



November 27, 2023

VIA SERFF

The Honorable Michael Humphreys
Insurance Commissioner
Commonwealth of Pennsylvania - Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

Attention: Mark Lersch, Director, Bureau of Property & Casualty Insurance
Michael McKenney, Actuarial Supervisor, Bureau of Property & Casualty Insurance

RE: PCRB Filing C-383, April 1, 2024 Loss Cost Filing

Dear Commissioner Humphreys:

On behalf of the members of the Pennsylvania Compensation Rating Bureau (PCRB), we hereby submit Filing C-383 (the Filing), which contains workers compensation loss costs and rating values proposed to be **effective 12:01 a.m., April 1, 2024** with respect to new and renewal policies having effective dates on or after that date.

This filing proposes an overall average change in collectible loss costs of -7.88% compared to the approved loss costs contained in Filing C-381, the April 1, 2023 Loss Cost Filing, prior to application of the assessment for the Office of the Small Business Advocate and loadings for the Pennsylvania Construction Classification Premium Adjustment Program, Merit Rating Plan off-balance and Certified Safety Committee credits. This filing also includes revisions to the Designated Auditable Payroll language with updated manual pages for Sections 1 and 2 of the Basic Manual. Previously, these changes were coordinated with the Annual Filing, but filed separately. It was practical to combine these two filings given that the filing already contains both rate and rule revisions, interdependencies between them, and a common effective date. Additionally, this filing includes an updated Table B consistent with the changes to the Experience Rating Plan recently approved in Filing No. 340, and uses off-balance factors to ensure the changes to the plan are revenue neutral within this filing.

In preparing for this submission, the PCRB has carefully considered current Pennsylvania experience and has applied a variety of actuarial analytical techniques. The filing reflects all initial and continuing effects of Act 44 of 1993, Act 57 of 1996, House Bill 1846 of 2014, the additional costs due to the Protz decision and the anticipated savings of the House Bill 1840 of 2017, the Protz Adjustment legislation. Similar to last year, the filing include considerations related to the COVID-19 pandemic, such as the treatment of COVID-19 claims, and economic-related adjustments. A detailed discussion of the considerations, methods, and exhibits is provided in the accompanying Actuarial Memorandum.

The PCRB respectfully requests a timely review of these filings, allowing policy implementation on a new and renewal basis **effective April 1, 2024**. A timely review will allow adequate advance notice of final loss costs and related rating values to all participants in the Pennsylvania

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marketplace. Toward that objective, the PCRB is pleased to answer any questions or provide any available supplementary information that you or your staff may require.

Please direct all questions to Brent Otto, Vice President of Actuarial Services and Chief Actuary or Jesse Marass, Director of Actuarial Services.

Sincerely,

William V. Taylor
President