



Pennsylvania Compensation Rating Bureau

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November 4, 2020

PCRB CIRCULAR NO. 1754

To All Members of the PCRB:

RE: APPROVAL OF PCRB FILING NO. 320
REVISIONS TO COVID -19 BASIC MANUAL RULE EXCEPTIONS
EFFECTIVE JANUARY 1, 2021

The Pennsylvania Insurance Commissioner has approved PCRB Filing No. 320 which revises the expiration date of previously filed and approved amendments to the Pennsylvania Workers Compensation Manual of Rules, Classifications and Rating Values for Workers Compensation and for Employers Liability Insurance (Basic Manual). These revisions are approved for policies with effective dates of 12:01 a.m., January 1, 2021 or later. This filing approval extends the expiration date of previously filed and approved manual amendments.

PCRB Circular letter 1740, dated, May 5, 2020, announced the approval of Basic Manual revisions to address the impact that the COVID – 19 (Coronavirus) Pandemic was having regarding the administration of Basic Manual rules. The rule revisions were applicable to in force policies with effective dates of March 1, 2020 through December 31, 2020. At that time it was anticipated that the rules established or revised, as a result of COVID-19, would likely not be necessary after December 31, 2020.

At present, considering that there are still many unresolved questions regarding the spread of coronavirus and no confirmed date of availability for a coronavirus vaccine, an expiration date of December 31, 2020 was determined not reasonable for rule revisions related to COVID-19. The amended expiration date will allow for flexibility in establishing a future expiration date of the respective rules in consultation with Pennsylvania regulatory authorities. The amended Basic Manual rules are as follows:

- 1) Changes to the allocation of payroll rules as a result of COVID-19 to remove the 12-31-2020 expiration date (Basic Manual Section I, Rule V, Item B.3.q and Item F.10.5)
- 2) Changes to the classification reassignment rules related to the temporary reassignment of duties for COVID-19 to remove the 12-31-2020 expiration date (Basic Manual Section I, Rule IV, Item B.2.a and Item C.8.a.4)

The changes associated with this circular are noted on the Basic Manual pages provided below. Both manuals will be updated on the PCRB's website at a later date. Please refer to Filing No. 320, available on the PCRB's website (www.pcrb.com) under the "Filings" tab, for additional details and information on this revision. Please contact Delisa Fairley, Vice President – Underwriting Services at 215-320-4411 or at dfairley@pcrb.com for any questions on this Circular.

William V. Taylor
President

WVT/DF/dn

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

**PENNSYLVANIA WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS
AND RATING VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS
LIABILITY INSURANCE**

Approved Effective January 1, 2021

INFORMATION PAGE

PREFACE remains unchanged.

MEMBERSHIP remains unchanged.

TABLE OF CONTENTS remains unchanged.

SECTION I – UNDERWRITING RULES

RULE I through **RULE III** remains unchanged.

RULE IV – CLASSIFICATIONS

ITEM A remains unchanged.

ITEM B.1 remains unchanged.

2. Standard Exception Classification

Remains unchanged.:

a. Remains unchanged.

COVID19 CORONAVIRUS EXCEPTION:

An employee's job duties may be temporarily reclassified to Code 953 – Clerical Office Employees during any emergency orders, laws or regulations issued due to COVID–19 (Coronavirus), if separate, accurate, verifiable records are maintained. If such records are not maintained, the employee is assigned to the classification applicable to their duties prior to any emergency orders, laws, or regulations issued due to the COVID–19 (Coronavirus) pandemic. Once normal business operations resume, appropriate classifications should be applied.

This exception is for policies in force on March 1, 2020, ~~through December 31, 2020~~. The exception will continue to remain in effect and will not expire until determined which may be amended to an earlier or at a later date as circumstances warrant in consultation with Pennsylvania regulatory authorities.

This classification does not apply to:

Item 1. and **Item 2.** remain unchanged.

ITEM B.2.b through **ITEM B.4.** remain unchanged.

ITEM C. ASSIGNMENT OF CLASSIFICATIONS remains unchanged

ITEM C.1 through **ITEM C.7** remain unchanged.

ITEM C.8 – Changing Classifications remains unchanged.

Item a.1 through **a.3** remain unchanged.

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- (4) When the temporary interruption or suspension of normal business activities caused by COVID-19 results in a change in business operations, an employer may be temporarily reassigned to an alternate classification if separate, accurate, verifiable records are maintained. If such records are not maintained, the operations are assigned to the classification applicable to the business prior to any emergency orders, laws, or regulations issued due to the COVID-19 (Coronavirus) pandemic. Once normal business operations resume, appropriate classifications should be applied.

This exception is for policies in force on March 1, 2020, ~~through December 31, 2020~~. The exception will continue to remain in effect and will not expire until determined at a later date as circumstances warrant in consultation with Pennsylvania regulatory authorities.

Item b. through **Item d.** remain unchanged.

ITEMS C.9 through **ITEM D.** remain unchanged.

RULE V – PREMIUM BASIS

ITEM A. remains unchanged.

ITEMS B. 1 and **ITEM B.2** remain unchanged.

ITEMS B.3.a. through **ITEMS B.3.p** remain unchanged.

- q. Payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. However, any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees are not excluded.

Refer to Rule V.F.10 for the definitions of paid furloughed employees and payments to paid furloughed employees.

Item q. is applicable to policies in force on March 1, 2020. Item q. will continue to remain in effect and will not expire through December 31, 2020 which may be amended to an earlier or until determined at a later date as circumstances warrant in consultation with Pennsylvania regulatory authorities.

ITEM B.4 through **ITEM E.** remain unchanged.

ITEM F.1 through **ITEM F.9** remain unchanged.

10. Payments to Paid Furloughed Employees During Federal, State, and/or Local Emergency Orders, Laws, or Regulations Issued Due to the COVID-19 (Coronavirus) Pandemic

Item 1. through **Item 4.** remain unchanged.

5. Rule V.F.10 is effective for policies in force on March 1, 2020. This rule will continue to remain in effect and will not expire through December 31, 2020, which may be amended to an earlier or until determined at a later date as circumstances warrant in consultation with Pennsylvania regulatory authorities.

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**RULE VI – RATING VALUES AND PREMIUM DETERMINATION through RULE XVIII – PROFESSIONAL
EMPLOYER ORGANIZATIONS, PROFESSIONAL EMPLOYER AGREEMENTS AND PROFESSIONAL
EMPLOYER SERVICES** remains unchanged.

SECTION 2 – CLASSIFICATIONS & RATING VALUES through SECTION 6 – MERIT RATING PLAN remain
unchanged

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