COAL MINE COMPENSATION RATING BUREAU OF PENNSYLVANIA

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February 13, 2019

COMPENSATION CIRCULAR CM-478

To: All Coal Mine Compensation Insurance Carriers

From: Charles A. Romberger, Executive Director Unally & Monthey

RE: (1) Effective April 1, 2019 – Revision to Notification of Change in Ownership Endorsement and the Corresponding Language to the Experience Rating Plan
(2) Effective January 1, 2020 – Establishment of Notification Endorsement of Pending Law Change to Terrorism Risk Insurance Program Reauthorization Act of 2015

The CMCRB has filed and the Insurance Department has approved revisions to the Manual Rules and Endorsements regarding the two items referenced above. The CMCRB made these filings to maintain consistency with the PCRB and NCCI.

The Notification of Change in Ownership Endorsement (WC 00 04 14) has been revised to be the 90-Day Reporting Requirement – Notification of Change in Ownership Endorsement (WC 00 04 14 A). An informational copy of this form is included as an attachment. Manual language was revised to be consistent with this change as well. These changes are to be effective April 1, 2019.

Also, the Notification Endorsement of Pending Law Change to Terrorism Risk Insurance Program Reauthorization Act of 2015 (WC 00 01 15) has been established. An informational copy of this form is included as an attachment as well. This change is to be effective January 1, 2020.

Updated manual pages will be available on our website in the near future at: <u>http://www.cmcrbpa.com/Manual.html</u>

Any questions should be directed to the CMCRB.

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Attachments

90-DAY REPORTING REQUIREMENT – NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT

You must report any change in ownership to us in writing within 90 days of the date of the change. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity, and other changes provided for in the applicable experience rating plan. Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes.

Failure to report any change in ownership, regardless of whether the change is reported within 90 days of such change, may result in revision of the experience rating modification factor used to determine your premium.

This reporting requirement applies regardless of whether an experience rating modification is currently applicable to this policy.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective Insured Policy No.

Endorsement No. Premium

Insurance Company

Countersigned by _____

NOTIFICATION ENDORSEMENT OF PENDING LAW CHANGE TO TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT OF 2015

This endorsement is being attached to your workers compensation and employers liability insurance policy. This endorsement does not replace the separate Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 B) that is attached to your current policy and which remains in effect as applicable.

The Terrorism Risk Insurance Act of 2002 (TRIA), as previously amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (TRIPRA 2015), provides for a program under which the federal government will share in the payment of insured losses caused by certain acts of terrorism. In the absence of affirmative US Congressional action to extend, update, or otherwise reauthorize TRIPRA 2015, in whole or in part, TRIPRA 2015 is scheduled to expire on December 31, 2020.

Since the timetable for any further Congressional action regarding TRIPRA 2015 is presently unknown, and exposure to acts of terrorism remains, we are providing policyholders with relevant information concerning their workers compensation policies in the event of the TRIPRA 2015's expiration.

Your policy provides coverage for workers compensation losses caused by acts of terrorism, including workers compensation benefit obligations dictated by state law, except in Pennsylvania, where injuries or deaths resulting from certain war-related activities are excluded from workers compensation coverage. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy.

The premium charge for the coverage that your policy provides for terrorism losses is shown in Item 4 of the policy Information Page or the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 B) Schedule that is attached to your policy. This amount may continue or change for new, renewal, and in-force policies in effect on or after December 31, 2020, in the event of TRIPRA 2015's expiration, subject to regulatory review in accordance with applicable state law.

You need not do anything further at this time.

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