



Pennsylvania Compensation Rating Bureau

30 South 17th Street • Suite 1500
Philadelphia, PA 19103-4007
(215)568-2371 • FAX (215)564-4328 • www.pcrb.com

August 5, 2019

VIA SERFF

The Honorable Jessica K. Altman
Insurance Commissioner
Commonwealth of Pennsylvania – Insurance Department
1311 Strawberry Square
Harrisburg PA 17120

Attention: Michael McKinney, Actuarial Supervisor, Property & Casualty Bureau

**RE: PCR B Filing No. 304 – Information Filing Proposed Effective April 1, 2019
Updated Editions of LIBC 509 and LIBC 513 and the Revision of Corresponding
Manual Language**

Dear Commissioner Altman:

On behalf of the members of the Pennsylvania Compensation Rating Bureau (PCRB), we submit this filing with proposed revisions of the PCRB Workers Compensation Manual of Rules, Classifications and Rating Values for Workers Compensation and for Employers Liability Insurance (Basic Manual). The revisions are proposed to be effective on April 1, 2019.

The Basic Manual provides access to form LIBC 509, Application for Executive Officer Exception, and form LIBC 513, Executive Officer's Declaration. In April of 2018 the Pennsylvania Bureau of Workers' Compensation released updated versions of the forms mentioned by removing a redundant reference to the mailing address on where to send hard copy submissions. No other material changes were made to the composition of the forms. This filing proposes the addition of the newest version of the forms to the Basic Manual and the updating of manual language in reference to the form editions.

Attached you will find a memorandum providing the newest versions of the forms, which show the changes to the corresponding manual language. Upon approval of this filing, Section 1, Underwriting Rules, and Section 3, Endorsements, of the Basic Manual will be respectively updated to reflect the newest edition numbers and versions of the referenced forms.

The PCRB appreciates your prompt review and approval of this filing. We welcome any questions you or your staff may have regarding this submission.

Sincerely,

William V. Taylor
President

Enclosures:

Filing Memorandum



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TO: Pennsylvania Classification & Rating Committee

FROM : Drew Kratz, Team Lead – Rating Rules & Policy Reporting

DATE: June 12, 2019

RE: Pennsylvania Basic Manual: Updated Editions of LIBC 509 and LIBC 513 and Corresponding Manual Language

Background:

The Forms section of the PCRB's website and Section 3, Endorsements, of the Pennsylvania Workers Compensation Manual of Rules, Classifications and Rating Values for Workers Compensation and for Employers Liability Insurance (Basic Manual) provide access to forms LIBC 509, Application for Executive Officer Exception, and LIBC 513, Executive Officer's Declaration. The available versions of these forms are dated September of 2013. LIBC 509 enables an executive officer of a corporation to inform their insurance carrier (or the Bureau of Workers' Compensation's Compliance Section when a policy does not exist) of the intention to exclude themselves from the statutory coverage requirement. LIBC 513 subsequently allows the executive officer to confirm eligibility for exclusion and declare exemption from coverage.

During April of 2018 forms LIBC 509 and LIBC 513 were revised by the Bureau of Workers' Compensation to remove a redundant reference to their mailing address specific to original versions of the form being submitted in hard copy fashion. No other changes were made to the composition of the form.

Conclusion and Recommendation:

Staff proposes the filing of the updated versions of LIBC 509 and LIBC 513 and the editing of the corresponding Basic Manual language in regard to their reference. The proposed effective date of these changes is April 1, 2019. This will ensure the Basic Manual and website provide versions of the forms identical to those made available by the Bureau of Workers' Compensation.

The proposed Basic Manual language revisions and copies of the updated versions of forms LIBC 509 and LIBC 513 are attached.

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

Proposed Effective April 1, 2019

SECTION 1

INFORMATION PAGE *remains unchanged.*

PREFACE *remains unchanged.*

MEMBERSHIP *remains unchanged.*

TABLE OF CONTENTS *remains unchanged.*

SECTION 1 – Underwriting Rules-Rule I (General) through Rule VIII (Limits of Liability) *remains unchanged.*

RULE IX- SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE AND PREMIUM

A. EXECUTIVE OFFICERS

1. Definition

No change to Items 1. and 2.

3. Executive Officer Exclusion Procedure

- a. An employer who wishes to exempt an executive officer(s) from coverage under their workers compensation policy may obtain the forms listed below from either the Commonwealth of Pennsylvania, Department of Labor & Industry - Bureau of Workers' Compensation, 1171 South Cameron Street, Room 103, Harrisburg, Pennsylvania 17104-2501 or their insurance carrier, agent or broker.

Application for Executive Officer Exception from the ~~Provisions~~ [provisions](#) of the Pennsylvania Workers' Compensation Act: Section 104 LIBC - 509-~~07-05~~ [REV 04-18](#).

Executive Officer's ~~Affidavit~~ [Declaration](#) LIBC - 513 ~~0705~~ [REV 04-18](#)

(Note: Copies of the above forms are found in Section 3 of this Manual)

(No change to Items b. through d.)

(No change to Items 4. through 9.)

(No change Items B. through I.)

SECTION 1 – Underwriting Rules-Rule X (Cancellation) through Rule XVIII (PROFESSIONAL EMPLOYER ORGANIZATIONS, PROFESSIONAL EMPLOYER AGREEMENTS AND PROFESSIONAL EMPLOYER SERVICES) *remains unchanged.*



APPLICATION FOR EXECUTIVE OFFICER'S DECLARATION

INSTRUCTIONS: If not filing electronically, submit one original application for the corporation along with an Executive Officer's Declaration for every officer having an ownership interest. The total ownership interest of all declarations combined must equal 100 percent. If the corporation has workers' compensation insurance, all forms must be submitted directly to the insurance carrier. If not, submit all original forms to: **Bureau of Workers' Compensation, Compliance Section, 1171 South Cameron Street, Harrisburg, PA 17104-2597**

CORPORATION INFORMATION

Federal employer identification number - Telephone - -

Corporation's full legal name

Corporation address

Corporation address

City/Town State ZIP -

Does the corporation have Pennsylvania employees other than those listed on the attached declarations(s)? Yes No

If yes, employer's current workers' compensation coverage:

Insurance company name

Policy number

Policy effective start date - - Policy effective end date - -

MM DD YYYY MM DD YYYY

Corporation type: (check only one box)
 Subchapter S Subchapter C Nonprofit

I, the undersigned, verify that I am signing in my capacity as an Executive Officer for the above named corporation and that I am authorized to do so. I further verify that the facts set forth in this Executive Officer's Exception Application are true and correct to the best of my knowledge, information and belief. This verification is made subject to the penalties of 18 Pa.C.S. §4904, relating to unsworn falsification to authorities.

Signature of Executive Officer _____ Date - -

MM DD YYYY

First name

Last name

Title

NOTE: If not filing electronically, send the original to: Bureau of Workers' Compensation, Compliance Section, 1171 South Cameron Street, Harrisburg, PA 17104-2597

Any individual filing misleading or incomplete information knowingly and with the intent to defraud is in violation of Section 1102 of the Pennsylvania Workers' Compensation Act, 77 P.S. §1039.2, and may also be subject to criminal and civil penalties under 18 Pa. C.S.A. §4117 (relating to insurance fraud).

Employer Information Services 717.772.3702	Claims Information Services toll-free inside PA: 800.482.2383 local & outside PA: 717.772.4447	Hearing Impaired toll-free inside PA TTY: 800.362.4228 local & outside PA TTY: 717.772.4991	Email ra-ll-bwc-helpline@pa.gov
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*Auxiliary aids and services are available upon request to individuals with disabilities.
Equal Opportunity Employer/Program*



EXECUTIVE OFFICER'S DECLARATION

INSTRUCTIONS: Each executive officer having an ownership interest in a corporation seeking exemption must complete an original declaration for submission with the Corporation's Application for Executive Officer Exception. The total ownership interest of all declarations combined must equal 100 percent.

I, the below named Executive Officer, do hereby knowingly and voluntarily elect not to be an employee of the below named corporation for purposes of the Pennsylvania Workers' Compensation Act, and waive any and all benefits and rights which I might be entitled under the Pennsylvania Workers' Compensation Act (77 P.S. §1, et seq.).

I do hereby state and affirm that I am an executive officer who: (check only one box)

- Has an ownership interest in a Subchapter S corporation as defined by the Federal Tax Reform Code of 1971.
- Has at least 5 percent ownership interest in a Subchapter C corporation as defined by the Federal Tax Reform Code of 1971.
- Serves voluntarily and without remuneration in a nonprofit corporation.

I, the undersigned, verify that the facts set forth in this Executive Officer's Declaration are true and correct to the best of my knowledge, information and belief. This verification is made subject to the penalties of 18 Pa.C.S. §4904, relating to unsworn falsification to authorities.

Executive Officer's signature _____ Date
MM DD YYYY

Corporation's full legal name

Title of executive officer

First name _____ Date of birth
MM DD YYYY

Middle name _____ Social Security Number
____ - ____ - ____

Last name _____

Suffix (ex: Jr) _____ Percentage of ownership _____ Telephone
____ - ____ - ____

ADDRESS (Business or residence address acceptable)

City _____ State _____ ZIP
____ - ____

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717.772.3702

Claims Information Services
toll-free inside PA: 800.482.2383
local & outside PA: 717.772.4447

Hearing Impaired
toll-free inside PA TTY: 800.362.4228
local & outside PA TTY: 717.772.4991

Email
ra-li-bwc-helpline@pa.gov



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Application for Executive Officer Exception from the provisions of the Pennsylvania Workers' Compensation Act: Section 104 LIBC - 509 REV 04-18

Executive Officer's Declaration LIBC - 513 REV 04-18

(Note: Copies of the above forms are found in Section 3 of this Manual)

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Corporation's full legal name

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Corporation address

City/Town State ZIP
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Insurance company name

Policy number

Policy effective start date - - Policy effective end date - -
MM DD YYYY MM DD YYYY

Corporation type: (check only one box)
 Subchapter S Subchapter C Nonprofit

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Signature of Executive Officer _____ Date - -
MM DD YYYY

First name

Last name

Title

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Employer Information Services 717.772.3702	Claims Information Services toll-free inside PA: 800.482.2383 local & outside PA: 717.772.4447	Hearing Impaired PA Relay 7-1-1	Email ra-ll-bwc-helpline@pa.gov
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Executive Officer's signature _____ Date
MM - DD - YYYY

Corporation's full legal name

Title of executive officer

First name _____ Date of birth
MM - DD - YYYY

Middle name _____ Social Security Number
- - -

Last name _____

Suffix (ex: Jr) _____ Percentage of ownership Telephone
- - -

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City _____ State ZIP
- - -

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