



Pennsylvania Compensation Rating Bureau

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June 29, 2021

PCRB CIRCULAR NO. 1766

To All Members of the PCRB:

RE: PCRB NEW EXPERIENCE RATING SYSTEM
EFFECTIVE ON JULY 1, 2021

Effective July 1, 2021, the PCRB will be implementing a new and fully integrated experience and merit rating system that streamlines the rating process and enhances distribution. The development of the new system’s architecture and technology has taken years of careful planning and execution. The new system allows us to calculate ratings in real-time thus capitalizing on being able to issue ratings daily. The recent Experience Rating Plan changes announced in PCRB Circular No. 1765 are restated and included in this release.

In preparation for the release of the new system, please take note of the following important enhancements and/or system changes:

Issuance of Contingent Experience Ratings

As announced in PCRB Circular No. 1765, the PCRB has established minimum data requirements that allow Contingent Experience Ratings to be issued. To signify that an experience rating is a Contingent Rating, the WCRATING file will include the Contingent Rating Record Type 07. Additionally, if the minimum data requirements are not met, the experience rating modification will not be calculated.

The chart below provides guidance on various experience rating scenarios and what to expect to be included in the WCRATING file. The chart also identifies whether the rating will be available on Central Data Exchange (CDX) and/or the PCRB’s Rating and Underwriting Reference (RUR) application.

Experience Rating Scenario	Record Type 1/ Rating Type Code Field	Record Type 5/ Message Field	Record Type 7 -Contingent Rating Record	Included in CDX WCRATING File	Included on the RUR
All required USRs received	Code E = Experience Rating	Code 037 = Secondary Location – Authorized Classes Message	Not included	yes	yes
Missing USRs yet meets minimum data requirements	Code E = Experience Rating	Code 20 = Contingent Rating	Included	yes	yes
Missing USRs and does not meet minimum data requirements	Code C = Cannot issue	Code 999 = Does not meet minimum data requirements	Not included	yes	no
Not qualified for experience rating and was never previously qualified	Not applicable			no	no

Issuance of Merit Ratings

Effective July 1, 2021, PCRB Merit Ratings will now be presented on the customary Rating Worksheet, and not on a separate form. This helps simplify the receipt ratings by using a single form for both types of rating. Also note that unlike Experience Ratings, Merit Ratings cannot be issued on a contingent basis.

The chart below provides guidance on various merit rating scenarios and what to expect to be included in the WCRATING file. The chart also identifies whether the rating will be available on Central Data Exchange (CDX) and/or the PCRB’s Rating and Underwriting Reference (RUR) application.

Merit Rating Scenario	Record Type 1/ Rating Type Code Field	Record Type 2 - Payroll/Loss Information Record	Record Type 5/ Message Field	Included in CDX WCRATING File	Included on the RUR
All required USRs received	Code M = Merit Rating	Included	Code 37 = Secondary Location Message Code 80 = Merit Rating	yes	yes
Missing USRs	Code C = Cannot Issue	Included	Code 999 = Merit Cannot be Issued	yes	no
Does not meet the minimum exposure necessary for merit rating	Code D = Does Not Qualify	Include	Code 33 = Does Not Qualify for [x] Rating	yes	yes
Not qualified for merit rating and was never previously qualified	Not applicable			no	yes

The chart below provides guidance on a rating scenario when the risk does not meet the premium eligibility for experience rating and does not meet minimum requirements for merit rating.

Rating Scenario	Record Type 1/ Rating Type Code Field	Record Type 5/ Message Field	Record Type 7 -Contingent Rating Record	Included in CDX WCRATING File	Included on the RUR
Does not meet premium eligibility for experience rating OR meet minimum requirements for merit rating	Code D = Does Not Qualify	Code 33 = Does Not Qualify for [x] Rating	Not included	yes	yes

Daily Issuance of Ratings

The PCRB will change to a daily upload of the WCRATING files to the CDX website (www.cdxworkcomp.org). Files will be sent between 3:00 – 4:00 PM EST. This replaces the current process of issuing ratings twice weekly.

Automatic Distribution of Ratings due to a Change in Carrier

A change in carrier will result in the automatic distribution of a rating to the new carrier via CDX.

Name and Address Information on the Rating Worksheet

The rating worksheet will display the primary name as well as the mailing and primary operational address(es) as reported by the carrier on the most recent policy. This change allows PCRB to maintain the integrity of the names and address as reported.

Unit Statistical Report Corrections Automatically Generate New Rating Worksheets

Corrections to the exposure and/or loss information reported on the USR will result in the automatic generation of a revised rating worksheet. Previously, PCRB did not issue an updated rating if the correction did not change the actual experience modification. This new approach allows carriers and employers to observe any USR data adjustments.

If after July 1, 2021, you believe that your WCRATING file was not generated in accordance with the above noted changes, please contact the PCRB immediately. For specific questions regarding the experience rating system changes, please contact Delisa Fairley – Vice President, Underwriting Services at 215-320-4411 or dfairley@pcrb.com.

William V. Taylor
President

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Remember to visit our web site at www.pcrb.com for more information about this and other topics.