureau Data Card – Bureau Data Cards are issued by the Coal Mine Compensation Rating Bureau (Bureau). These data cards provide the risk name, location, Bureau file number, authorized classification(s) and if applicable the risk's experience modification for a minimum of one year.
2. Bureau Loss Costs – Dollar amounts per unit of exposure attributable to the payment of losses under workers compensation and employers liability coverages, filed by the Bureau based on the aggregate experience of all Bureau members and approved by the Insurance Commissioner.
3. Bureau Rating Values – All parameters filed by the Bureau and approved by the Insurance Commissioner, and which are used either mandatorily or by option of carriers for purposes of pricing workers compensation and employers liability coverages. Such Bureau rating values include Bureau Loss Costs, experience rating plan values such as Expected Loss Cost Factors, Credibility, Maximum Value of One Accident, and Credibility Weighted Maximum Value Charge, retrospective rating plan values such as the Table of Expected Loss Ranges, Excess Loss Pure Premium Factors, Retrospective Pure Premium Development Factors, and expense parameters applicable to U.S.L.&H.W. coverages such as Premium Discounts, Expected Loss Ratio, Expense Ratios, Tax Multipliers and Loss Conversion Factors.
4. Carrier Rate – The amount per unit of exposure which an insurance carrier charges for workers compensation and employers liability insurance.
5. Carrier Rating Values – All parameters used by carriers for purposes of pricing workers compensation and employers liability insurance coverages. Such parameters may be either Bureau Rating Values adopted by a carrier for its own use or values independently determined by a carrier.
6. Loss Cost – Dollar amounts per unit of exposure attributable to the payment of losses under workers compensation and employers liability coverages. Loss Costs may be developed either

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by the Bureau based on the aggregate experience of all Bureau members or may be established by individual carriers based on their own supporting information.

7. Provision for Claim Payment – Historical aggregate losses projected through development to their ultimate value and through trending to a future point in time, but excluding all loss adjustment or claim management expenses, other operating expenses, assessments, taxes and profit or contingency allowances. In this Manual the term "Loss Cost" is synonymous with Provision for Claim Payment.
8. Rating Value – A parameter or number used in pricing workers compensation or employers liability insurance coverages. Rating Values may be established by the Bureau or by individual carriers. Where individual carriers have established Rating Values different from those of the Bureau, the carrier's values supersede those of the Bureau for purposes of that insurer's policies.
9. Rating Effective Date (RED) is the earliest date that a specific experience rating or merit rating adjustment is applied to a policy.

Item C. Coal Mine Compensation Rating Bureau Membership List is amended to Item D. Coal Mine Compensation Rating Bureau Membership List.

Section One – Underwriting Rules – Table of Contents – RULE I – GENERAL – Item G. is revised as follows:

- G. Policy Effective Anniversary Rating Date
 1. Definition
 - ~~2. Rewritten Policies~~
 - ~~3.2. Long Term Policies~~

Section One – Underwriting Rules – Table of Contents – RULE III – POLICY PREPARATION... - Item C. is revised as follows:

- C. Policy Period – Item 2
 1. Normal Policy Period
 2. Policy for One Year
 3. Policy Longer than One Year
 4. Renewal Certificates
 5. Three-Year Fixed Carrier Rating Value Policy Option
 6. Annual Rating Endorsements

Section One – Underwriting Rules – Table of Contents – RULE III – POLICY PREPARATION... - Item D. is revised as follows:

- D. State Laws Designated in the Policy – Item 3

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1. Listing of Pennsylvania
2. Longshore Act
3. ~~Additional States~~ ~~State Laws Designated in the Policy – Item 3-A~~

Section One – Underwriting Rules – Rule I – General – Items F. and G. are revised as follows:

F. EFFECTIVE DATE

1. Manual

This Manual applies only from the ~~policy effective anniversary rating~~ date which occurs on or after the effective date of this Manual.

2. Changes

The effective date of a change in any rule, classification or provision for claim payment is 12:01 a.m. on the date ~~approved for uses specified on the Manual page~~. Any change will be highlighted. Unless specified otherwise, each change applies only from the ~~policy effective anniversary rating~~ date which occurs on or after the effective date of the change.

G. ~~POLICY EFFECTIVE ANNIVERSARY RATING~~ DATE

1. Definition

The ~~policy effective anniversary rating~~ date is the effective month, ~~and day and year~~ of the policy in effect, ~~and each annual anniversary thereafter unless a different date has been established by the Coal Mine Compensation Rating Bureau.~~

~~2. Rewritten Policies~~

~~If a policy is canceled and rewritten by the same or another carrier, all rules, classifications and carrier manual rates of the rewriting carrier which were in effect as of the anniversary rating date shall apply to the rewritten policy until the next anniversary rating date as established by the Coal Mine Compensation Rating Bureau.~~

~~Use the Anniversary Rating Date Endorsement. No policy may be canceled, rewritten or extended for any period to avoid or take advantage of any changes in the rules or provision for claim payment of this Manual.~~

~~23.~~ Long Term Policies

For application of ~~policy effective anniversary rating~~ dates on policies issued for a term in excess of one year, refer to Rule III - C.

Section One – Underwriting Rules – Rule III – Policy Preparation – Insured, Policy Period and State of Operations – Items 1, 2 and 3-A of the Information Page – C. Policy Period – Item 2 – Items 5. and 6. are added as follows:

5. Three-Year Fixed Carrier Rating Value Policy Option

A policy may be issued for a period of 3 years at fixed carrier rating values. Such a policy shall not be issued if the risk is subject to the Experience Rating Plan on the effective date of the policy.

A policy issued under this option shall be known as a Three-Year Fixed Carrier Rating Value Policy and shall be so designated on the Information Page. Refer to Rule XI.

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6. Annual Rating Endorsements

An "Annual Rating Endorsement" shall be submitted annually for each continuing form policy or policy written for a period in excess of one year but not more than three years to be effective on the annual policy effective date set by such policy. It shall be submitted to the Bureau not later than thirty days subsequent to its inception.

Annual rating endorsements shall also:

- a. Show the name of the carrier providing the insurance. If the names of affiliated carriers are printed on endorsement forms, the particular carrier providing coverage shall be clearly indicated.
- b. Show the policy number, including all printed and typed prefixes to facilitate the identification of the policy to which the Annual Rating Endorsement is related.
- c. If the annual rating endorsement being filed replaces an annual rating endorsement covering the same period, indicate that it is a rewrite.
- d. Show the date of its inception and expiration.
- e. Show the code number(s) and carrier rate(s) applicable. If the carrier rate(s) or experience modification is not effective as of inception date of the endorsement, also show the effective date of such carrier rate(s) or modification.
- f. Show the premium adjustment period, deposit premium and estimated annual premium for the period covered by the Annual Rating Endorsement.

Annual Rating Endorsements shall be used only for the purpose of showing the carrier rates, experience modifications, premium adjustment period, deposit premium and estimated annual premium for each one-year period. They cannot be used to make any other changes in the policy such as, but not restricted to, modifying the name of the insured, adding or eliminating classifications, adding or eliminating locations.

Section One – Underwriting Rules – Rule III – Policy Preparation – Insured, Policy Period and State of Operations – Items 1, 2 and 3-A of the Information Page – D. State Laws Designated in the Policy – Item 3-A – Item 3. is amended as follows:

3. ~~Additional States~~~~State Laws Designated in the Policy – Item 3-A~~

A state may be added after the effective date of the policy. For the additional state operations, apply:

- a. Carrier ~~rating values~~~~rates~~ in effect on the ~~effective anniversary rating~~ date of the policy to which the state has been added.
- b. Any rate change which applies to outstanding policies for the state being added.
- c. When adding the State of Pennsylvania, the Information Page and attached endorsements shall be prepared so that the Pennsylvania coverage can be clearly determined.

Section One – Underwriting Rules – Rule IV – Classifications – Item 4 of the Information Page – C. Assignment of Classifications – 6. Changing Classifications is amended as follows:

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6. Changing Classifications

a. The Bureau is empowered to determine, revise or modify the classification applicable to any individual risk. Every policy insuring a risk for which the classifications have been established by the Bureau shall be written in accordance with such classification. If a carrier upon inspection or audit finds any change in operations which requires a change in the classifications established for the risk, the carrier shall immediately report the matter to the Bureau. No application by the carrier of a risk to change the established classifications shall be considered by the Bureau until the carrier has issued and filed a copy of its policy declarations written in accordance with the established classifications. The classifications for any policy shall be subject to correction or modification, or both, if the Bureau finds by inspection or otherwise that the classifications shown in the policy are not properly applicable to the risk. No application to change a classification for a risk on the ground that the risk has been improperly classified shall be considered by the Bureau unless such application is filed directly with the Bureau by the insured or the carrier during the policy period with respect to which the application is made, or within twelve months after the termination thereof.

b. (1) A change in an insured's classification that results from a recent change in an insured's operations (i.e. an operations change that has taken place during the current policy year or the policy year that has just expired) will be applied pro rata as of the date of the change in the insured's operations, regardless of the premium impact to the insured. When a Bureau review discloses the insured's recent operations change, the Bureau will make written notice to the carrier of record changing the insured's authorized classification(s) for the current policy year and, if warranted, for the policy year that has just expired. When the carrier becomes aware of such recent operations change, the carrier shall make written application to the Bureau to change the insured's authorized classification(s) during the current policy year and, if warranted, for the policy year that has just expired.
(2) A correction of a misclassification which results in a premium decrease shall be applied to the insured's policy in effect when the application for correction is made and to the prior policy within twelve months after the termination thereof.
(3) A correction of a misclassification which results in a premium increase shall be applied to the employer's first policy effective at least sixty days subsequent to the date of the Bureau's misclassification notice.

Section One – Underwriting Rules – Rule IX – Special Conditions or Operations Affecting Coverage and Premium – F. Safety Committee Credit is amended as follows:

F. SAFETY COMMITTEE CREDIT

1. The policyholder may apply to the Pennsylvania Department of Labor and Industry for certification of a Safety Committee.
2. If the certification by Labor and Industry is granted, the policyholder's next policy shall be issued with a five (5) percent credit from the carrier's otherwise rates for traumatic coverages only.
3. The five (5) percent credit shall continue if the employer, by affidavit, annually provides the Department of Labor and Industry and its insurer, verification that the safety

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committee continues to be operative and continues to meet the certification requirements.

4. This credit shall not apply to the policy period in effect when the certification is issued. The credit must be applied to the policy period beginning with the next policy in effect following certification period beginning with the next normal anniversary rating date.
5. If the credit is to apply, the Certified Safety Committee Endorsement (WC 37 04 04 AC) shall be made part of the policy.

Section One – Underwriting Rules – Rule X – Cancellation – A. Who May Cancel is amended as follows:

A. WHO MAY CANCEL

1. The Cancellation Condition of the Standard Policy permits cancellation by the insured or by the insurance carrier.
2. Pennsylvania enacted legislation that prohibits an insurance carrier from cancelling workers compensation policies during their term, except for non-payment of premium and/or failure to reimburse the deductible amount. ~~If the policy is issued with a deductible provision, failure by the policyholder to reimburse the carrier for stated deductible amounts, within thirty (30) days of written notice, shall be treated as non-payment of premium.~~

3. Reinstatement

When a notice of cancellation for non-payment has been issued, if the insurer thereafter receives payment and voluntarily determines to reinstate the policy, such reinstatement of coverage must be retroactive to the cancellation date.

Alternatively, if the insurer does not want to reinstate the policy as of the cancellation date but voluntarily determines to resume coverage after a lapse in coverage, the insurer must issue a new policy. Such new policy must carry the carrier's rates and rating plan values effective on the policy effective date of at the time the new policy is issued.

IMPORTANT NOTICE: CANCELLATION NOTICES MUST BE FILED WITH THE BUREAU WITHIN 10 DAYS OF ISSUANCE; PROVIDED, HOWEVER, THAT FAILURE TO FILE SUCH NOTICE WITHIN THE REQUIRED TIME SHALL NOT INVALIDATE ANY CANCELLATION WHICH HAS BEEN MADE IN ACCORDANCE WITH THE PROVISIONS OF THE POLICY.

Section One – Underwriting Rules – Rule XIV – Professional Employer Organizations, Professional Employer Agreements and Professional Employer Services – the last paragraph of Rule C.3. is amended as follows:

Use of Master Policies is subject to prior approval by the Bureau of the issuing carrier's policy issuance and data reporting procedures as satisfactorily complying with the requirements of Act 102 of 2012. ~~Nothing in this section shall prohibit the continuation until the next normal anniversary rating date of any Master Policy in force as of the effective date of Act 102 of 2012.~~

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Section Three – Endorsements

Table of Contents is amended as follows (all other items in the Table of Contents remain unchanged):

Form Name	Form Number
Anniversary Rating Date Endorsement	WC 00 04 02
Certified Safety Committee Endorsement – Pennsylvania	WC 37 04 04 <u>BC</u>

WC 00 04 02 is deleted.

WC 37 04 04 B is replaced with WC 37 04 04 C. (See revised endorsement attached.)

WC 00 00 01 B is replaced with WC 00 00 01 C. (See revised endorsement attached and note that this form is not included in the Bureau’s Manual.)

Section Five – Experience Rating Plan – Table of Contents – Item II. Definitions

Items 1. through 12. remain unchanged.

Item 13. Rating Effective Date (RED) is added.

Section Five – Experience Rating Plan – Table of Contents – Item IV. Application of Experience Modification is revised as follows:

IV. APPLICATION OF EXPERIENCE MODIFICATION

1. Experience MOD
2. Single Policy Risk
3. Multiple Policy Risk

Section Five – Experience Rating Plan – Section I – Instructions – Items 3. and 4. are revised as follows:

3. This Plan and all amendments thereto, unless otherwise specifically provided, shall be applied as of the first ~~normal anniversary~~ rating effective date of the risk, as established by the Bureau, which is on or after the effective date of any change in the rules or rating values of this Plan, but shall not otherwise be available to outstanding ratings.
4. ~~A policy cannot be cancelled, rewritten or extended. It shall not be permissible by cancellation, or rewriting, or by the extension of the policy term, to alter an existing policy for the purposes of enabling the risk to qualify for, or avoid, application of, this Plan.~~

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Section Five – Experience Rating Plan – Section II – Definitions – Item 13. is added as follows:

13. **Rating Effective Date (RED)** is the earliest date that a specific experience modification (MOD) is applied to a policy.

Section Five – Experience Rating Plan – Section III – General Provisions – Items 1. and 2. are revised as follows:

1. ELIGIBILITY REQUIREMENTS FOR EXPERIENCE RATING

Any risk with a modified traumatic payroll of at least \$300,000 during the three (3) year experience period shall qualify for experience rating.

The RED may differ from a risk's policy effective date for reasons including, but not limited to:

- Short-term policies
- Cancellations
- Gaps in Coverage
- Changes in ownership or combinability status
- Multiple policy effective dates
- A policy that is longer than one year and 16 days
- Late receipt of current policy information by the Bureau

To determine a risk's RED, the Bureau will review the most recent full-term policies and unit statistical data. For purposes of this rule, a full-term policy is written for 12 months and is not cancelled prior to its expiration date.

2. EXPERIENCE PERIOD

The experience period shall be the latest three (3) calendar accident years of losses and payrolls reported to the Bureau in accordance with the approved Statistical Plan. Data that is reported as of June 30th is used to calculate MODS for policies with ~~anniversary~~ rating effective dates on or after the following December 1st.

Section Five – Experience Rating Plan – Section IV – Application of Experience Modification is revised as follows:

1. EXPERIENCE MOD

An experience mod for a qualified risk shall be determined annually by the Bureau and shall be effective as of the ~~RED anniversary rating date~~ of the riskpolicy. No more than one experience mod shall apply to a risk at the same time for all coal mine classifications. The experience mod shall be multiplied times the carrier's manual rate in force on the effective date of the policy for traumatic coverage only.

2. SINGLE POLICY RISK

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If a risk is covered by a single policy ~~or more than one policy~~, the following procedure shall apply:

- a. The experience mod effective as of the ~~RED anniversary rating date~~ shall apply for the full term of the policy.
- b. If a policy is written for a period of one year, but is extended for a period of not more than 16 days, the ~~carrier's manual rates and~~ experience mod in effect as of the ~~original~~ normal termination date shall remain in effect until the termination date of the extended policy. The ~~carrier's manual rates and~~ experience mod which would have become effective ~~as of the RED~~ shall apply for a period of one year ~~from the effective date of the new policy~~.
- ~~c. If a policy is written for a period of one year, but is extended for a period of more than 16 days but not in excess of 60 days, the carrier's rates and experience mod shall apply as of the anniversary rating date for the unexpired portion of the extended policy period, and shall also apply for a period of one year from the effective date of the renewal policy.~~
- c. If a policy becomes effective on a date more than three months after the RED:
 - i. the outstanding experience mod shall apply to the new policy for the period corresponding to the unexpired term of the rating.
 - ii. a new experience mod then shall apply for the unexpired term of the outstanding policy.
 - iii. thereafter, a new modification shall apply annually as of a new RED. The new RED shall be the date twelve months after the effective date of the new policy.

3. MULTIPLE POLICY RISK

If a risk is covered by several policies (as provided in Rule 7 of Section III of this Plan) which differ as to inception dates, the following procedure shall apply:

A single experience mod shall be computed to be effective for a period of twelve months beginning on the RED to be established by the Bureau. The Bureau may, however, authorize the application of an existing experience mod for a period not to exceed fifteen months or a new experience mod for a period greater than three months and less than twelve months for the purpose of establishing a new RED. Any policy effective prior to the new RED established by the Bureau shall be cancelled as of such date and rewritten for a period of twelve months. Any policy effective subsequent to the new RED established by the Bureau shall be written to expire concurrently with the next ensuing RED or shall be cancelled as of that date.

Any policies subject to this rule which are extended beyond the new period of twelve months shall be subject to the provisions of Rules 2(b) and 2(c) of this section.

Section Six – Merit Rating Plan – Section I – Instructions is revised as follows:

SECTION I – INSTRUCTIONS

1. The Merit Rating Plan of the Coal Mine Compensation Rating Bureau (CMCRB) is intended to grant premium discounts or assess premium surcharges to risks subject to the manual of the CMCRB and which do not qualify for the application of the CMCRB uniform Experience Rating Plan.
2. The following rules of the Experience Rating Plan of the CMCRB are equally applicable to the CMCRB Merit Rating Plan and are adopted herein by reference:
Section I, Paragraphs 2, 3, 4 and 5.

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Section II, Paragraphs 1, 2, 3 ~~and~~ 4 and 13.

Section III, Paragraphs 3, 4, 5, 6, 7, 8 and 9.

Section IV, Paragraphs 1 ~~and~~ 2 and 3.

Section V, Paragraphs 1, 2, 3, 5, 6 and 7.

Any reference to the uniform Experience Rating Plan in the above mentioned rules shall mean the CMCRB Merit Rating Plan when used in conjunction with this section of the manual.

Statistical Plan – Section II – Reporting Requirements – A.6.o. and A.6.p. are revised as follows:

- o. Modification Effective Date. ~~Report t~~The Modification Effective Date only is required for all exposures when different from the policy effective date. If the modification changes in accordance with Experience Rating Plan ~~Manual~~ rules, report the effective date of the modification ~~which that~~ applies to the class code, rate, exposure and premium reported exposure(s). ~~If the anniversary rating date is different from the policy effective date, then the modification effective date equals the anniversary rating date.~~
- p. Rate Effective Date. ~~Report the~~ Rate Effective Date is required for all exposures. Report the rate effective date that corresponds to the class code and its associated rate, exposure and premium. ~~only when different from the policy effective date.~~ If the rating value changes ~~in accordance with manual rules during the policy period,~~ report the rate effective date which that applies to the reported class code(s), rate, and exposure(s) and premium.

Workers Compensation and Employers Liability Insurance Policy

WC 37 04 04 BC

CERTIFIED SAFETY COMMITTEE ENDORSEMENT – PENNSYLVANIA

The employer has received a certificate from the Pennsylvania Department of Labor and Industry specifying that the employer has established a safety committee in conformance with the Department's criteria.

This policy is subject to a 5 percent rate credit to recognize the certification of the safety committee. An employer must submit certification renewal affidavits annually to the Department of Labor and Industry in order to qualify for continuation of the 5 percent annual premium credit.

Note: This credit shall not apply to the policy period in effect when the certification is issued. The credit must be applied to the next policy ~~period beginning with the next normal anniversary rating date in effect following certification.~~

INFORMATION PAGE NOTES

1. The sequence of Items 1 through 4 of the Information Page may not be changed except for Item 3.D. (See Note 14-). The format of each item may be rearranged and these suggested headings may be used: 1. Insured; 2. Policy Period; 3. Coverage; and 4. Premium.
2. The name and the five-digit NCCI carrier code number of the insuring company ~~is to~~must be shown prominently on the Information Page in the space above Item 1.
The address and type of insurer (stock, mutual, or other) are to be shown on the Information Page, the policy, or a policy jacket.
3. The policy number must be appropriately labeled and shown in the space reserved above Item 1 on the Information Page. This number ~~shall~~must be unique to the company, ~~shall~~must not exceed 18 alphanumeric digits, and ~~shall~~must remain constant during the policy period. ~~It shall~~The policy number must be shown on all endorsements as well as all other policy-related correspondence after the policy is issued.
If the policy number displayed on the Information Page contains a policy symbol consisting of alphanumeric digits that are not entered into the carrier's internal statistical records as part of the actual policy number, those symbols ~~shall~~must be shown as a separate prefix and/or suffix to the policy number and appropriately labeled.
4. On ~~NCCI's copy or the independent bureau's~~the bureau copy of a renewal policy Information Page, use space reserved above Item 1 to show and appropriately label the prior policy number. This number ~~shall~~must not exceed 18 alphanumeric digits. If the number displayed on the Information Page contains a policy symbol consisting of alphanumeric digits that are not entered into the carrier's internal statistical records as part of the actual policy number, those symbols ~~shall~~must be shown as a separate prefix and/or suffix to the policy number and appropriately labeled.
New business may be designated "New." At its option, the company may show this on the insured's copy of the Information Page.
5. On ~~NCCI's copy or the independent bureau's~~the bureau copy of the Information Page, show the letters "AR" ~~or~~"WCIP" next to the title "Information Page" if the ~~insured is an~~policy was secured through the assigned risk ~~market~~.
6. Show in Item 1 the exact name of the employer insured and indicate whether the employer is an individual, partnership, joint venture, corporation, association, or other legal entity. If separate legal entities are insured in a single policy, consistent with the manual of rules, separately show the complete name of each insured employer and indicate each employer's legal entity status.
7. The Interstate/Intrastate Risk Identification number must be shown and appropriately labeled on the Information Page.
8. Reserve space in Item 1 of ~~NCCI's copy or the independent bureau's~~the bureau copy to show, if required, the insured's commonly required identification numbers such as: Arkansas Workers Compensation File Number; Hawaii Unemployment Number; New Mexico Unemployment Insurance Number; Oregon Contract Number; and State Employer Number.
The company may also show this on the Information Page at its option.
9. List in Item 1 or by schedule all usual workplaces of the insured that are to be covered by the policy. Also include the respective Federal Employer's Identification Number (FEIN), appropriately labeled, for each entity included on the policy.
10. The effective date and hour of the policy, and its expiration date and hour, must be shown in Item 2. The hour may be included as part of the printed form at the company's option.
11. List in Item 3.A. states where workers compensation insurance is provided. If none is provided, "none" or "not covered" may be shown. ~~See, f~~For an example, ~~refer to~~ the notes to the Federal Mine Safety and Health Act Coverage Endorsement.
12. Show limits of liability separately for bodily injury by accident and by disease in Item 3.B.

13. States may be shown in Item 3.C. by name or by designation, but do not name or designate a state listed in Item 3.A., a monopolistic state fund state, or a state where the insurer will not provide this coverage.
- The following entry may also be included: "All states except North Dakota, Ohio, Washington, Wyoming, states designated in Item 3.A. of the Information Page and _____."
- If the company learns that the insured is conducting operations in a 3.C. state, and if the company agrees to continue coverage, the company should add that state to Item 3.A. and remove it from Item 3.C. Normal company procedures apply when the state is added to Item 3.A.
14. Item 3.D. may be omitted so long as the list of the policy's schedules and endorsements appears somewhere on the Information Page. Endorsements for which the company has not filed specimen copies with the independent bureau(s) rating bureau or bureaus having jurisdiction must be attached to the Information Page filed with the independent bureau.
15. The content of Item 4 may be rearranged by the company. If the policy is issued for less than one year, the company may state whether the premium information is shown for the policy period or for an annual period.
16. In Item 4, the development of estimated annual premium ~~shall~~must be displayed separately for each classification by state. This same display of premium development must be shown on any classification schedules attached to the policy. Total Estimated Standard Premium must be shown by state on the Information Page or on a schedule attached to the policy.
- The experience rating modification factor ~~shall~~must be shown in Item 4 for risks subject to the experience rating plan, unless this factor is not available when the policy is issued. The company then may make an appropriate entry in Item 4 to show that the factor is not available. See-Refer to the Experience Rating Modification Factor Endorsement for more information.
17. In those states where a schedule rating plan has been filed and approved, report the schedule rating information in Item 4, as required by the filed plan.
18. Premium discount may be shown in Item 4, the Premium Discount Endorsement, or both.
19. Taxes, assessments, deposit premium, interim adjustments of premium, the rating plan, past experience, cancellation of similar insurance, date and place of policy issuance, date and place of countersignature, and other related information may be shown in Item 4.
20. Three-year fixed-rate policies must be so designated on the Information Page as required by Rule 3-B-1-b of NCCI's **Basic Manual**. In Item 4, the company ~~shall~~must report the premium information either as Standard Premium or Total Standard Premium as defined in Rule 3-A-20 of NCCI's **Basic Manual**.
21. Other entries may be made on the Information Page as authorized by Notes to Endorsements, including: ~~Anniversary Rating Date~~, Defense Base Act Coverage; Nonappropriated Fund Instrumentalities Act Coverage; Partners, Officers and Others Exclusion; Pending Rate Change; Sole Proprietors, Partners, Officers and Others Coverage; and Voluntary Compensation Maritime Coverage Endorsements.
22. The company may place the execution clause at the end of the Information Page, at the end of the standard policy, or on a policy jacket.

State Workers Compensation Rating Bureau Information Page Notes:

Refer to the *Pennsylvania Basic Manual* for Pennsylvania policy issuance instructions and specific requirements.

Refer to the sample Information Page in the Forms Section, Part Three, Section 2, of the *New Jersey Workers Compensation and Employers Liability Insurance Manual* for a description of New Jersey requirements.

Refer to the *New York Manual* (Part Four) for complete instructions on policy issuance, including Information Page Notes for preparing New York policies. You may find the updated Information Page Notes for the New York Manual on <http://www.nycrib.org/>.

Refer to the *Wisconsin Basic Manual* for Wisconsin policy issuance instructions and specific requirements.