
LEGISLATURE OF PENNSYLVANIA.

FILE OF THE HOUSE OF REPRESENTATIVES.

No. 1095 Session of 1919.

INTRODUCED BY MR. HESS, MARCH 24, 1919.

REFERRED TO COMMITTEE ON INSURANCE,
MARCH 25, 1919.

AN ACT

To amend section four of an act approved the second day of June one thousand nine hundred and fifteen (Pamphlet Laws seven hundred and sixty-nine) entitled "An act regulating policies of insurance against liability arising under article three of the Workmen's Compensation Act of one thousand nine hundred and fifteen providing for the regulation of premium rates therefor and providing penalties for the violation thereof" providing for the approval by the Commissioner of Insurance of the bureau employed to make and apply premium rates for such insurance

1 Section 1 *Be it enacted by the Senate and House of Repre-*
2 *sentatives of the Commonwealth of Pennsylvania in General Assembly*
3 *met and it is hereby enacted by the authority of the same That*
4 section four of the act approved the second day of
5 June one thousand nine hundred and fifteen (Pamphlet
6 Laws seven hundred and sixty-nine) entitled "An act reg-
7 ulating policies of insurance against liability arising under

1 article three of the Workmen's Compensation Act of one
2 thousand nine hundred and fifteen providing for the regu-
3 lation of premium rates therefor and providing penalties
4 for the violation thereof" which reads as follows

5 "Section 4 The State Workmen's Insurance Fund and
6 every insurance association and corporation which insures
7 employers against liability for compensation under the Work-
8 men's Compensation act of one thousand nine hundred and
9 fifteen shall file with the Commissioner of Insurance its
10 classification of risks and premiums together with basis
11 rates and schedule of merit ratings if a system of schedule or
12 merit rating be in use none of which shall take effect until
13 the Commissioner of Insurance shall have approved the
14 same as adequate for the risks to which they respectively
15 apply The Commissioner of Insurance may withdraw his approval
16 of any premium rate or schedule made by the State
17 Workmen's Insurance Fund or any insurance corporation or
18 association if in his judgment such premium rate or
19 schedule is inadequate to provide the necessary reserves
20 Such premium rates or system of schedule or merit rat-
21 ing shall take no account of any physical impairment of
22 employes or the extent to which employes have persons
23 dependent upon them for support

24 On and after January first one thousand nine hundred
25 and sixteen neither the State Workmen's Insurance Fund
26 nor any insurance association or corporation may issue
27 renew or carry beyond anniversary date any insurance for
28 compensation under the Workmen's Compensation act of one
29 thousand nine hundred and fifteen at premium rates which

1 are less than those approved by the Commissioner of In-
2 surance for such carrier as adequate for the risks to
3 which they respectively apply Provided however That if the
4 Commissioner of Insurance shall have previously approved a
5 system of schedule or merit rating filed with him by
6 the State Workmen's Insurance Fund or any insurance as-
7 sociation or corporation it may apply the same to risks
8 subject thereto but any reduction from the basis rate filed
9 with and approved by the Commissioner of Insurance on
10 account of the application of such system of schedule or
11 merit rating shall be clearly set forth in the insurance
12 contracts or the indorsements attached thereto

13 The statistical and acturarial data compiled by the
14 State Workmen's Insurance Fund shall at all times be
15 available to the State Insurance Commissioner for his use
16 in judging the adequacy or inadequacy of rates and sched-
17 ules filed and it shall be the duty of the manager of
18 the State Workmen's Insurance Fund to render all possi-
19 ble assistance to the State Insurance Department in carry-
20 ing out the provisions of this act

21 The Commissioner of Insurance may require every in-
22 surance association or corporation which insures employers
23 or employes under the Workmen's Compensation act of one
24 thousand nine hundred and fifteen to file with its annual
25 statement a sworn report of its loss experience in such
26 detail and form as may be prescribed by the Commis-
27 sioner of Insurance

28 The Commissioner of Insurance shall have the power
29 to suspend or revoke the license of any insurance asso-

1 ciation or corporation which violates any of the provisions
2 of this act" is hereby amended to read as follows

3 Section 4 The State Workmen's Insurance Fund and every
4 insurance association and corporation which insures employ-
5 ers against liability for compensation under the Workmen's
6 Compensation act of one thousand nine hundred and fifteen
7 shall file with the Commissioner of Insurance its classifi-
8 cation of risks and premiums together with basis rate
9 and schedule or merit ratings if a system of schedule
10 or merit rating be in use none of which shall take ef-
11 fect until the Commissioner of Insurance shall have ap-
12 proved the same as adequate for the risks to which they
13 respectively apply The Commissioner of Insurance may with-
14 draw his approval of any premium rate or schedule made by
15 the State Workmen's Insurance Fund or any insurance cor-
16 poration or association if in his judgment such premium
17 rate or schedule is inadequate to provide the necessary
18 reserves Such premium rates or system of schedule or
19 merit rating shall take no account of any physical im-
20 pairment of employes or the extent to which employes
21 have persons dependent upon them for support

22 On and after July first one thousand nine hundred
23 and nineteen neither the State Workmen's Insurance Fund
24 nor any insurance association or corporation shall issue re-
25 new or carry any insurance against liability under the
26 Workmen's Compensation act of one thousand nine hundred
27 and fifteen at premium rates which are less than those
28 approved by the Commissioner of Insurance for such car-
29 rier as adequate for the risks to which they respectively

1 apply Provided however That if the Commissioner of In-
2 surance shall have previously approved a system of sched-
3 ule or merit rating filed with him by the State Work-
4 men's Insurance Fund or any insurance association or cor-
5 poration the same may be applied to risks subject thereto
6 only by a rating bureau approved by the Commissioner
7 of Insurance as adequately equipped for the uniform and
8 impartial application thereof but any reduction or increase
9 from the basis rate filed with and approved by the Com-
10 missioner of Insurance on account of the application of
11 such system of schedule or merit rating shall be clearly
12 set forth in the insurance contracts or the endorsements
13 attached thereto An attested copy of every policy of in-
14 surance against liability under the Workmen's Compensation
15 act and an attested copy of every endorsement upon any
16 such policy shall be filed with the rating bureau aforesaid

17 The statistical and actuarial data compiled by the
18 State Workmen's Insurance Fund shall at all times be
19 available to the State Insurance Commissioner for his use
20 in judging the adequacy or inadequacy of rates and
21 schedules filed and it shall be the duty of the man-
22 ager of the State Workmen's Insurance Fund to render
23 all possible assistance to the State Insurance Department
24 in carrying out the provisions of this act

25 The Commissioner of Insurance may require every in-
26 surance association or corporation which insures employers
27 or employes under the Workmen's Compensation act of one
28 thousand nine hundred and fifteen to file with its an-

1 nual statement a sworn report of its loss experience in
2 such detail and form as may be prescribed by the Com-
3 missioner of Insurance

4 The Commissioner of Insurance shall have the power
5 to suspend or revoke the license of any insurance asso-
6 ciation or corporation which violates any of the provisions
7 of this act