

February 7, 2025

PCRB CIRCULAR NO. 1818

To All Members of the PCRB:

Re: APRIL 1, 2025 LOSS COST FILING APPROVAL

The Pennsylvania Insurance Commissioner has approved by action dated February 7, 2025, revised loss costs and related rating values, as filed, for **policy's effective on a new and renewal basis** as of 12:01 a.m., **April 1, 2025**. This is the mandatory effective date for adoption.

The PCRB's filing, PCRB Filing No. C-384, proposed an overall average change in collectible loss costs of -8.67%.

All approved loss costs, expected loss factors, and other rating values are available in two Excel files in the "Rating Values" section of the PCRB's website. This filing also implements the use of five industry groups within the ratemaking methodology, rather than the historically used three industry groups. This change more closely aligns the PCRB with other jurisdictions.

The Manual loss costs in the files include all the following provisions and/or adjustments:

- Offset for Experience Rating Plan off-balance
- Offset for Merit Rating Plan off-balance
- Offsets for the effects of credits granted under the Certified Safety Committee Program
- Loadings in construction classifications for the effects of Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP) credits
- Provision for the Office of the Small Business Advocate's portion of the Administration Fund

The items listed above are included in current loss costs in Pennsylvania and continue to be included in the approved values effective April 1, 2025. Note that COVID-19 claims were excluded from the indication and that economic impacts that resulted in unusual changes due to the pandemic were considered within the analysis.

Below is a list of those other rating values, including the change to the employer assessment factor:

- Excess loss (pure premium) factors

- Small deductible program – loss elimination ratios
- State and hazard group relativities
- Optional retrospective rating plan loss development factors
- Employer assessment factor (revised from 0.0242 to 0.0222)

All filings that will be effective on April 1, 2025 are shown in the following table.

PCRB Filings Effective April 1, 2025		
Filing	Approval Circular	Description
343	1810	Basic Manual Housekeeping Revisions to Section 2
344	1813	Proposed Revisions to Designated Auditable Payrolls and Concurrent Sections 1 and 2 Manual Amendments
C-384	1818	April 1, 2025 Loss Cost Filing
C-385	1819	April 1, 2025 "F" Classification Filing

Revisions to the Basic Manual reflecting approval of PCRB Filing No. C-384 with respect to rating values will be updated on our website (www.pcrb.com) at a later date.

Please direct all questions to Brent Otto, Vice President of Actuarial Services and Chief Actuary, at botto@pcrb.com, or Jesse Marass, Director of Actuarial Services, at jmarass@pcrb.com for any questions regarding this Circular.

William V. Taylor
President

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