



April 12, 2021

CIRCULAR LETTER NO. 2384

To All Members and Subscribers of the WCRIBMA:

**ADOPTION OF THE NATIONAL CLASSIFICATION PHRASEOLOGY
AND SCOPE FOR CODE 5606**

On April 8, 2021, the Massachusetts Division of Insurance (“DOI”) approved the WCRIBMA’s attached Filing Memorandum and Exhibits for the adoption of the national classification phraseology and scope, drafted by National Council on Compensation Insurance (NCCI), for Code 5606 – Contractor —Project Manager, Construction Executive, Construction Manager, or Construction Superintendent (Code 5606). The revised classification phraseology and scope for Code 5606 is effective for new, renewal and outstanding policies effective on and after 12:01 a.m. on April 1, 2021.

The primary change being introduced within the scope of Code 5606 is to recognize a subcontractor’s job supervisor/foreman when establishing a line of direct supervision on the job site in order to be eligible to use Code 5606.

The Internet-based versions of the affected MA Manual pages, accessible at www.wcribma.org, will be updated soon.

Please contact Dan Crowley (617-646-7594 or dcrowley@wcribma.org) if you have any questions.

Attachment

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Filing Memorandum

Adoption of the National Classification Phraseology and Scope for Code 5606

Purpose

The purpose of this filing is to adopt the national classification phraseology and scope, drafted by National Council on Compensation Insurance (NCCI), for Code 5606 – Contractor —Project Manager, Construction Executive, Construction Manager, or Construction Superintendent (Code 5606).

Background

On April 26, 2005, NCCI filed Item B-1394-Revisions to Basic Manual Classifications and Rules (Exhibit 1) to update selected NCCI Basic Manual classifications and related rules to modernize these Items. Code 5606 was one of the classifications that was amended in the NCCI Item Filing (Pages 18-24). The proposed changes were approved effective on November 1, 2005 in most NCCI administered states. Since the original filing, several of the independent rating bureaus states have also adopted the amended Scope for Code 5606.

The WCRIBMA was recently asked by some of its member carriers to explore the adoption of the national scope for Code 5606 (Exhibit 2). Massachusetts is one of the few remaining states that maintains a slightly different and stricter set of criteria to be eligible to use Code 5606 (Exhibit 3). As a result, it has become apparent that our slight differences may be leading to the inconsistent application of Code 5606. This may be due to national account auditors not being aware that Massachusetts maintains a somewhat different scope for Code 5606. Another concern is that our differences may inadvertently be putting Massachusetts contractors at a disadvantage when competing against out of state contractors that have a broader set of criteria to meet when determining applicability for using Code 5606 for their executive supervisor staff. In addition, our member carriers believe that by eliminating these unnecessary differences in the Massachusetts rules, this will lead to a more consistent application of Code 5606 by clearly outlining the role of a subcontractor’s job foreman when determining if Code 5606 applies. More importantly, it will result in Code 5606 being used in an identical manner as it is in every other surrounding New England state.

The original intent of the code was to cover the exposures of an upper-level manager where a level of supervision exists between that manager and the actual worker. It was never intended to cover a manager directly supervising a construction worker. The primary change that was introduced in NCCI’s filing item was to recognize a subcontractor’s job supervisor/foreman when establishing a line of direct supervision on the job site in order to be eligible to use Code 5606. Massachusetts has since maintained the requirement that an insured contractor must have a direct employee on the job site with the designated responsibilities of a job supervisor/foreman in order to establish that line of direct supervision at the job site that is needed to be eligible to use Code 5606.

Today, as was the case back in 2005, executive supervisors are still referred to by a variety of names that include “project managers,” “construction executives,” “construction managers,” etc. The duties they perform are the key factors in their assignment to Code 5606. They spend a significant amount of time in the main office or job site trailer. They have regularly scheduled meetings with supervisors and foremen in these office-type settings to direct the day or week’s work objectives and indirectly manage the project or multiple projects from these office-type locations only. They are not directly supervising the workers or subcontractors on the job, but are on the job site giving direction through a foreman or supervisor. They do not perform any construction work at these job sites. They also travel from site to site to check on the progress of multiple job locations that are under construction at the same time.

Proposal

The changes proposed for Code 5606 involves clearly defining the criteria for assignment of Code 5606 and the conditions required to use Code 5606.

Classification phraseology to be modernized and clarified.

Current Phraseology:

Code 5606—CONTRACTOR—EXECUTIVE SUPERVISOR OR CONSTRUCTION SUPERINTENDENT

1. This classification is available only to executive supervisors or construction superintendents having administrative or managerial responsibility for construction or erection projects.
2. Executive supervisors or construction superintendents are defined as those persons exercising supervisory control through job superintendents or foremen.
3. Does not apply to any person who is directly in charge of construction work. Such person shall be assigned to the classification that specifically describes the type of construction or erection operation over which they are exercising direct supervisory control provided separate payroll records are maintained for each operation. Any such operation for which separate payroll records are not maintained shall be assigned to the highest-rated classification which applies to the job or location where the operation is performed. *Refer to Rule IV-D-8.*
4. Code 5606 is not available for division of a single employee’s payroll with any other classification.

Proposed Phraseology Change:

Code 5606—CONTRACTOR—PROJECT MANAGER, CONSTRUCTION EXECUTIVE, CONSTRUCTION MANAGER, OR CONSTRUCTION SUPERINTENDENT

This classification is available only to project managers, construction executives, construction managers, or construction superintendents having administrative or managerial responsibility for construction or erection projects. When determining eligibility, it is the job duties that are the main consideration and not the job titles.

1. “Project Manager, Construction Executive, Construction Manager, or Construction Superintendent” are defined as those persons exercising operational control indirectly through full-time job supervisors or foremen of the employer.

2. When exercising control through a subcontractor, each subcontractor must have a job supervisor or foreman at the specific job site in order to permit the assignment of this classification. The supervisor or foreman of the subcontractor may manage one site or multiple sites. If any of the subcontractors do not have a job supervisor or foreman at any job site visited by the construction executive, all of the payroll of the construction executive for that policy year is assigned to the highest rated construction class code applicable. A sole proprietor or owner/operator with no employees, working as a subcontractor for the insured, would prevent the assignment of this classification to a construction executive because the subcontractor does not have the required job supervisor or foreman.
3. This code does not apply to any person who is directly in charge of, or who is performing, any degree of actual construction work. Such a person must be assigned to the classification that specifically describes the type of construction or erection operation over which they are exercising direct supervisory control provided separate payroll records are maintained for each operation. Any such operation for which separate payroll records are not maintained must be assigned to the highest-rated classification that applies to the job or location where the operation is performed.
4. Code 5606 is not available for division of a single employee's payroll with any other classification.

It is further proposed that this item become applicable with respect to new, renewal and inforce policies effective on or after 12:01 A.M. January 1, 2021.

Impact

No modification or adjustment to current filed rate for Code 5606 is being proposed. The proposed amended phraseology for Code 5606, although broadened, will result in a more consistent application for insured contractors and strengthens the original intent by reinforcing the current wording that prevents the application of this classification for employees directly supervising a construction worker. The proposed change may result in the reclassification of an employee's payroll to a different code and different rate. If this reclassification occurs, it may cause a premium change. It is expected that some employee payrolls will be allocated to Code 5606, and the effect of that addition will be eventually reflected in the filed rate.

Implementation

In order to implement this item, the proposed changes, as detailed in Exhibits 4 and 5 will be included in the Massachusetts Workers Compensation and Employers Liability Insurance Manual.

Exhibit 1



Circular

APRIL 26, 2005

ANNOUNCEMENT

CIF-2005-04

Countrywide--Item B-1394 Revisions to Basic Manual Classifications and Rules, Addendum to Item Filing B-1387, and Addendum to Item Filing B-1391

ACTION NEEDED

Please review the changes outlined in the attachments for impact on your company's system and procedures.

Caution: At the time of distribution of this circular, this item filing is **not yet approved**. This information is provided for your convenience and analysis. Please do not use the information until the regulator has approved the filing.

BACKGROUND

The Regulatory Assurance Department conducts ongoing research and analysis of the various components of the workers compensation classification and rating system. The purpose of this filing is to update selected *Basic Manual* classifications and related rules to modernize these items to meet today's business needs. It has been proposed that these changes become effective at 12:01 a.m. on November 1, 2005, applicable to new and renewal business—voluntary and assigned risk policies.

Refer to the first page of this item filing for a listing of the industries and sections contained within this item filing.

IMPACT

This item filing will foster the uniform and equitable treatment of risks within each industry. NCCI recognizes that some of our recommendations may have premium impact. Such impact, if any, is explained in more detail within this item filing. Note, however, that NCCI is not recommending any class loss costs or rates be amended as a result of these proposals.

NCCI ACTION

NCCI will be updating the *Status of Item Filings* circular with the status of Item B-1394. Please refer to that circular for state approval of this item filing. NCCI will release updated manual pages 60 days prior to the proposed effective date.

The attached version of Item B-1394 applies in 16 NCCI jurisdictions noted in the item filing header. Additionally, NCCI has prepared state-specific versions of B-1394 in the following states due to state special treatment: Arizona, Arkansas, Colorado, Connecticut, Florida, Hawaii, Idaho, Louisiana, Maine, Missouri, Nevada, New Hampshire, Rhode Island, and South Dakota. Those state-specific versions will be announced in separate circulars. Item B-1394 has also been submitted to the independent bureaus for their consideration.

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FILING MEMORANDUM

ITEM B-1394—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND RULES, ADDENDUM TO ITEM FILING B-1387, AND ADDENDUM TO ITEM FILING B-1391

(To be effective 12:01 a.m. on November 1, 2005, applicable to new and renewal—voluntary and assigned risk policies.)

PURPOSE

The purpose of this item filing is to clarify or eliminate certain classifications and classification rules in NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance* to reflect current business and industry needs. There are 15 industries impacted and these industries are shown in the table below.

Additionally, this filing proposes some minor revisions to the two previously filed classification-related item filings, B-1387 and B-1391. The addendums relating to these changes are also shown in the table below.

TITLE	FACT SHEET	EXHIBIT	PAGE
Audio or Visual Recording Media Mfg.	1	1	3
Building Raising or Moving	2	2	6
Confection Mfg.	3	3	10
Dock and Seawall	4	4	13
Executive Supervisors	5	5	18
Floor Coverings Installation	6	6	24
Grain Milling and Mfg.	7	7	29
Home Healthcare	8	8	32
Juice Mfg.	9	9	36
Messenger/Courier Service	10	10	39
Newsprint Mills	11	11	46
Parking Lots	12	12	48
Pet and Pet Supply Stores	13	13	51
Tanning & Fur Mfg.	14	14	54
Tree Pruning, Spraying, and Repairing	15	15	57
Addendum to Prior Class Filing B-1387	16	16	61
Addendum to Prior Class Filing B-1391	17	17	63

BACKGROUND

NCCI has an ongoing process dedicated to the systematic research, analysis, and maintenance of NCCI's class system. This is done to ensure that the class system remains healthy, viable, and responsive to the needs of various industry stakeholders, and to evolve the system to stay in step with the constantly changing way that various industries and their operations respond to technological, competitive, and regulatory changes.

Classifications, and industry-grouped classifications, are analyzed to determine which, if any, should be considered for modernization, consolidation, elimination, or clarification. This item filing includes proposals for the individual classifications identified in each exhibit.

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ITEM B-1394—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND RULES, ADDENDUM TO ITEM FILING B-1387, AND ADDENDUM TO ITEM FILING B-1391

(To be effective 12:01 a.m. on November 1, 2005 applicable to new and renewal—voluntary and assigned risk policies.)

As part of this process, we are also simplifying the classification section of NCCI's *Basic Manual*. In many instances, NCCI is proposing the elimination of redundant phraseologies. The user will also find NCCI starting to reformat some section headings, such as Carpentry in Exhibit 6.

NCCI's analysis of the class system is national in scope and the recommendations within this item are being proposed in all NCCI states. We recognize, however, the occasional need for state specific classification treatments to reflect geographical differences. In those instances where a state has their own unique classification treatment for any of the industries impacted, a state specific version of this national filing will be proposed in that state.

The last two sections of this filing address some minor revisions to previously filed classification changes. In two previous item filings, NCCI inadvertently overlooked an occasional reference relating to proposed changes. For example, in Item Filing B-1391, NCCI proposed to eliminate Code 2576—Canvas Goods Mg.—NOC—Shop and the related cross-reference phraseology—Awning or Tent Mfg.—Shop. However, another related cross-reference phraseology—Tent or Awning Mfg.—Shop was overlooked and not shown as being eliminated. The last two 'addendum' sections of the filing remedy these inadvertent omissions. Procedures have been implemented to mitigate the need for such revisions in the future.

PROPOSAL

It is proposed that the classifications indicated in the attached exhibits be modernized, consolidated, eliminated, or clarified as shown. It is also proposed that the corresponding NCCI *Basic Manual* rules indicated in the exhibits be revised to be consistent with the proposed classification changes.

This filing is broken out in sections as enumerated in the table shown on Page 1. Each section contains a Fact Sheet segment outlining the proposals relating to the section, as well as the background and basis for the proposed changes, the estimated impact of the proposals, and details of implementation. Each section also contains exhibits detailing the NCCI *Basic Manual* changes being proposed.

IMPACT

This item filing will foster the uniform and equitable treatment of risks within each industry. NCCI recognizes that some of our recommendations, such as moving a specific operation from one classification to another, will have premium impact. The industry Fact Sheets that follow outline potential impact specific to the proposed changes. Note, however, that NCCI is not recommending any class loss costs or rates be amended as the result of these proposals.

IMPLEMENTATION

In order to implement this item filing, the attached exhibits detail the changes required in NCCI's *Basic Manual*.

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FACT SHEET 1

AUDIO OR VISUAL RECORDING MEDIA MFG.

PROPOSAL

The focus of the proposed changes is to clarify the proper classification of businesses engaged in various emerging/evolving technologies.

Additional classification phraseologies to be created

- Code 4360—DUPLICATION AND REPLICATION SERVICE OF PRERECORDED AUDIO, VIDEO OR DATA
- Code 4431—MAGNETIC AND OPTICAL RECORDING MEDIA MFG.
Includes audio or visual recording media mfg. and recording tape or disk mfg.

Classification phraseologies to be eliminated

- Code 4923—AUDIO OR VISUAL RECORDING MEDIA MFG.
Includes tapes or disks. Phonograph record mfg. to be separately rated as Code 4431.
- Code 4923—RECORDING TAPE OR DISK MFG.
Phonograph record mfg. to be separately rated as Code 4431.

Classification phraseologies to be modernized and clarified

Current Phraseology:

- Code 4923—PHOTOGRAPHIC SUPPLIES MFG.
Chemical mfg. plants or concerns mfg. pyroxylin or pyroxylin plastic to be separately rated.

Proposed Phraseology Change:

- Code 4923—PHOTOGRAPHIC SUPPLIES MFG.
Chemical manufacturing plants or manufacturers of nonsafety film to be separately rated.

BACKGROUND AND BASIS FOR CHANGE

New technologies since the 19th century have continually improved the capabilities of, and simplified the use of, various forms of media. At the current time, there are no major issues noted for Codes 4360, 4431, or 4923, except for updating phraseology due to changes in technology.

Classification Code 4360—Motion Picture: Development of Negatives, Printing & All Subsequent Operations is a national code that has existed for many years. The code is applicable to the processing of motion picture film. Operations contemplated include the development of negatives, cutting, editing and splicing of film, as well as packaging and shipping of the final product.

Classification Code 4431—Phonograph Record Mfg. is a national code that also has existed for many years. The code is applied to insureds engaged in the manufacture of phonograph records, and the manufacture or assembly of cassettes, with magnetic recording tapes received from others.

Classification Code 4923—Photographic Supplies Mfg. is a national code that has existed for many years. The code is applied to the manufacture and assembly of supplies and items necessary and incidental to the photographic industry, moving and still. These items include various types of cameras & projectors, film-developing machines, coated photographic film or paper, and various forms of magnetic recording tapes and discs. The last items mentioned, magnetic recording tapes and discs, were added to the classification wording in January 1993.

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NCCI's research identified the following items:

- Code 4431—Phonograph Record Mfg. appears to have minimal usage in the marketplace. According to NCCI's database, only 71 policies nationwide were written with Code 4431 during 2003.
- Code 4431 or Code 4923—Photographic Supplies Mfg. could potentially be applied to the manufacture/assembly of cassettes, videotapes, and other media since the phraseologies are not specific. The relevant phrase in Code 4923 was intended for the actual manufacture of magnetic recording tapes and discs, which could then be used by manufacturers of cassettes and videotapes that assemble the plastic shells, label, and distribute those products.
- Code 4431 does not include insureds that engage in the duplication/replication of prerecorded media. The analogy in the description only describes the manufacture/assembly of blank audio and videocassettes.
- Code 4360—Motion Picture: Development of Negatives, Printing, and All Subsequent Operations has been used on an analogy basis for the duplication/replication of prerecorded audio and video. By adding a cross-reference to Code 4360—Duplication/Replication Service of Pre-Recorded Audio, Video or Data, this ambiguity should be eliminated.
- Code 4431 was originally intended for the manufacture of phonograph records. This code should also include the manufacture of other forms of audio, visual, and data recording media. To keep pace with emerging/evolving technologies, a phraseology of Code 4431—Magnetic & Optical Recording Media Mfg. should be added. The existing "Phonograph Record Mfg." wording will remain as cross-reference phraseology.
- Code 4923 is intended for the manufacture of photographic supplies, including cameras and other similar machines. The cross-references under Code 4923, which were added in 1993, should be deleted. These operations will be classified to Code 4431—Magnetic & Optical Recording Media Mfg.

IMPACT

No modification or adjustment to filed loss costs/rates is proposed for these classifications. In addition to modernizing and clarifying phraseologies, this item proposes to remove the two cross-references from Code 4923—Photographic Supplies Mfg. for 'Audio Or Visual Recording Media Mfg.' and 'Recording Tape Or Disk Mfg.' These operations will be classified to Code 4431—Magnetic & Optical Recording Media Mfg. This may result in some reclassification of payroll from Code 4923 to Code 4431. The extent of payroll reclassification cannot be determined. This change is expected to better align the operations involved with associated work hazard. The impact to premium by individual risk will vary depending on the amount of exposure that is reassigned from Code 4923 to Code 4431. This proposal is not expected to significantly change overall statewide premium.

IMPLEMENTATION

NCCI recommends that the proposed changes to Codes 4360, 4431, and 4923 be implemented in conjunction with the effective date of this class filing.

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TO ITEM FILING B-1387, AND ADDENDUM TO ITEM FILING B-1391

EXHIBIT 1—NATIONAL CLASSIFICATION(S)

AUDIO OR VISUAL RECORDING MEDIA MFG.

CLASSIFICATIONS

4360 **DUPLICATION AND REPLICATION SERVICE OF PRERECORDED AUDIO, VIDEO OR DATA**

4431 **MAGNETIC AND OPTICAL RECORDING MEDIA MFG.**

Includes audio or visual recording media mfg. and recording tape or disk mfg.

4923 ~~**AUDIO OR VISUAL RECORDING MEDIA MFG.**~~

~~Includes tapes or disks. Phonograph record mfg. to be separately rated as Code 4431.~~

4923 ~~**RECORDING TAPE OR DISK MFG.**~~

~~Phonograph record mfg. to be separately rated as Code 4431.~~

4923 **PHOTOGRAPHIC SUPPLIES MFG.**

Chemical manufacturing mfg. plants or manufacturers of nonsafety film concerns mfg. pyroxylin or pyroxylin plastic to be separately rated.

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FACT SHEET 2

BUILDING RAISING OR MOVING

PROPOSAL

The focus of the proposed changes for this industry is to remove the all-inclusive portion of Code 5703—Building Raising or Moving & Drivers and allow payroll separation with all other construction codes when verifiable payroll records are maintained for each type of construction work performed.

Classification phraseology to be eliminated

- Code 5703●—UNDERPINNING BUILDINGS OR STRUCTURES & DRIVERS
Includes incidental shoring, removal, or rebuilding of walls, foundations, columns, or piers.

Classification phraseology to be modernized and clarified

Current Phraseology:

- Code 5703●—BUILDING RAISING OR MOVING & DRIVERS
Includes incidental shoring and removal or rebuilding of walls, foundations, columns, or piers.

Proposed Phraseology Change:

- Code 5703●—BUILDING RAISING OR MOVING
Applies to the lifting of structures onto transport devices, and transporting and dropping structures at their new locations. Building raising or moving operations should be assigned in the following manner, providing payroll separation is maintained:
 - 5403●—carpentry operations on commercial structures
 - 5645●—carpentry operations on residential structures
 - 5213●—concrete operations on commercial sites
 - 5221●—concrete operations on residential structures
 - 5703●—drivers who transport the structure on trailers, dollies, bearings, etc.
 - 6217●—excavation operations
 - 5057●—iron or steel operations
 - 5022●—masonry operations
 - 6003●—pile driving operations that underpin, raise or stabilize a foundation
 - 7380—pilot car duties that do not remove or move obstacles
 - 5703●—pilot car duties that remove or move obstacles

When no separation of payroll exists, the payroll for the entire operation must be assigned to Code 5703 or the highest rated classification applicable, whichever is greater.

BACKGROUND AND BASIS FOR CHANGE

The building raising or moving industry is a part of the recycling industry. Instead of taking apart and selling pieces of a structure, it is moved or raised in its entirety. Moving or raising a structure can occur if the structure:

- Is located in an area that is no longer deemed safe
- Has historical significance, but the land is needed for other purposes
- Needs to be raised or moved due to flooding concerns

There are various types of moves that can be performed. The structure can be transported on wheels, trailers, steel rollers, ball bearings, and even barges. The method employed is dependent on the distance moved and on the obstacles that may be in the transport path during the move.

There are several methods used to underpin and shore buildings. Each is similar in that it uses a vertical or horizontal hole to support the foundation in order to stabilize the structure and have additional repairs completed as necessary.

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Although the building raising and moving industry is unique, it has principal operations in common with carpentry, masonry, and excavation when moving, raising, or underpinning a structure. The operation and transport of a structure is contemplated within the scope of Code 5703—Building Raising or Moving. The majority of the process involves carpentry, masonry, and excavation work at both sites in order to complete the project.

The main operations of the industry include:

- Carpentry work
- Masonry work
- Excavation work
- Underpinning and raising
- Loading on a transport device
- Transporting
- Site preparation at new location
- Unloading from transport device

There are three distinct operations in moving any type of structure:

1. Underpinning the structure, which relieves the load of the structure from the foundation
2. Lifting the structure off its foundation, which prepares the structure for moving
3. Placing steel rollers, ball bearings, wheels, or other means of transportation underneath the structure and lowering it onto the device for moving

Oddly shaped structures such as towers, lighthouses, theatres, and homes are moved on a per job basis. To raise a structure, the first two steps are completed. Then a foundation and concrete or block walls are built up to the raised structure. The original first floor becomes the second floor. The raised area becomes the first floor or an aboveground basement. The raising apparatus is removed, the holes are filled in, and the structure is then finished. To set the building at its final destination, the reverse is done onto a prepared foundation.

The existing classification wording does not promote clear and consistent application. The classification of pilot car drivers in this industry needs clarification. Some pilot car drivers only escort the structure while in transit. Other pilot car drivers may be involved in moving or removing small obstacles such as tree branches, overhead telephone wires, etc. Currently, these pilot car drivers can be assigned to Code 5703—Building Raising or Moving, 7228—Trucking—Local Hauling Only—All Employees & Drivers, 7229—Trucking—Long Distance Hauling—All Employees & Drivers, or 7380—Drivers, Chauffeurs & Their Helpers NOC—Commercial.

This is a high-hazard industry with a fairly small payroll base and a high dollar amount of claims. This is due to the fact that many of the tasks performed involve working within and under the structure to be moved or raised. The most hazardous work is done underneath the structure where the potential for serious injury or death is greater should the structure fall or shift onto a worker.

The operations previously listed, when undertaken individually, could be assigned to other classifications. Allowing the application of separate codes for carpentry, masonry, excavation, underpinning (pile driving), and site preparation (excavation, grading, concrete, etc.) may reduce the exposure further.

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IMPACT

No modification or adjustment to filed loss costs/rates is proposed. This item allows for the separation of payroll into various classifications when separate records for payroll are maintained. When separation of payroll is not maintained, Code 5703 or the highest rated classification would apply. This is expected to result in some distribution of payroll to the classification that parallels the work performed and its related hazard. The extent of payroll redistribution cannot be determined, but the impact to statewide premium level is not expected to be significant. The premium impact to each individual risk will vary depending on the amount and type of payroll redistribution that occurs.

IMPLEMENTATION

NCCI recommends that the proposed changes to Code 5703 be implemented in conjunction with the effective date of this class filing.

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EXHIBIT 2—NATIONAL CLASSIFICATION(S)

BUILDING RAISING OR MOVING

CLASSIFICATIONS

5703● BUILDING RAISING OR MOVING & DRIVERS

~~Includes incidental shoring, and removal or rebuilding of walls, foundations, columns or piers.~~
Applies to the lifting of structures onto transport devices, and transporting and dropping structures at their new locations. Building raising or moving operations should be assigned in the following manner, provided payroll separation is maintained:

5403●—carpentry operations on commercial structures

5645●—carpentry operations on residential structures

5213●—concrete operations on commercial sites

5221●—concrete operations on residential structures

5703●—drivers who transport the structure on trailers, dollies, bearings, etc.

6217●—excavation operations

5057●—iron or steel operations

5022●—masonry operations

6003●—pile driving operations that underpin, raise, or stabilize a foundation

7380—pilot car duties that do not remove or move obstacles

5703●—pilot car duties that remove or move obstacles

When no separation of payroll exists, the payroll for the entire operation must be assigned to Code 5703 or the highest rated classification applicable, whichever is greater.

5703● UNDERPINNING BUILDINGS OR STRUCTURES & DRIVERS

~~Includes incidental shoring, and removal or rebuilding of walls, foundations, columns or piers.~~

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FACT SHEET 3
CONFECTION MFG.

PROPOSAL

The focus of the proposed changes for this industry involves changing classification wording to include all types of candy, chocolate, and confections.

Classification phraseologies to be eliminated

- Code 2041—CHEWING GUM MFG.
- Code 2041—CHOCOLATE OR COCOA MFG.
Applies to mfg. from cocoa beans.
- Code 2041—COCOA OR CHOCOLATE MFG.
Applies to mfg. from cocoa beans.

Classification phraseology to be modernized and clarified

Current Phraseology:

- Code 2041—CONFECTION MFG.

Proposed Phraseology Change:

- Code 2041—CANDY, CHOCOLATE, AND CONFECTION MFG.
Products within this classification are defined as a sweet confection rich in sugar, artificial sweeteners and/or other sweeteners. The finished product may be sweet, sour or tart. Includes cocoa manufacturing from beans. Products include but are not limited to candy bars, chocolate bars, chewing gum, taffy, jellybeans, marzipan, and mochi.

BACKGROUND AND BASIS FOR CHANGE

Webster's Dictionary defines confection as “a sweet preparation, such as candy” and “a food rich in sugar.” It also defines candy as “a rich, sweet confection made with sugar and often flavored.” The candy and confection business is growing quickly, with over 1,400 new confectionery products introduced in 2002 alone. The breakdown of new products was 45.6% for chocolate items, 45.7% for nonchocolate items, and 5.1% for gum-related items. The largest increase was diet candy, which grew 23% from the prior year. The use of artificial sweeteners in diet products is being fueled by a more health- and diet-conscious public, which favors a rich, sweet taste without the sugar or carbohydrates.

The present phraseology of this classification includes chewing gum, chocolate or cocoa manufacturing, and mochi preparation (a Hawaii state special). Code 2041 currently includes both traditional hand and mechanized manufacturing. There is limited detail on how confections are made and what is included in this classification. The code needs to be updated to include new types of candies, diet varieties of all types of candies, and candy bars. The classification should be updated to include artificial sweeteners that are used today in place of sugar in the making of diet confections, candy, or gum. Mochi should be defined and the classification wording updated to include other major sweet preparations rich in sugar. These include jellybeans, taffy, marzipan (made from crushed almonds and honey), etc.

It would be difficult to list all the types of confections and candy that will be introduced to the marketplace. The manufacturing of these items differs from company to company based on what is being produced. Some select the beans, some make their own chocolate, some receive premade chocolate and add ingredients to it, and some dip fruit into melted chocolate or pour melted chocolate into forms for their products.

Some companies just coat their products in chocolate as a final manufacturing step that is ancillary to the product being manufactured (energy bars, diet bars, etc.). These types of goods are not contemplated by this classification.

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Code 2041—Confection Mfg. currently highlights gum, with a minor emphasis on chocolate. Because of this current limitation, classification language needs to be broadened to:

- Include current confection and candy offerings as well as future varieties
- Specifically include some time-tested candy groups

IMPACT

No modifications or adjustments to filed loss costs/rates are proposed. The phraseologies are modernized and clarified and should not result in any reclassification of risks or change in loss costs/rates or premium.

IMPLEMENTATION

NCCI recommends that the proposed changes to Code 2041 be implemented in conjunction with the effective date of this class filing.

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EXHIBIT 3—NATIONAL CLASSIFICATION(S)

CONFECTION MFG.

CLASSIFICATIONS

2041 ~~CHEWING GUM MFG.~~

2041 ~~CHOCOLATE OR COCOA MFG.~~
~~Applies to mfg. from cocoa beans.~~

2041 ~~COCOA OR CHOCOLATE MFG.~~
~~Applies to mfg. from cocoa beans.~~

2041 **CANDY, CHOCOLATE, AND CONFECTION MFG.**

Products within this classification are defined as a sweet confection rich in sugar, artificial sweeteners and/or other sweeteners. The finished product may be sweet, sour or tart. Includes cocoa manufacturing from beans. Products include but are not limited to candy bars, chocolate bars, chewing gum, taffy, jellybeans, marzipan and mochi.

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FACT SHEET 4

DOCK AND SEAWALL CONSTRUCTION

PROPOSAL

The focus of the proposed changes involves updating the definition of a jetty and clarifying the classification treatment of pile driving.

Additional classification phraseologies to be created

- Code 6003●—WRECKING—MARINE
Includes salvage operations. Includes marine wrecking or demolition of all types of marine docks, boardwalks, piers, boathouses, seawalls, groynes (groins), jetties, breakwater and timber wharfs.

Classification phraseologies to be eliminated

- Code 6005●—BREAKWATER OR JETTY CONSTRUCTION—ALL OPERATIONS TO COMPLETION & DRIVERS
Caisson, cofferdam work, or pile driving to be separately rated.
- Code 6005●—DIKE OR REVETMENT CONSTRUCTION & DRIVERS
Applies to river work only and includes all operations to completion. Pile Driving to be separately rated as Code 6003.
- Code 6005●—REVETMENT OR DIKE CONSTRUCTION & DRIVERS
Applies to river work only and includes all operations to completion. Pile Driving to be separately rated as Code 6003.
- Code 6003●—WRECKING: Building or Structures—Not Marine—All Operations. Piers or Wharfs
Includes salespersons and clerical at wrecking site.

Classification phraseologies to be modernized and clarified

Current Phraseologies:

- Code 6003●—PILE DRIVING
Includes pile driving operations in connection with building foundations and timber wharf building. The manufacturing of concrete piles at the job location or the pouring of concrete into hollow steel piles shall be rated as concrete construction. Pile driving operations performed in connection with caisson work to be separately rated as Code 6252.
- Code 6005●—JETTY OR BREAKWATER CONSTRUCTION—ALL OPERATIONS TO COMPLETION & DRIVERS
Caisson, cofferdam work or pile driving to be separately rated.

Proposed Phraseologies:

- Code 6003●—PILE DRIVING
Includes pile driving operations including, but not limited to, hammer driving and water jet driving only in conjunction with pile driving. All other water jet operations are assigned to the appropriate drilling code. This process may be done in conjunction with building foundations, and all types of marine docks, boardwalks, piers, boathouses, seawalls, groynes (groins), jetties, breakwater and timber wharfs. The manufacturing of concrete piles at the job location or the pouring of concrete into hollow steel piles must be separately rated under the appropriate concrete construction code. Pile driving operations performed in connection with caisson work to be separately rated as Code 6252. The use of Code 6003 is allowed when pile driving is performed on any marine or non-marine construction. For construction where an employer obtains coverage under the United States Longshore and Harborworkers Act, use the state-approved factor found in the state pages.
- Code 6005●—JETTY OR BREAKWATER CONSTRUCTION—ALL OPERATIONS TO COMPLETION & DRIVERS
Includes the construction of jetties, breakwaters, seawalls, groynes, dikes, revetments, etc. A jetty involves

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substantially more construction than either a dike or a levee in that it must extend into a body of water. River work is also included in this classification. Pile driving to be separately rated.

BACKGROUND AND BASIS FOR CHANGE

The Army Corps of Engineers has built an intercoastal and inland network of commercial navigation channels, and locks and dams for navigation. They look for the most economical, environmentally sound and socially acceptable solutions for shore protection. In some cases, this will involve hard structures, like jetties and seawalls. In other cases, a preferable approach is beach nourishment, which is the placement of sand along the beach. During storms the sand acts as a buffer and protects the structures behind the beach.

Within the marine construction industry, there are currently two distinct codes:

1. Code 6003●—PILE DRIVING. This code includes the decking or cross-beaming incidental to dock building. It does not specifically mention the building of the dock structure if it is not done wholly by pile driving.
2. Code 6005●—JETTY OR BREAKWATER CONSTRUCTION—ALL OPERATIONS TO COMPLETION & DRIVERS. Caisson, cofferdam work or pile driving to be separately rated.

Code 6005 includes shoreline construction. These methods of restoring or retaining the shoreline involve the movement of earth and rocks to achieve the necessary result. Pile driving may be necessary as part of the process, but is separately rated to Code 6003.

Neither code has a corresponding federal application. NCCI researched whether it was feasible to create a corresponding federal code. NCCI also evaluated whether the phraseology required updating to better represent the industry.

Seawalls are built back from and parallel to the shoreline on the upper beach. There are basically two different reasons for building seawalls. Larger seawalls are generally built to take the brunt of storm waves and protect buildings on the beach. Smaller seawalls are primarily built to hold the shoreline in place. Storm waves go right over smaller seawalls, providing little in the way of structural protection.

In contrast to structures built along the shore, a breakwater is built offshore to protect a harbor from wave energy or to deflect currents. A breakwater commonly consists of a long mound of stone rubble and cheaper materials like rubber tires and oil drums. The flow of waves up its slope, and the formation of swirls by its rough surface dissipate wave energy. A pneumatic breakwater consists of perforated pipes discharging air bubbles; another type has underwater pipes that direct streams of water against approaching waves to cause them to break. Breakwaters are also used to promote sedimentation, which, depending on the breakwater's alignment, will fill in to produce a stable beach.

Often the building of a seawall requires the use of some type of pile driving system. Water jets are commonly used in softer, sandy soils. Drop hammers are typically used in cohesive, clay soils. Vibratory hammers are used to drive the sheeting into the soil, often in water. Mandrels are used in difficult driving situations.

Cylindrical precast shells are threaded onto a central steel mandrel and rest on a precast concrete driving shoe. The complete assembly is driven to a depth corresponding to the length of the mandrel, using a purpose-designed driving head and drop hammer. The driving head allows the full weight of the hammer to strike the mandrel and the pile shoe, while a cushioned blow is transmitted to the shells. The intensity of blows, delivered to the shells, can be adapted to variations in driving resistance by adjusting the drive head.

When the first mandrel section has been driven into the ground, additional concrete shells are threaded onto a second extension mandrel, which is attached to the top of the bottom mandrel. Then, the driving operation is repeated. Additional mandrels and shells can be added until the required depth is reached. Once driven to the required depth, the steel mandrels are withdrawn, leaving a fully cased hollow concrete pile shaft. A suitable reinforcement cage is installed at the center of the pile. Thereafter, the hollow core is filled with concrete to form the completed concrete shell pile.

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Many of the exposures contemplated in dock building and seawall construction are the same exposures seen in carpentry and excavation operations. Injuries include falls, trips, strains, cuts, punctures, and crushing. An additional exposure for this industry is drowning due to the possibility of working on or around water.

Pile driving utilizes heavy machinery to drive piles (long columns of wood, concrete, or steel) for structural support. The greatest hazard for pile driving workers is the exposure to falling from heights.

Frequent losses also occur from lifting heavy or bulky items, from transporting piles and machinery, from falling into excavations, and from welding and cutting of piles and splicers. There is also danger of falling machinery or parts.

With the large fluctuation in payroll by year, NCCI does not recommend creating a new code or a separate code to charge for federal exposure. NCCI recommends applying the USL&H factor when an employer obtains such coverage.

For this industry, NCCI is also proposing to reformat the “Wrecking, Not-Marine” section headings because one of the classifications under that section is being revised in this analysis. This will allow NCCI to more easily incorporate future changes.

IMPACT

No modifications or adjustments to filed loss costs/rates are proposed. The revised wording is expected to clarify the correct application of these classifications and ensure the consistent application of the state-approved USL&H factor when an employer obtains coverage under the United States Longshore and Harborworkers Act. Going forward, additional premium may be calculated for those employers that have exposure under the United States Longshore and Harborworkers Act, to appropriately charge for this exposure.

IMPLEMENTATION

NCCI recommends that the proposed changes to Code 6003 and Code 6005 be implemented in conjunction with the effective date of this class filing.

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EXHIBIT 4—NATIONAL CLASSIFICATION(S)

DOCK AND SEAWALL CONSTRUCTION

CLASSIFICATIONS

- ~~6005● BREAKWATER OR JETTY CONSTRUCTION—ALL OPERATIONS TO COMPLETION & DRIVERS.~~
Caisson, cofferdam work, or pile driving to be separately rated.
- ~~6005● DIKE OR REVETMENT CONSTRUCTION & DRIVERS.~~
Applies to river work only and includes all operations to completion. Pile Driving to be separately rated as Code 6003.
- ~~6005● JETTY OR BREAKWATER CONSTRUCTION—ALL OPERATIONS TO COMPLETION & DRIVERS.~~
Includes the construction of jetties, breakwaters, seawalls, groynes, dikes, revetments, etc. A jetty involves substantially more construction than either a dike or a levee in that it must extend into a body of water. River work is also included in this classification. Caisson, cofferdam work or pile driving to be separately rated.
- ~~6003● PILE DRIVING~~
Includes pile driving operations including, but not limited to, hammer driving and water jet driving only in conjunction with pile driving. All other water jet operations are assigned to the appropriate drilling code. This process may be done in conjunction with building foundations, and all types of marine docks, boardwalks, piers, boathouses, seawalls, groynes (groins), jetties, breakwater and timber wharfs, wharf building. The manufacturing of concrete piles at the job location or the pouring of concrete into hollow steel piles must shall be separately rated under the appropriate as concrete construction code. Pile driving operations performed in connection with caisson work to be separately rated as Code 6252. The use of Code 6003 is allowed when pile driving is performed on any marine or non-marine construction. For construction where an employer obtains coverage under the United States Longshore and Harborworkers Act, use the state-approved factor found in the state pages.
- ~~6005● REVETMENT OR DIKE CONSTRUCTION & DRIVERS.~~
Applies to river work only and includes all operations to completion. Pile Driving to be separately rated as Code 6003.

WRECKING

~~Building or Structures—Not Marine—All Operations.~~

~~Includes salespersons and clerical at wrecking site. Wrecking or demolition operations shall be classified as follows:~~

~~5213● Concrete or Concrete-Encased Buildings or Structures~~

~~5057● Iron or Steel Buildings or Structures~~

~~5022● Masonry Buildings or Structures~~

~~6003● Piers or Wharfs~~

~~5403● Wooden Buildings or Structures Including Those Designed for Dwelling Occupancy~~

~~Where wrecking or demolition involves building or structures of more than one type of construction, the highest rated classification applies.~~

- ~~5213● WRECKING—BUILDING OR STRUCTURES—NOT MARINE—ALL OPERATIONS—CONCRETE OR CONCRETE-ENCASED BUILDINGS OR STRUCTURES~~
Includes salespersons and clerical at wrecking site.
- ~~5057● WRECKING—BUILDING OR STRUCTURES—NOT MARINE—ALL OPERATIONS—IRON OR STEEL BUILDINGS OR STRUCTURES~~
Includes salespersons and clerical at wrecking site.

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5022● WRECKING—BUILDING OR STRUCTURES—NOT MARINE—ALL OPERATIONS—MASONRY BUILDINGS OR STRUCTURES

Includes salespersons and clerical at wrecking site.

5403● WRECKING—BUILDING OR STRUCTURES—NOT MARINE—ALL OPERATIONS—WOODEN BUILDINGS OR STRUCTURES INCLUDING THOSE DESIGNED FOR DWELLING OCCUPANCY

Includes salespersons and clerical at wrecking site. Where wrecking or demolition involves building or structures of more than one type of construction, the highest rated classification applies.

6003● WRECKING—MARINE

Includes salvage operations. Includes marine wrecking or demolition of all types of marine docks, boardwalks, piers, boathouses, seawalls, groynes (groins), jetties, breakwater, and timber wharfs.

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FACT SHEET 5

EXECUTIVE SUPERVISORS

PROPOSAL

The focus of the changes proposed for this industry involves clearly defining the criteria for assignment of Code 5606 and the conditions required to use Code 5606.

Classification phraseology to be modernized and clarified

Current Phraseology:

- Code 5606●—CONTRACTOR—EXECUTIVE SUPERVISOR OR CONSTRUCTION SUPERINTENDENT
 1. This classification is available only to executive supervisors or construction superintendents having administrative or managerial responsibility for construction or erection projects.
 2. Executive supervisors or construction superintendents are defined as those persons exercising supervisory control through job superintendents or foremen.
 3. This code does not apply to any person who is directly in charge of construction work. Such person shall be assigned to the classification that specifically describes the type of construction or erection operation over which they are exercising direct supervisory control, provided separate payroll records are maintained for each operation. Any such operation for which separate payroll records are not maintained shall be assigned to the highest-rated classification that applies to the job or location where the operation is performed. *Refer to Rule 1-D-3-d.*
 4. Code 5606 is not available for division of a single employee's payroll with any other classification.

Proposed Phraseology Change:

- Code 5606●—CONTRACTOR—PROJECT MANAGER, CONSTRUCTION EXECUTIVE, CONSTRUCTION MANAGER, OR CONSTRUCTION SUPERINTENDENT

This classification is available only to project managers, construction executives, construction managers, or construction superintendents having administrative or managerial responsibility for construction or erection projects. When determining eligibility, it is the job duties that are the main consideration and not the job titles.

1. "Project Manager, Construction Executive, Construction Manager, or Construction Superintendent" are defined as those persons exercising operational control indirectly through full-time job supervisors or foremen of the employer.
2. When exercising control through a subcontractor, each subcontractor must have a job supervisor or foreman at the specific job site in order to permit the assignment of this classification. The supervisor or foreman of the subcontractor may manage one site or multiple sites. If any of the subcontractors do not have a job supervisor or foreman at any job site visited by the construction executive, all of the payroll of the construction executive for that policy year is assigned to the highest rated construction class code applicable. A sole proprietor or owner/operator with no employees, working as a subcontractor for the insured, would prevent the assignment of this classification to a construction executive because the subcontractor does not have the required job supervisor or foreman.
3. This code does not apply to any person who is directly in charge of, or who is performing, any degree of actual construction work. Such a person must be assigned to the classification that specifically describes the type of construction or erection operation over which they are exercising direct supervisory control, provided separate payroll records are maintained for each operation. Any such operation for which separate payroll records are not maintained must be assigned to the highest-rated classification that applies to the job or location where the operation is performed.
4. Code 5606 is not available for division of a single employee's payroll with any other classification.

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Classification rules to be modernized and clarified

NCCI is proposing to amend those parts of the *Basic Manual* rules mentioning the term “Executive Supervisors” to update the class phraseology in accordance with the revisions for this industry.

BACKGROUND AND BASIS FOR CHANGE

The origination date of Code 5606—Contractor—Executive Supervisor or Construction Superintendent is December 1915. The original intent of the code is to cover the exposures of an upper-level manager where a level of supervision exists between that manager and the actual worker. It was never intended to cover a manager directly supervising a construction worker.

There are two qualifications needed in order to apply this code:

1. An intermediary must be involved to provide supervision; this is usually exercised through a job superintendent or foreman. The executive supervisor is not allowed to do any type of construction work or direct supervision, except as noted before.
2. This code is not available for division of payroll with any other classification. If executive supervisors are active in any construction trade or the direct supervision of any trade on a job, their payroll must be assigned to the highest-rated classification.

Executive supervisors are known today by a variety of names that include “project managers,” “construction executives,” “construction managers,” etc. The duties they perform are the key factors in their assignment to this code. They spend a significant amount of time in the main office or job site trailer. They have regularly scheduled meetings with supervisors and foremen in these office-type settings to direct the day or week’s work goals and manage the project or multiple projects from these office-type locations only. They are not supervising the workers or subcontractors directly on the job, but are on the job site giving direction through a foreman or supervisor. They do not perform any construction work at these job sites. They also travel from site to site to check on the progress of multiple job locations that are under construction at the same time.

The project manager’s duties may include responsibility for directing the production of the design plans, construction documents, estimating, start up, scheduling, actual construction, expediting, inspection, quality control, and delivery of the project according to specifications, budget, and deadline.

For executive supervisors, it is difficult to determine the level of supervision required in the current classification wording. It is not clear whether supervision can only be exercised through an insured’s own employees, or exercised through a subcontractor’s superintendents or foremen. The classification phraseology does not specify which manner or whether both are appropriate. Also, executive supervisors are often exposed to hazards greater than this code allows when performing some of the construction work themselves on the job site. This can occur when inspecting the work performed or supervising the workers on a roof, ladder, scaffolding, etc.

IMPACT

No modification or adjustment to filed loss costs/rates are proposed for this classification. The proposed phraseology strengthens wording to prevent the application of this classification for employees directly supervising a construction worker. This may result in reclassification of an employee’s payroll to a different code and different loss cost/rate. If this reclassification occurs, it may cause a premium change. It is expected that some employee payrolls will be removed from Code 5606, and the effect of that removal will be eventually reflected in the filed loss cost/rate.

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IMPLEMENTATION

NCCI recommends that the proposed changes to Code 5606 be implemented in conjunction with the effective date of this class filing.

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EXHIBIT 5—NATIONAL CLASSIFICATION(S)

EXECUTIVE SUPERVISORS

CLASSIFICATIONS

5606 ● CONTRACTOR—EXECUTIVE SUPERVISOR PROJECT MANAGER, CONSTRUCTION EXECUTIVE, CONSTRUCTION MANAGER OR CONSTRUCTION SUPERINTENDENT

1. This classification is available only to ~~executive supervisors~~ project managers, construction executives, construction managers, or construction superintendents having administrative or managerial responsibility for construction or erection projects. When determining eligibility, it is the job duties, and not the job titles, that are the main consideration.

2. 1. "Project Manager, Construction Executive, Construction Manager, ~~Executive supervisors~~ or Construction Superintendents" are defined as those persons exercising operational control indirectly ~~supervisory control~~ through full-time job supervisors ~~intendents~~ or foremen of the employer.

2. When exercising control through a subcontractor, each subcontractor must have a job supervisor or foreman at the specific job site in order to permit the assignment of this classification. The supervisor or foreman of the subcontractor may manage one site or multiple sites. If any of the subcontractors do not have a job supervisor or foreman at any job site visited by the construction executive, all of the payroll of the construction executive for that policy year is assigned to the highest rated construction class code applicable. A sole proprietor or owner/operator with no employees, working as a subcontractor for the insured, would prevent the assignment of this classification to a construction executive because the subcontractor does not have the required job supervisor or foreman.

3. This code ~~d~~Does not apply to any person who is directly in charge of or who is performing any degree of actual construction work. Such person ~~must shall~~ be assigned to the classification that specifically describes the type of construction or erection operation over which they are exercising direct supervisory control provided separate payroll records are maintained for each operation. Any such operation for which separate payroll records are not maintained ~~must shall~~ be assigned to the highest rated classification that applies to the job or location where the operation is performed. ~~Refer to Rule 1-D-3-d.~~

4. Code 5606 is not available for division of a single employee's payroll with any other classification.

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EXHIBIT 5—NATIONAL RULE(S)

EXECUTIVE SUPERVISORS

RULES

RULE 1—CLASSIFICATION ASSIGNMENT

C. CLASSIFICATION WORDING

2. Words and Phrases

a. **All Employees, All Other Employees, All Operations, or All Operations to Completion**

If a classification includes any of these phrases, no other classification can be assigned unless noted in the classification wording. This applies even if some operations or employees are at a separate location.

Refer to *User's Guide* for an example.

Exceptions:

The following operations within the business must be classified separately, even if the classification wording includes "All Employees," "All Other Employees," "All Operations," or "All Operations to Completion":

- Construction or Erection Permanent Yard (Code 8227)
- Contractor—~~Executive Supervisor~~ Project Manager, Construction Executive, Construction Manager, or Construction Superintendent (Code 5606)
- Classifications describing an operation that is a standard exception unless the basic classification includes the standard exception operation
- Classifications describing an operation that is a general exclusion
- Any separate and distinct business (*Refer to Rule 1-D-3-c*)

E. MISCELLANEOUS EMPLOYEES

2. Miscellaneous employees include but are not limited to:

- General superintendents other than construction executives superintendents who meet the requirements of Code 5606—~~Contractor—Executive Supervisor~~ Project Manager, Construction Executive, Construction Manager, or Construction Superintendent
- Maintenance or power plant employees
- Shipping or receiving clerks
- Yard workers other than construction yard employees properly assigned to Code 8227—Construction or Erection Permanent Yard

Refer to *User's Guide* for an example. Refer to Rule 1-D-5 if the governing classification is a standard exception.

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RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION

F. WAGES FOR TIME NOT WORKED

2. Wages Paid to Key Employees

Wages paid to key employees of construction, erection, or stevedoring risks, such as superintendents, forepersons, or engineers, must be assigned to the classification applicable to the work that each one actually performs during any period where no jobs are in progress.

Exception to F-2 above:

If such work consists exclusively of drafting or other office work, or if such employee is completely idle, the wages must be assigned to Code 8810. However, Code 8810 is not available for office time of ~~an executive supervisor~~ a project manager, construction executive, construction manager, or construction superintendent who qualifies for Code 5606. It is usually expected that such an employee will spend a considerable portion of time engaged in office work.

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FACT SHEET 6

FLOOR COVERINGS INSTALLATION

PROPOSAL

The focus of changes proposed for this industry is to reassign and/or assign operations into classifications that reflect the exposures common to those operations.

Additional classification phraseology to be created

- Code 5221●—STONE AND BRICK PAVER INSTALLATION—OUTSIDE

Classification phraseologies to be eliminated

- Code 5348●—MOSAIC, STONE, TERRAZZO, OR CERAMIC TILE WORK—INSIDE
Applies to interior construction work only. Not fireproof tile construction.
- Code 5348●—TERRAZZO, MOSAIC, STONE, OR CERAMIC TILE WORK—INSIDE
Applies to interior construction work only. Not fireproof tile construction.
- Code 5348●—TILE—CERAMIC, STONE, MOSAIC, OR TERRAZZO WORK—INSIDE
Applies to interior construction work only. Not fireproof tile construction. Installation of carpet, linoleum, vinyl, asphalt, or rubber floor tile to be separately rated to Code 5478.
- Code 5348●—MARBLE OR STONE SETTING—INSIDE
Applies to interior construction only.
- Code 5348●—STONE OR MARBLE SETTING—INSIDE
Applies to interior construction only.
- Code 5437●—CARPENTRY—Installation of Finished Wooden Flooring.
Includes installation of parquet flooring. Not applicable to contractors who perform any other carpentry operations at the same job or location.
- Code 5478●—CARPET, LINOLEUM, VINYL, ASPHALT, OR RUBBER FLOOR TILE INSTALLATION
Stone, mosaic, terrazzo, or ceramic tile work to be separately rated to Code 5348 if performed inside or Code 5022 if performed outside.
- Code 5478●—LINOLEUM, CARPET, VINYL, ASPHALT, OR RUBBER FLOOR TILE INSTALLATION
Stone, mosaic, terrazzo, or ceramic tile work to be separately rated to Code 5348 if performed inside or Code 5022 if performed outside.

Classification phraseologies to be modernized and clarified

Current Phraseology:

- Code 5348●—STONE, MOSAIC, TERRAZZO, OR CERAMIC TILE WORK—INSIDE
Applies to interior construction work only. Not fireproof tile construction.
- Code 5437●—FLOOR SANDING OR SCRAPING—WOOD FLOORS
- Code 5478●—FLOOR COVERING—INSTALLATION
Applies to the installation of carpet, linoleum, vinyl, asphalt, or rubber tiling. Stone, mosaic, terrazzo, or ceramic tile work to be separately rated to Code 5348 if performed inside or Code 5022 if performed outside.
- Code 5221●—CONCRETE OR CEMENT Work—Floors, Driveways, Yards, or Sidewalks & Drivers
Codes 5215—Concrete work incidental to the construction of private residences and 5222—Concrete construction in connection with bridges or culverts shall not be assigned at the same job or location to which Code 5221 applies. Self-bearing floors, airport runways, warming aprons, street or road construction to be separately rated.

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Proposed Phraseology Change:

- Code 5348●—CERAMIC TILE, INDOOR STONE, MARBLE, OR MOSAIC WORK
Not fireproof tile construction. Installation of resilient flooring, carpet, or laminate flooring to be separately rated to Code 5478. The installation of ceramic and mosaic tiles outdoors for decorative, artistic and ornamental nature is included in Code 5348. Separately rate tile work performed in conjunction with the construction of structures.
- Code 5437●—FLOOR INSTALLATION, SANDING OR SCRAPING—WOOD FLOORS
The installation of wood flooring requires cutting, sanding, drilling, and attaching using nails, screws, or pegs. Refer to Code 5478 for laminate wood flooring such as engineered wood flooring installed using glue-down or interlocking methods. Not applicable to contractors who perform any other carpentry operations at the same job or location.
- Code 5478●—FLOOR COVERING INSTALLATION—RESILIENT FLOORING—CARPET AND LAMINATE FLOORING
Ceramic tile, mosaic, and indoor stone to be separately rated to Code 5348. Refer to Code 5437 for the installation of wood flooring requiring cutting, sanding, drilling and attaching using nails, screws or pegs.
- Code 5221●—CONCRETE OR CEMENT Work—Floors, Driveways, Yards, or Sidewalks & Drivers
Code 5215—Concrete work incidental to the construction of private residences and Code 5222—Concrete construction in connection with bridges or culverts must not be assigned at the same job or location to which Code 5221 applies. Self-bearing floors, airport runways, warming aprons, and street or road construction to be separately rated. Includes terrazzo work.

BACKGROUND AND BASIS FOR CHANGE

A review of the installation methods for the various types of floor coverings contemplated in all codes was conducted to determine if any differences in exposure and processes exist. The installation of carpet and resilient flooring (linoleum, vinyl, asphalt, rubber) currently contemplated in Code 5478 is the least hazardous of all floor coverings. Tools such as a knee kicker, stretcher, utility knife, handsaw, trowel, and roller are used to install these types of floor coverings. A review of claims data shows strains are the most common cause of injury, which is due to exposures such as kneeling, stooping, and lifting. These exposures are common to the industry, but the tools, equipment, and materials handled will determine the severity of injuries. Payroll for Code 5478 has been continuously increasing and these specialty contractors may continue to experience job growth with the evolution of new flooring materials. Laminate flooring has become a popular choice of flooring because of its range of patterns and ease of installation. The installation of these floors is analogous to the process within Code 5478. This type of flooring is premanufactured and requires no additional sealing once installed. The installation consists of gluing or simply interlocking pieces together.

Wood flooring can be a premanufactured product that can be installed by gluing or interlocking pieces together. Parquet flooring is a finished wood tile that is installed using the “glue-down” method. These types of wood floorings are currently contemplated in Code 5437—Carpentry—Installation of Cabinet Work or Interior Trim. NCCI is proposing that the installation of wood flooring installed by gluing or interlocking pieces together be classified to Code 5478. The installation of wood flooring that requires cutting, sanding, and drilling will continue to be classified to Code 5437 as this type of work is different, both in process and in exposure.

Materials referenced in Code 5348 are heavier stone-like materials that can be installed on floors, walls, and other surfaces such as counters. Tile can also be installed outdoors over an existing surface such as a concrete pad, pool, or wall. Common tile work done outdoors includes tiled patios, tiled pools, and mosaic art. The handling of these materials is more hazardous when compared with materials contemplated in Code 5478. Since these materials are generally installed on floors, kneeling, stooping, and lifting are common exposures. The installation of these materials requires the operation of more hazardous machinery such as wet saws and hoisting devices. Additional processes such as grouting and sealing are also required. The exposures and processes involved with tile and marble work are generally the same whether performed indoors or outdoors. Therefore, NCCI proposes to remove from the wording of Code 5348 the requirement that such work take place “indoors.”

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The installation of terrazzo consists of pouring a concrete pad, adding an additional layer of sandy concrete and decorative chips, grinding, and polishing the floor. This process is analogous to installing a nonstructural concrete floor and is not within the intent of Code 5348.

Finally, concrete pavers and outdoor stone can be installed directly on soil or sand to create paths, patios, playgrounds, and driveways. Due to the weight of these materials, they may be delivered directly to the location where they are to be installed. These paths, patios, playgrounds, and driveways are nonstructural and ground-supported; therefore, NCCI is proposing the assignment of these ground covering operations to Code 5221—Concrete or Cement Work—Floors, Driveways, Yards or Sidewalks—& Drivers.

For this industry, NCCI is also proposing to reformat the “Carpentry” section headings because one of the classifications under that section is being revised in this analysis. This will allow NCCI to more easily incorporate future changes.

IMPACT

No modification or adjustment to filed loss costs/rates is proposed for these classifications. This item proposes to remove the word “Inside” from Code 5348 phraseology as it relates to ceramic tile, marble or mosaic work. This may result in some reclassification of payroll from Code 5022—Masonry NOC to Code 5348. The extent of payroll reclassification cannot be determined. This change is expected to better align the operations involved with associated work hazard. The impact to premium by individual risk will vary depending on the amount of exposure that is reassigned from Code 5022 to Code 5348. This proposal is not expected to significantly change overall statewide premium.

NCCI also proposes that the installation of laminate and finished wood flooring be reclassified from Code 5437 to Code 5478. The installation of wood flooring that requires cutting, sanding, and drilling will continue to be classified to Code 5437. The extent of payroll reclassification cannot be determined. This change is expected to better align the operations involved with the associated work hazard. The impact to premium by individual risk will vary depending on the amount of exposure that is reassigned from Code 5437 to Code 5478. This proposal is not expected to significantly change overall statewide premium.

This filing also proposes to create new phraseology for Code 5221 to specifically address operations that install concrete pavers and stone directly on soil or sand to create outside paths, patios, playgrounds, and driveways. This change is proposed to ensure that these specific operations are consistently assigned to the same classification. The impact to individual risk premium will vary depending on the amount of payroll that will get reassigned to Code 5221. This proposal is not expected to significantly change overall statewide premium.

Most other phraseology changes are for clarification and are not expected to result in any reclassification of risk payroll or change in loss costs/rates or premium.

IMPLEMENTATION

NCCI recommends that the proposed changes to Codes 5221, 5348, 5437, and 5478 be implemented in conjunction with the effective date of this class filing.

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EXHIBIT 6—NATIONAL CLASSIFICATION(S)

FLOOR COVERINGS INSTALLATION

CLASSIFICATIONS

CARPENTRY

- 5437●** ~~Installation of Finished Wooden Flooring.~~ Includes installation of parquet flooring. Not applicable to contractors who perform any other carpentry operations at the same job or location.
- 5645●** **CARPENTRY—Detached One- or Two-Family Dwellings.**
Includes garages constructed in connection with the dwellings.
- 5651●** **CARPENTRY—Dwellings—Three Stories or Less.**
Applicable only to buildings designed primarily for multiple dwelling occupancy and includes garages constructed in connection therewith. Carpentry in the construction of detached private dwellings for occupancy by one or two families to be separately rated as Code 5645—Carpentry.
- 5437●** **CARPENTRY—Installation of Cabinet Work or Interior Trim.**
Not applicable to contractors who perform any other carpentry operations at the same job or location.
- 2802** **CARPENTRY—Shop Only & Drivers.**
Codes 2802 and 2731—Planing or molding mill shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses. Commercial lumberyards, building material dealers, or fuel and material dealers to be separately rated. Where a risk deals in any lumber or building materials or in any fuel and materials in addition to performing carpentry shop operations, all yard operations, including all drivers, shall be rated in the appropriate yard classification, Code 8232.
- 5403●** **CARPENTRY—NOC**
- 5478●** **CARPET, LINOLEUM, VINYL, ASPHALT OR RUBBER FLOOR TILE INSTALLATION**
Stone, mosaic, terrazzo, or ceramic tile work to be separately rated to Code 5348 if performed inside or Code 5022 if performed outside.
- CONCRETE OR CEMENT**
- 5221●** ~~Work—Floors, Driveways, Yards, or Sidewalks & Drivers.~~
Codes 5215—Concrete work incidental to the construction of private residences and 5222—Concrete construction in connection with bridges or culverts shall not be assigned at the same job or location to which Code 5221 applies. Self-bearing floors, airport runways, warming aprons, street or road construction to be separately rated.
- 5221●** **CONCRETE OR CEMENT WORK—FLOORS, DRIVEWAYS, YARDS, OR SIDEWALKS & DRIVERS.**
Code 5215—Concrete work incidental to the construction of private residences and Code 5222—Concrete construction in connection with bridges or culverts must shall not be assigned at the same job or location to which Code 5221 applies. Self-bearing floors, airport runways, warming aprons, and street or road construction to be separately rated. Includes terrazzo work.
- 5478●** ~~FLOOR COVERING—INSTALLATION COVERING INSTALLATION—RESILIENT FLOORING—CARPET AND LAMINATE FLOORING~~
Applies to the installation of carpet, linoleum, vinyl, asphalt or rubber tiling. Stone, mosaic, terrazzo or ceramic tile work to be separately rated to Code 5348 if performed inside or Code 5022 if performed outside. Ceramic tile, mosaic, and indoor stone to be separately rated to Code 5348. Refer to Code 5437 for the installation of wood flooring requiring cutting, sanding, drilling and attaching using nails, screws or pegs.
- 5437●** **FLOOR INSTALLATION, SANDING OR SCRAPING—WOOD FLOORS**
The installation of wood flooring requires cutting, sanding, drilling, and attaching using nails, screws, or pegs. Refer to Code 5478 for laminate wood flooring such as engineered wood flooring installed using glue-down or interlocking methods. Not applicable to contractors who perform any other carpentry operations at the same job or location.

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- 5478● ~~LINOLEUM, CARPET, VINYL, ASPHALT, OR RUBBER FLOOR TILE INSTALLATION~~
Stone, mosaic, terrazzo, or ceramic tile work to be separately rated to Code 5348 if performed inside or Code 5022 if performed outside.
- 5348● ~~MARBLE OR STONE SETTING—INSIDE~~
Applies to interior construction only.
- 5348● ~~MOSAIC, STONE, TERRAZZO, OR CERAMIC TILE WORK—INSIDE~~
Applies to interior construction work only. Not fireproof tile construction.
- 5221● ~~STONE AND BRICK PAVER INSTALLATION—OUTSIDE~~
- 5348● ~~STONE, MOSAIC, TERRAZZO, OR CERAMIC TILE WORK—INSIDE.~~ CERAMIC TILE, INDOOR
~~STONE, MARBLE, OR MOSAIC WORK~~
Applies to interior construction work only. Not fireproof tile construction. Installation of resilient flooring—carpet or laminate—to be separately rated to Code 5478. The installation of ceramic and mosaic tiles outdoors for decorative, artistic, and ornamental nature is included in Code 5348. Separately rate tile work performed in conjunction with the construction of structures.
- 5348● ~~STONE OR MARBLE SETTING—INSIDE~~
Applies to interior construction only.
- 5348● ~~TERRAZZO, MOSAIC, STONE, OR CERAMIC TILE WORK—INSIDE~~
Applies to interior construction work only. Not fireproof tile construction.
- 5348● ~~TILE—CERAMIC, STONE, MOSAIC, OR TERRAZZO WORK—INSIDE~~
Applies to interior construction work only. Not fireproof tile construction. Installation of carpet, linoleum, vinyl, asphalt, or rubber floor tile to be separately rated to Code 5478.

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FACT SHEET 7

GRAIN MILLING AND MFG.

PROPOSAL

The focus of the proposed changes for this industry involves clarifying proper classification treatment of grain storage facilities not directly connected to the milling plant. These facilities will be separately rated as Code 8304—Grain Elevator Operation and Local Managers, & Drivers. Also, power, energy, low carbohydrate, and diet bars (except chocolate and candy bars) will be assigned to Code 2016—Cereal or Bar Mfg.

Classification phraseologies to be eliminated

- Code 2014—FEED MFG.
Includes the preparation of cereal or compound feeds for livestock.
- Code 2014—GRIST MILL
- Code 2014—MILLING GRAIN

Classification phraseologies to be modernized and clarified

Current Phraseology:

- Code 2014—GRAIN MILLING
- Code 2016—BREAKFAST FOOD MFG.
Applicable to the mfg. of prepared foods only and is not available to concerns engaged in grain milling exclusively.

Proposed Phraseology Change:

- Code 2014—GRAIN OR FEED MILLING
Field crops such as wheat, oats, barley, rye, rice or corn and the preparation of cereal or compound feeds for livestock is contemplated.
Grain storage away from the milling plant or grain storage that is not directly connected to the plant by a piping system to be separately rated as Code 8304—Grain Elevator Operation & Local Managers, Drivers.
- Code 2016—CEREAL OR BAR MFG.
Includes the manufacturing of ready-to-eat or hot cereal from wheat, barley, rice, corn, oats, etc.
The manufacturing of breakfast bars, granola bars, power bars, energy bars, diet bars, low carbohydrate (low carb) bars, etc., where the primary ingredients are the grains listed, soy-based ingredients, and naturally or chemically mixed or blended ingredients, is also included. Candy bars or chocolate bars are separately rated to Code 2041—Confection Mfg.
Businesses engaged in grain milling exclusively must be separately rated to Code 2014—Grain Or Feed Milling.

BACKGROUND AND BASIS FOR CHANGE

Code 2014—Grain Milling and Code 2016—Breakfast Food Mfg. were reviewed as a part of the Grain Milling and Manufacturing industry. Historical records show that these codes have not been updated since their inception.

The process for milling grain begins when the grain is received and temporarily stored in grain elevators to wait for processing. Processing equipment is used to clean and mill the grain and remove any unwanted items (vegetative waste still attached, hulls, etc.). Then the grain is packaged in sacks or sent to a grain elevator for bulk transport. Different types of grains may be mixed and combined for animal feed with additives included in the process. Grain milling companies also may grind the grain to fine flour that is ready for use in other products. When the milling company that processes the grain does not grind the grain to flour, this grinding is separately rated to Code 6504. The term grist milling has the same meaning as grain milling and is included in Code 2014.

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Breakfast foods items contemplated by Code 2016 include breakfast bars that are made by the same process that makes cereal, with the exception of bonding agents used to form the cereal into a bar. The types of grains used in the production of cereal can be wheat, oats, barley, rye, rice, and corn. A combination of these grains may also be used with other ingredients, colorings, sugars, artificial sweeteners, and preservatives in the making of these cereals. Products coming out of this industry today have far outpaced the common definition of a breakfast bar, with cereal bars, granola bars, power or energy bars, diet-specific bars, and low-carb bars, now common, to name just a few. The last three extensively use soy, soy nuggets, and enhanced chemical or natural blends that are not the traditional grains associated with Code 2016. These industries do not disclose their manufacturing process, but they are similar to the making of candy bars. Candy companies are currently also making these types of bars as a new product line. These bar manufacturers are currently assigned to Code 6504—Food Sundries Mfg., which is the code used for a variety of miscellaneous food products for both humans and pets.

Items identified include clarifying the dividing line in the storage of grains for Code 2014 and Code 8304—Grain Elevator Operation. The temporary storage of grains that are not owned by the insured is contemplated under both codes. For Code 2014, it is the temporary storage prior to being milled, and for Code 8304, it is the temporary storage prior to being shipped to customers that should be clarified in the phraseology of Code 2014.

The phraseology of Code 2016 was reviewed to determine if it was too restrictive in its scope (intended for the manufacture of cereals or other products that are made using the same types of grains and processes that are used in the manufacture of cereals).

For Codes 2014 and 2016, four of the top five cause-of-injury claim categories based on total incurred medical amounts were: caught in machinery, fall or slip NOC, miscellaneous NOC, and strains by lifting. For Code 2014, falls from different levels were also in the top five. For Code 2016, strains by repetitive motion were in the top five. The percentages for the top 10 injury causes based on medical amounts were similar for both codes at 61.4% for Code 2014 and 70.9% for Code 2016.

IMPACT

No modification or adjustment to filed loss costs/rates is proposed for these classifications. This item proposes to remove operations engaged in manufacturing power or energy bars, diet or low carbohydrate (low carb) bars, breakfast and granola bars from Code 6504—Food Sundries Mfg. NOC, and assign those operations to Code 2016—Cereal or Bar Mfg. Changes in individual classifications of risks will result, but the extent is not able to be determined. This is not expected to significantly change overall loss costs/rates or premium generated in Code 2016.

This item also adds phraseology that clarifies grain elevator operations that are away from the milling plant or grain storage that is not directly connected to a grain milling plant be classified to Code 8304—Grain Elevator Operation and Local Managers, Drivers. This clarification is not expected to result in a major reclassification of risk payroll and so is not expected to significantly change overall loss costs/rates or statewide premium.

IMPLEMENTATION

NCCI recommends that the proposed changes to Codes 2014 and 2016 be implemented in conjunction with the effective date of this class filing.

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EXHIBIT 7—NATIONAL CLASSIFICATION(S)

GRAIN MILLING AND MFG.

CLASSIFICATIONS

2016 ~~BREAKFAST FOOD~~**CEREAL OR BAR MFG.**

Includes the manufacturing of ready-to-eat or hot cereal from wheat, barley, rice, corn, oats, etc.

The manufacturing of breakfast bars, granola bars, power bars, energy bars, diet bars, low carbohydrate (low carb) bars, etc., where the primary ingredients are the grains listed, soy-based ingredients, and naturally or chemically mixed or blended ingredients, is also included. Candy bars or chocolate bars are separately rated to Code 2041—Confection Mfg.

~~Not available to concerns~~Businesses engaged in grain milling exclusively must be separately rated to Code 2014—Grain or Feed Milling.

2014 ~~FEED MFG.~~

~~Includes the preparation of cereal or compound feeds for livestock.~~

2014 **GRAIN OR FEED MILLING**

Field crops such as wheat, oats, barley, rye, rice, or corn and the preparation of cereal or compound feeds for livestock is contemplated.

Grain storage away from the milling plant or grain storage that is not directly connected to the plant by a piping or conveyor system to be separately rated as Code 8304—Grain Elevator Operation & Local Managers, Drivers.

2014 ~~GRIST MILL~~

2014 ~~MILLING GRAIN~~

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FACT SHEET 8

HOME HEALTHCARE

PROPOSAL

The focus of the proposed changes is to clarify the proper classification of businesses that provide homemaker and companion services while physically assisting clients in activities of daily living.

Classification phraseology to be eliminated

- Code 8835—BABY-SITTING SERVICE

Classification phraseologies to be modernized and clarified

Current Phraseology:

- Code 8835—NURSING—HOME HEALTH, PUBLIC AND TRAVELING—ALL EMPLOYEES
- Code 8835—HOMEMAKER SERVICE
Applies to nonprofit organizations providing home help services to families with children, convalescent, aged, acutely or chronically ill or disabled persons. Clerical office employees shall be separately rated as Code 8810—Clerical and outside social case workers as Code 8742—Salespersons.

Proposed Phraseology Change:

- Code 8835—HOME, PUBLIC, AND TRAVELING HEALTHCARE—ALL EMPLOYEES
- Code 8835—HOMEMAKER SERVICE—PHYSICAL ASSISTANCE
Applies to businesses or individuals providing homemaker and companion services, while physically assisting convalescents, aged, acutely or chronically ill, or disabled persons in the activities of daily living.

Classification rule to be modernized and clarified

NCCI is proposing to amend the *Basic Manual* rule dealing with domestics to remove the term “nurse” and bring consistency and clarity to the classification treatment for this industry.

BACKGROUND AND BASIS FOR CHANGE

The home healthcare industry was reviewed to determine the proper classification treatment of home health employees and domestics who provide homemaker and companion services while physically assisting clients in activities of daily living. Activities of daily living can be defined as bathing, dressing, transferring from bed or chair, grooming, bathroom use, eating, and walking.

NCCI currently classifies these employees to Code 8835 Nursing—Home Health, Public and Traveling—All Employees, a national code that became effective in December 1938. Code 8835 is applicable to home health services, babysitting services, and homemaker services when a degree of nursing services or other physical assistance is also provided.

Individuals who need either temporary assistance due to an illness or injury, or longer-term assistance due to physical or mental limitations, being elderly, infirm, or chronically ill, hire or are provided registered nurses, licensed practical nurses, certified nurse aides, personal care providers, social workers, physical therapists, occupational therapists, speech therapists, home health aides, or home care aides, depending on their condition.

Personal and home care aides, also known as homemakers, caregivers, and personal attendants, provide personal and/or home care services. These aides generally require no formal training and are trained while on the job. Duties of a personal or home care aide may include housekeeping, laundry, cooking, shopping, assisting patients with activities of daily living such as getting in and out of bed, walking, bathing, toileting, and dressing, and accompanying clients outside the home, serving as a guide or companion.

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Personal and home care aides work in uncontrolled surroundings, usually without the backup support of other healthcare workers, resulting in strains from lifting or assisting patients in personal care or while lifting heavy medical equipment, motor vehicle accidents from working long hours and fatigue, and injuries due to disoriented patients. These injury causes make up the top most frequent and most severe injury causes reported for Code 8835.

Based on NCCI's finding, it is recommended that the definition of Domestic Workers—Residence in NCCI's *Basic Manual* Rules be amended to remove the reference to "nurse." Nurses and companions who provide physical assistance in the activities of daily living should be classified to Code 8835. Removing this reference from Codes 0908 and 0913 will clarify the intent of these domestic codes. The domestic codes will remain applicable to domestics providing supervision and companionship only.

In addition, the filed phraseology and cross-reference for Code 8835 will be amended to clarify the classification treatment of personal care providers who provide physical assistance. It is also proposed that the cross-reference phraseology of Code 8835—Baby-Sitting Services be eliminated. This type of exposure is more appropriately classified to the applicable domestic code. Baby-sitting of adults or children who have physical or mental limitations, who are chronically ill, or who are disabled will continue to be classified to Code 8835.

IMPACT

No modification or adjustment to filed loss costs/rates is proposed for this classification. This item is proposing that the definition for Domestic Workers—Residence in NCCI's *Basic Manual* Rules be amended to eliminate "nurse." Nurses and companions who provide physical assistance in the activities of daily living should be classified to Code 8835. The extent of payroll redistribution and the impact to statewide premium level cannot be determined. The impact to statewide premium level is not expected to be significant. The impact to individual risk premium will vary depending on the amount of exposure (if any) that is reassigned to Code 8835. The phraseology changes for Code 8835 are also modernized for clarification, which is not expected to result in any reclassification of risks or change in loss costs/rates or premium.

IMPLEMENTATION

NCCI recommends that the proposed changes for this industry be implemented in conjunction with the effective date of this class filing.

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EXHIBIT 8—NATIONAL CLASSIFICATION(S)

HOME HEALTHCARE

CLASSIFICATIONS

8835 ~~BABY SITTING SERVICE~~

8835 ~~HOMEMAKER SERVICE—PHYSICAL ASSISTANCE~~

~~Applies to nonprofit organizations businesses or individuals providing homemaker and companion help services to families with, while physically assisting children, convalescents, aged, acutely or chronically ill, or disabled persons in the activities of daily living. Clerical office employees shall be separately rated as Code 8810—Clerical and outside social case workers as Code 8742—Salespersons.~~

8835 ~~NURSING—HOME HEALTH, PUBLIC, AND TRAVELING HEALTHCARE—ALL EMPLOYEES~~

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EXHIBIT 8—NATIONAL RULE(S)

HOME HEALTHCARE

RULES

RULE 3—RATING DEFINITIONS AND APPLICATION OF PREMIUM ELEMENTS

C. DOMESTIC WORKERS—RESIDENCES

1. Explanation

Domestic workers can be defined as either Outside, Inside, or Occasional depending on their duties and the number of hours worked.

- Domestic Workers—Inside are full-time employees who are engaged exclusively in household or domestic work performed principally inside the residence.
This includes cook, housekeeper, laundry worker, maid, butler, companion, ~~nurse~~ and baby-sitter.
Use Code 0913—Domestic Workers—Inside.
- Domestic Workers—Outside are full-time employees engaged exclusively in household or domestic work performed principally outside the residence.
This includes private chauffeur and gardener.
Use Code 0912—Domestic Workers—Outside—including private chauffeurs.
- Domestic Workers—Occasional are domestic workers, inside or outside, who are employed part-time.
In this instance, “part-time” applies to any domestic worker who is employed half or less than half of the customary full-time.
Use Code 0908—Domestic Workers—Inside—Occasional or Code 0909—Domestic Workers—Outside—Occasional—including private chauffeurs.

Exception:

If commercial farm operations are conducted, Codes 0909 and 0912 do not apply to any operations at the farm location. Any outside domestic workers at a commercial farm location are assigned to the appropriate farm classification.

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FACT SHEET 9

JUICE MFG.

PROPOSAL

The focus of the proposed changes for this industry involves including drivers within the processing code instead of having them separated to the standard exception drivers code.

Classification phraseologies to be modernized and clarified

Current Phraseology:

- Code 2143—FRUIT Juice Mfg.
Includes incidental fruit preserving or bottling. No bottling of carbonated liquids. Can mfg. to be separately rated as Code 3220.
- Code 2143—WINERY
Applies to all operations including bottling. Distilling to be separately rated as Code 2130—Spirituous liquor distillery.

Proposed Phraseology Change:

- Code 2143—FRUIT JUICE MFG. & DRIVERS
Includes incidental fruit preserving or bottling. Can mfg. to be separately rated as Code 3220.
- Code 2143—WINERY & DRIVERS
Applies to all operations including bottling. Distilling to be separately rated as Code 2130—Spirituous liquor distillery.

BACKGROUND AND BASIS FOR CHANGE

Classification Code 2143—Fruit Juice Mfg. is a national code that became effective in 1920. The code includes incidental fruit preserving or bottling, but not the bottling of carbonated liquids. There is a cross-reference for Winery—all operations including bottling.

Classification Code 2119—Citrus Products Processing is a Florida state-special code. It includes citrus juice or segment processing, canning, or packaging. Code 2119 is additionally assigned to the manufacture of animal feed pellets from citrus pulp and peel residue.

The phraseology for Code 2143 and Code 2119 does not include drivers. Similar to Code 2070—Creamery or Dairy & Route Supervisors, Drivers and Code 2121—Brewery & Drivers, many operations classified to Codes 2143 and 2119 employ their own drivers.

The history of winemaking goes back over 7,000 years and has remained fundamentally the same over time. With the advent of pasteurization, the modern-day method of fruit juice manufacturing began to flourish. Today, fruit juice manufacturing is a highly mechanized process. The industry's use of automation has created a safer environment for workers. Smaller operations, with less automation involved, may have higher exposure to injury. Florida's citrus products industry is unique from the rest of the fruit juice processing industry in terms of the products and processes employed, as well as the hazards and injury causes.

Materials handling and slip and fall injuries are the most common hazards. Wineries are likely to have less automation but generally will have fewer employees and operate on a more seasonal basis. Wineries will also have the additional exposure of carbon dioxide and alcohol vapors during the fermentation process.

Wineries in Code 2143 that bottle their own carbonated beverages generally rate this exposure under Code 2157—Bottling NOC. However, there is no such reference in Code 2119 for wineries in Florida. Code 2157, in fact, specifically lists "Fruit Juice Mfg." and "Winery" as industries the code is not intended for.

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The phraseologies for national Code 2143 and Florida state-special Code 2119 do not include drivers. However, the vast majority of operations do have their own driving exposures; therefore, NCCI is proposing to add drivers to the phraseology of these codes. According to information provided by carriers and maintained in NCCI's database, approximately 87% of policies with Code 2119 also have Code 7380, and approximately 95% of policies with Code 2143 also have Code 7380. By comparison, the phraseology of both "Creamery or Dairy" and "Brewery" already include drivers. The audited driving exposure of fruit juice manufacturers and wineries is likely to be payroll split with the governing classification.

For this industry, NCCI is also proposing to reformat the "Fruit" section heading since some of the classifications under those sections are being revised in this analysis. This will allow NCCI to more easily incorporate future changes.

IMPACT

Nationally, no modification or adjustment to filed loss costs/rates is proposed for Code 2143. This item filing proposes changing the phraseology to include "& Drivers." This will result in excluding the use of the standard exception classification "7380—Drivers, Chauffeurs and Their Helpers NOC—Commercial" in conjunction with the "2143—Fruit Juice Manufacturing—& Drivers" classification. The inclusion of drivers is only expected to impact individual risks that currently have driver payroll assigned separately to the current standard drivers exception classification 7380. In most states, the driver classification's loss cost/rate is higher—in this circumstance, the premium collected will be less. The other phraseology changes are for clarification only and should not result in any reclassification of risk exposure or change in loss costs/rates or premium.

IMPLEMENTATION

NCCI recommends that the proposed changes to Code 2143 and Code 2119 be implemented in conjunction with the effective date of this class filing.

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EXHIBIT 9—NATIONAL CLASSIFICATION(S)

JUICE MFG.

CLASSIFICATIONS

FRUIT

- 2112 FRUIT EVAPORATING OR PRESERVING-**
Includes jam, jelly, or cooked fruit syrup mfg. No canneries. No fruit juice mfg. Can mfg. to be separately rated as Code 3220.
- 2143 FRUIT JUICE MFG. & DRIVERS**
Includes incidental fruit preserving or bottling. ~~No bottling of carbonated liquids.~~ Can mfg. to be separately rated as Code 3220.
- 2105 FRUIT PACKING-**
Fruit evaporating or preserving to be separately rated as Code 2112. Canneries to be separately rated as Code 2111.
- 2143 WINERY & DRIVERS**
Applies to all operations including bottling. Distilling to be separately rated as Code 2130—Spirituos liquor distillery.

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FACT SHEET 10

MESSENGER/COURIER SERVICES

PROPOSAL

The focus of the proposed changes is to clarify that messengers and couriers are appropriately classified to Code 7380 or 7231 as originally intended and not to Code 8742.

Classification phraseologies to be eliminated

- Code 7380—CHAUFFEURS, DRIVERS & THEIR HELPERS NOC—COMMERCIAL
Subject to Rule 1-B-2.
- Code 8742—COLLECTORS, MESSENGERS, OR SALESPERSONS—OUTSIDE
Subject to Rule 1-B-2.
- Code 8742—MESSENGERS, COLLECTORS, OR SALESPERSONS—OUTSIDE
Subject to Rule 1-B-2.

Classification phraseologies to be modernized and clarified

Current Phraseology:

- Code 8742—SALESPERSONS, COLLECTORS, OR MESSENGERS—OUTSIDE
Subject to Rule 1-B-2.
- Code 7380—DRIVERS, CHAUFFEURS AND THEIR HELPERS NOC—COMMERCIAL
Subject to Rule 1-B-2.
- Code 7231—TRUCKING: MAIL, PARCEL, OR PACKAGE DELIVERY—ALL EMPLOYEES & DRIVERS
Applies to risks engaged exclusively under contract in local delivery of mail, parcels, or packages limited to 100 pounds or less. Mail, parcels, or packages, as shown in the classification phraseology, refers to those items where the delivery tariff or charge is allocable to the individual envelope, parcel, or package. This classification would not be applicable to truckers hauling packaged goods or merchandise where the haulage or transport charge is based on a truckload or partial truckload, the cumulative weight of the packages and/or parcels being transported or a flat contract price for the consignment. The term “local” is intended to limit the radius of operations to that which would permit a driver to complete the assigned deliveries and return to the point of dispatch within the normal workday.
- Code 8742—BANK AND TRUST COMPANIES: Special Officers and Armed and Unarmed Attendants, Ushers, Door Attendants, Appraisers, Field Auditors, Runners or Messengers
Subject to Rule 1-B-2.

Proposed Phraseology Change:

- Code 8742—SALESPERSONS OR COLLECTORS—OUTSIDE
Subject to the in Rule 1-B-2.
- Code 7380—DRIVERS, CHAUFFEURS, MESSENGERS, AND THEIR HELPERS NOC—COMMERCIAL
Subject to Rule 1-B-2. Messenger and courier deliveries of owned documents or goods made by foot or public transportation are assigned to the governing class code.
- Code 7231—MAIL, PARCEL, OR PACKAGE DELIVERY AND COURIER OR MESSENGER SERVICE COMPANIES—ALL EMPLOYEES & DRIVERS
Applies to couriers, messengers, and others who deliver nonowned envelopes, parcels or packages exclusively for local delivery. Mail, parcels, or packages, as shown in the classification phraseology, refers to those items where the delivery tariff or charge is allocable to the individual envelope, parcel, or package. This classification would not be applicable to truckers hauling packaged goods or merchandise where the haulage or transport charge is based on a truckload or partial truckload, the cumulative weight of the packages and/or parcels being transported, or a flat contract price for the consignment. The term “local” is intended to limit the radius of operations to that which would permit a driver to complete the assigned deliveries and return to the point of dispatch within the normal workday.

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- Code 8742—BANK AND TRUST COMPANIES: SPECIAL OFFICERS AND ARMED AND UNARMED ATTENDANTS, USHERS, DOOR ATTENDANTS, APPRAISERS, OR FIELD AUDITORS
Subject to Rule 1-B-2.

Classification rules to be modernized and clarified

Since some of the proposed changes for this industry are being made to standard exception classifications, there are numerous references in the rules sections of NCCI's *Basic Manual* that we also propose to amend.

BACKGROUND AND BASIS FOR CHANGE

The messenger and courier industry provides intercity and/or local delivery of parcels. This includes the establishments that perform intercity transportation as well as establishments that, under contract to them, perform local pickup and delivery. These articles may be mail, parcel, or package and can be described as those that may be handled by one person without using special equipment. The restriction to small parcels partly distinguishes these establishments from those in the trucking industry. Messengers—who usually deliver within a metropolitan or single urban area—may deliver mail, parcels, or packages by a bicycle, foot, small truck, or van.

The codes under review were examined to compare the type of goods being delivered and to measure the claims exposures. The wording in NCCI's *Basic Manual* was also reviewed to determine those cross-references and analogies that are duplicated or need further clarification.

Messenger and courier services involve duties that are performed away from the employer's premises or business location. Messenger and courier service is currently classified to the governing code if delivery of mail, parcels, or packages is by foot or public transportation, or Code 7380—Drivers, Chauffeurs and Their Helpers NOC—Commercial if delivery is by vehicle or bicycle.

These businesses deliver documents, mail, parcels, printed matter, or packages, usually small in nature, on a long-distance or local basis. The industry is composed of establishments primarily engaged in providing air, surface, or combined courier delivery services of parcels generally between metropolitan areas or urban centers.

Local messenger and courier businesses offer same- or one-day delivery service while the national messenger and courier businesses offer next-day or two-day service throughout the United States and possibly internationally. Deliveries to the recipient are by private passenger auto, small trucks, vans, box trucks, bicycles, or foot. Of the industry, 95% use motorized vehicles as a source of delivery. The industry uses independent contractors for 63% of its employee base.

The trucking industry transports non-owned goods such as boxes, appliances, furniture, merchandise, and commercial machines regardless of size on a local- or long-distance basis. The trucking industry was determined not to be a factor in the messenger and courier service industry review.

NCCI recommends that the reference to "messenger" in the phraseology wording of Code 8742—Salespersons, Collectors or Messengers—Outside be removed and instead shown in the classification wording for Code 7380—Drivers. Companies that have their own employees and act as their own messenger and courier service will continue to be classified to Code 7380 if they deliver by driving or bicycling. If they deliver by foot or public transportation, the governing class code should continue to be assigned to the messenger and courier employees.

NCCI also proposes that contract messenger and/or courier services be listed within the phraseology for Code 7231. Deliveries made by semi tractor-trailers are not contemplated in Code 7231 and are appropriately classified to the proper trucking classification. Amending NCCI's *Basic Manual* phraseology wording of Code 7231 provides clarity on proper classification treatment of messenger and courier businesses.

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It is important to realize that these proposed changes are clarifications of existing classification treatment for these types of employees. NCCI is recommending that the term “messenger” be reassigned to more accurately represent the classification code where such types of employees are already classified.

For this industry, NCCI is also proposing to reformat one of the “Bank and Trust Companies” section headings, along with the “Coverage Under the Federal Employers’ Liability Act (FELA)” section heading shown under the phraseology of Salespersons, Collectors, or Messengers—Outside, since some of the classifications under these sections are being revised in this analysis. This will allow NCCI to more easily incorporate future changes.

IMPACT

No modification or adjustment to filed loss costs/rates is proposed for Codes 8742, 7380, and 7231. This item proposes to move the term “messengers” from the salespersons classification (Code 8742) and put it in the driver classification (Code 7380), where most such operations are already classified. Any reclassification of risk payroll for this change is expected to be minimal. The removal of the 100-pound limit in parcels or packages in Code 7231 is not expected to result in any reclassification of risk exposure. It is also not expected to result in any change in final premium or impact future loss cost/rate calculations.

It is also proposed that the phraseologies for these three codes be modernized and clarified. This should not result in any reclassification of risks or change in loss costs/rates or premium.

IMPLEMENTATION

NCCI recommends that the proposed changes relating to this industry be implemented in conjunction with the effective date of this class filing.

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EXHIBIT 10—NATIONAL CLASSIFICATION(S)

MESSENGER/COURIER SERVICES

CLASSIFICATIONS

BANKS AND TRUST COMPANIES.

8742 ~~Special Officers and Armed and Unarmed Attendants, Ushers, Door Attendants, Appraisers, Field Auditors, Runners or Messengers.~~

Subject to the in Rule 1-B-2.

8742 **BANKS AND TRUST COMPANIES—SPECIAL OFFICERS AND ARMED AND UNARMED ATTENDANTS, USHERS, DOOR ATTENDANTS, APPRAISERS, OR FIELD AUDITORS** ~~Runners or Messengers.~~

Subject to the in Rule 1-B-2.

7380 ~~CHAUFFEURS, DRIVERS & THEIR HELPERS NOC—COMMERCIAL.~~

Subject to the Rule 1-B-2.

8742 ~~COLLECTORS, MESSENGERS, OR SALESPERSONS—OUTSIDE.~~

Subject to the Rule 1-B-2.

7380 **DRIVERS, CHAUFFEURS, MESSENGERS, AND THEIR HELPERS NOC—COMMERCIAL.**

Subject to Rule 1-B-2. Messenger and courier deliveries of owned documents or goods made by foot or public transportation are assigned to the governing class code.

TRUCKING

7231 ~~Mail, Parcel, or Package Delivery—All Employees & Drivers.~~

~~Applies to risks engaged exclusively under contract in local delivery of mail, parcels, or packages limited to 100 pounds or less.~~

~~Mail, parcels, or packages, as shown in the classification phraseology, refers to those items where the delivery tariff or charge is allocable to the individual envelope, parcel, or package. This classification would not be applicable to truckers hauling packaged goods or merchandise where the haulage or transport charge is based on a truckload or partial truckload, the cumulative weight of the packages and/or parcels being transported or a flat contract price for the consignment.~~

~~The term “local” is intended to limit the radius of operations to that which would permit a driver to complete the assigned deliveries and return to the point of dispatch within the normal workday.~~

7231 **MAIL, PARCEL, OR PACKAGE DELIVERY AND COURIER OR MESSENGER SERVICE COMPANIES—ALL EMPLOYEES & DRIVERS.**

Applies to risks couriers, messengers, and others who deliver nonowned envelopes, parcels or packages exclusively for local delivery. engaged exclusively under contract in local delivery of mail, parcels, or packages limited to 100 pounds or less.

Mail, parcels, or packages, as shown in the classification phraseology, refers to those items where the delivery tariff or charge is allocable to the individual envelope, parcel, or package. This classification would not be applicable to truckers hauling packaged goods or merchandise where the haulage or transport charge is based on a truckload or partial truckload, the cumulative weight of the packages and/or parcels being transported or a flat contract price for the consignment.

The term “local” is intended to limit the radius of operations to that which would permit a driver to complete the assigned deliveries and return to the point of dispatch within the normal workday.

8742 ~~MESSENGERS, COLLECTORS, OR SALESPERSONS—OUTSIDE.~~

Subject to the Rule 1-B-2.

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8742 **SALESPERSONS, OR COLLECTORS, OR MESSENGERS—OUTSIDE.**
Subject to Rule 1-B-2.

Coverage Under the Federal Employers' Liability Act (FELA):

8737 **Program I**

8734 **Program II—State Act Benefits**

8738 **Program II—USL&HW Act Benefits**

8737 **SALESPERSONS OR COLLECTORS—OUTSIDE—PROGRAM I—COVERAGE UNDER THE FEDERAL EMPLOYERS' LIABILITY ACT (FELA)**

8734 **SALESPERSONS OR COLLECTORS—OUTSIDE—PROGRAM II—STATE ACT BENEFITS—COVERAGE UNDER THE FEDERAL EMPLOYERS' LIABILITY ACT (FELA)**

8738 **SALESPERSONS OR COLLECTORS—OUTSIDE—PROGRAM II—USL&HW ACT BENEFITS—COVERAGE UNDER THE FEDERAL EMPLOYERS' LIABILITY ACT (FELA)**

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EXHIBIT 10—NATIONAL RULE(S)

MESSENGER/COURIER SERVICES

RULES

RULE 1—CLASSIFICATION ASSIGNMENT

B. EXPLANATION OF CLASSIFICATIONS

Classifications are divided into two types—Basic Classifications and Standard Exception Classifications.

2. Standard Exception Classifications

Standard Exception Classifications describe occupations that are common to many businesses. These common occupations are not included in a basic classification unless specified in the classification wording. The standard exception classifications are described below.

b. Drivers, Chauffeurs, Messengers, and Their Helpers NOC—Commercial (Code 7380)

This classification is assigned to employees who perform work on or in connection with a vehicle. Messenger and courier deliveries of owned documents or goods made by foot or public transportation are assigned to the governing class code. This code includes garage employees and employees using bicycles as part of their work duties. Duties include, but are not limited to, delivering goods owned by the employer.

Code 7380 does not apply when the basic classification wording **already** includes drivers. Refer to Rule 2-H for vehicles under contract.

c. Salespersons, or Collectors or Messengers—Outside (Code 8742)

This classification is assigned to employees who perform these duties away from the employer's premises.

This code excludes employees who:

- Deliver merchandise.
- Use vehicles to deliver or pick up goods, even if they collect or sell. These employees must be assigned to the classification applicable to the business for drivers.
- Use public transportation or walk to deliver goods even if they collect or sell. These employees must be assigned to the governing classification applicable to the business.

Code 8742 does not apply when the basic classification wording includes outside salespersons, and/or collectors, or messengers.

d. Automobile Salespersons (Code 8748)

This classification is assigned to employees who perform these duties on or away from the employer's premises. These employees are subject to the same rules and treatment as Salespersons, or Collectors, or Messengers—Outside.

C. CLASSIFICATION WORDING

The following list provides an explanation of classification wording usage.

2. Words and Phrases

c. Drivers

Includes Drivers means drivers, chauffeurs, messengers, and their helpers as defined in Rule 1-B-2-b.

i. Salespersons

Includes Salespersons means salespersons, and collectors and messengers as defined in Rule 1-B-2-c.

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RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION

G. INTERCHANGE OF LABOR

Exceptions to Rule 2-G:

1. Code 8810—Clerical Office Employees, Code 8871—Clerical Telecommuter Employees, Code 8742—Salespersons, ~~or Collectors, or Messengers~~—Outside, and Code 8748—Automobile Salespersons are not available for division of payroll under this rule. However, when an interchange of labor exists between Code 8810 and Code 8871:
 - Code 8871 will be assigned when the employee spends more than 50% of the time worked telecommuting as described by Rule 1-B-2-a.
 - Code 8810 will be assigned when the employee spends 50% or less of the time worked telecommuting as described by Rule 1-B-2-a.

H. SUBCONTRACTORS

3. Vehicles with drivers, chauffeurs, ~~messengers~~, or helpers entitled to benefits under workers compensation insurance law may be engaged under verbal or written contract. The amount used to calculate the premium is determined in the following manner:

Subcontractor Table 3

If the owner of such vehicles has not furnished evidence of workers compensation insurance and . . .	Then . . .
Payroll can be obtained	The total payroll of these drivers must be included as payroll of the insured employer that contracted for the vehicles.
Payroll cannot be obtained or the driver is an owner-operator and does not receive a set payroll	1/3 of the total contract price for the vehicles must be included as payroll of the drivers.
The contract price does not include the cost of fuel, maintenance, or other services provided to the owner or the owner-operator of a vehicle under contract	The value of these goods and services must be added to the contract price before determining the 1/3 amount.

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FACT SHEET 11

NEWSPRINT MILLS

PROPOSAL

The focus of the proposed changes for this industry involves wording changes to update and clarify application.

Classification phraseology to be modernized and clarified

Current Phraseology:

- Code 4239—PAPER Mfg. Includes card, bristol, paper, straw, fiber or leatherboard. Wood pulp mfg. to be separately rated as Code 4206 or 4207—Pulp mfg.

Proposed Phraseology Change:

- Code 4239—PAPER MFG. Includes card, bristol, paper, straw, fiber or leather board. Refer to Code 4206 or Code 4207 for pulp mfg.

BACKGROUND AND BASIS FOR CHANGE

The newsprint mills analysis was initiated as part of a routine review of the classification system. The review determined that there are no significant issues related to Code 4239—Paper Mfg.

The manufacturing of newsprint is assigned to Code 4239. In addition to newsprint, Code 4239 includes card, bristol, paper, straw, fiber, or leather board. The manufacturing of particleboard, chipboard, and some other named boards is also assigned to Code 4239. Wood pulp manufacturing is classified separately.

For this industry, NCCI is also proposing to reformat the “Paper” section heading since one of the classifications under this section is being revised in this analysis. This will allow NCCI to more easily incorporate future changes.

IMPACT

No modification or adjustment to filed loss costs/rates is proposed for this classification. The phraseology is being modernized and clarified. These changes should not result in any reclassification of risks or change in loss costs/rates or premium.

IMPLEMENTATION

NCCI recommends that the proposed changes to Code 4239 be implemented in conjunction with the effective date of this class filing.

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EXHIBIT 11—NATIONAL CLASSIFICATION(S)

NEWSPRINT MILLS

CLASSIFICATIONS

PAPER

- 4250 PAPER COATING-**
Not building, roofing, or felt preparation.
- 4250 PAPER CORRUGATING OR LAMINATING-**
Codes 4250 and 4244—Corrugated or fiberboard container mfg. shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses. Paper mfg. to be separately rated as Code 4239.
- 4250 PAPER CREPEING-**
Paper mfg. to be separately rated as Code 4239.
- 4279 PAPER GOODS MFG. NOC-**
Paper mfg. to be separately rated as Code 4239.
- 4239 PAPER MFG.**
Includes card, bristol, paper, straw, fiber or leather board. ~~Wood pulp mfg. to be separately rated as Code 4206 or 4207—Pulp mfg. Refer to Code 4206 or Code 4207 for pulp mfg.~~
- 4250 PAPER OILING, PARAFFINING, PARCHMENTIZING, OR WAXING-**
Paper mfg. to be separately rated as Code 4239.
- 8264 ♦ PAPER STOCK OR RAG DEALER—USED & DRIVERS-**
No collecting or handling scrap iron or steel. Laundry operations to be separately rated as Code 2585—Laundry NOC. Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 8264 are conducted as a separate and distinct business.

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FACT SHEET 12

PARKING LOTS

PROPOSAL

The focus of the proposed changes for this industry involves wording revisions to update and clarify application.

Classification phraseology to be eliminated

- Code 8392—AUTOMOBILE Parking Lot & Drivers

Classification phraseology to be modernized and clarified

Current Phraseology:

- Code 8392—AUTOMOBILE Storage Garage or Parking Station & Drivers

Proposed Phraseology Change:

- Code 8392—AUTOMOBILE STORAGE GARAGE, PARKING LOT OR PARKING STATION, VALET SERVICE, CASHIERS OR COUNTER PERSONNEL & DRIVERS

BACKGROUND AND BASIS FOR CHANGE

Prior to 1930, parking facilities were classified under the code for automobile garage and repair shops. However, due to the growth of specialist parking and storage entities, a separate code was created. Code 8392—Automobile Storage Garage or Parking Station & Drivers is a national code that became effective in June 1930. Code 8392 is applicable to entities engaged in the operation of automobile storage garages, parking stations, or parking lots. These entities may be outdoor, off-street parking lots, or indoor parking garages.

Initially, Code 8392 did not allow a payroll division with Code 8391—Automobile Garages, Sales or Service Agencies. In June 1950, the phraseology was revised to remove the No Payroll Division restriction. As a result, parking facilities that also perform repair work or operate a gas station are subject to a division of payroll, provided that they qualify as a separate undertaking or enterprise in accordance with Rule 1-D-3 of NCCI's **Basic Manual**. Code 8391 was discontinued nationally in 1988 and replaced by Code 8380—Automobile Service or Repair Center & Drivers. The same division of payroll rule applies.

Parking facilities provide parking space for a fee and vary from small outdoor lots that hold just a few cars to large underground or aboveground garages that hold thousands of cars. Parking fees may be collected upon exiting the lot based on the amount of time spent in the garage or based on a flat fee. Facilities may also collect fees in advance for a predetermined time frame when clients may use the facility.

There are three basic types of parking operations—self-parking, valet parking, and modified parking. Modified parking refers to a system where a client parks their own vehicle and turns in the key to an attendant just in case another vehicle is being blocked by their vehicle. Some operations run shuttles, and a few of the larger operations may provide automobile repair or maintenance services. Some areas requiring clarification include the classification of cashiers and valet drivers.

IMPACT

This revision will not change the application of Code 8392. No modification or adjustment to filed loss costs/rates is proposed for this classification. The phraseology is being modernized and clarified. This should not result in any reclassification of risks or change in loss costs/rates or premium.

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IMPLEMENTATION

NCCI recommends that the proposed changes to Code 8392 be implemented in conjunction with the effective date of this class filing.

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EXHIBIT 12—NATIONAL CLASSIFICATION(S)

PARKING LOTS

CLASSIFICATIONS

AUTOMOBILE

8392 ~~Parking Lot & Drivers~~

8392 ~~Storage Garage or Parking Station & Drivers~~

8392 **AUTOMOBILE STORAGE GARAGE, PARKING LOT OR PARKING STATION, VALET SERVICE,
CASHIERS OR COUNTER PERSONNEL & DRIVERS**

ITEM B-1394—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND RULES, ADDENDUM TO ITEM FILING B-1387, AND ADDENDUM TO ITEM FILING B-1391

FACT SHEET 13

PET AND PET SUPPLY STORES

PROPOSAL

The focus of the proposed changes to this industry involves adding a cross-reference phraseology for wholesale pet and pet supply stores, along with including pet training within the same code as pet grooming.

Additional classification phraseology to be created

- Code 8018◆—STORE—PET AND PET SUPPLY—WHOLESALE

Classification phraseologies to be modernized and clarified

Current Phraseology:

- Code 8017◆—STORE: Pet—Retail
- Code 8831—PET GROOMING & DRIVERS

Proposed Phraseology Change:

- Code 8017◆—STORE—PET AND PET SUPPLY—RETAIL
- Code 8831—PET GROOMING OR TRAINING & DRIVERS

BACKGROUND AND BASIS FOR CHANGE

Pet shops fall into two categories: independent, privately owned shops and retail chains. In the 1970s, the trend was toward large retail chains or pet centers. Pet centers, as opposed to pet shops, target a wider buying public by offering a greater selection of pets, pet supplies, and pet information.

Pet shops are best classified according to the type of pets they sell. Shops may specialize with one type of pet or generalize and offer birds, reptiles, fish, other aquatic species, dogs, cats, ferrets, mice, rabbits, and guinea pigs. Some shops offer grooming as a service to their customers. Generally, a specialist groomer provides this service. Typically, pet shops sell equipment, publications, pet food, and other pet supplies.

NCCI classifies retail pet stores/suppliers to Code 8017, wholesale pet store/suppliers to Code 8018, and veterinary services to Code 8831. Wording to include employee groomers and trainers will be added to the scopes of 8017 and 8018. Code 8831 should apply to groomers or trainers when a veterinary office employs them or they operate their own business.

There is a classification reference phraseology for Code 8017 that includes pet shops, and pet grooming is a reference phraseology for Code 8831.

The greatest hazard to employees is the exposure to animals. Employees may receive bites, stings, scratches, and diseases from the animals. In addition, there is the typical retail exposure with potential for back injuries, cuts, and slip/fall accidents.

The exposure to animals appears to be the main difference between a typical retail store versus a retail pet shop/store. However, the number of claims due to animal bites does not appear high. The retail operation has a range of expected claims contemplating high and low exposure levels as well.

Pet shops and pet supply stores appear to fit within the structure of other retail operations. Although the exposure is somewhat different, there are not enough differences to merit a separate and distinct code.

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IMPACT

No modifications or adjustments to filed loss costs/rates are proposed for these classifications. The changes in phraseology clarify the classification of pet shops, pet supply stores, pet grooming, and pet training.

IMPLEMENTATION

NCCI recommends that the proposed changes to Code 8017, Code 8018, and Code 8831 be implemented in conjunction with the effective date of this class filing.

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EXHIBIT 13—NATIONAL CLASSIFICATION(S)

PET AND PET SUPPLY STORES

CLASSIFICATIONS

8831 PET GROOMING OR TRAINING & DRIVERS

STORE

8017◆ ~~PET—RETAIL~~

8017◆ ~~STORE—PET AND PET SUPPLY—RETAIL~~

8018◆ ~~STORE—PET AND PET SUPPLY—WHOLESALE~~

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FACT SHEET 14

TANNING AND FUR MFG.

PROPOSAL

The focus of the proposed changes for this industry is to update the classification treatment.

Classification phraseologies to be eliminated

- Code 2623—HATTERS' FUR MFG.
- Code 2623—LEATHER Embossing
Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 2623 are conducted as a separate and distinct business.
- Code 2623—TANNING
- Code 2623—WOOL Pulling

Classification phraseologies to be modernized and clarified

Current Phraseology:

- Code 2600—FUR MFG.—PREPARING SKINS
Hatters' fur mfg to be separately rated as 2623.
- Code 2623—LEATHER MFG.: Patent Or Enamel

Proposed Phraseology Change:

- Code 2600—FUR PROCESSING—PREPARING SKINS
- Code 2623—LEATHER MFG.—INCLUDING TANNING, LEATHER EMBOSsing, AND WOOL PULLING
Includes processing of patent or enamel leather.

BACKGROUND AND BASIS FOR CHANGE

Code 2600 and Code 2623 are both national codes. Code 2623 has expanded over the years to include leather embossing, patent or enamel leather manufacturing, and wool pulling.

NCCI reviewed the different processes in animal raising, fur manufacturing, and tanning. In the evaluation, the scope of the manufacturing process was determined. The industries are small and defined, with few operations qualifying for the codes. The fur manufacturing and tanning industries are composed of establishments primarily engaged in the manufacturing process of a hide that has been removed from the animal by a farmer or trapper.

The pelts are processed and the finished product is then dried, finished, and sold to product manufacturers. The slaughtering of the animal occurs before the fur manufacturing and the tanning process. Tanning involves numerous processing steps to convert animal hides or skins into finished leather.

NCCI's review of this industry shows a significant reduction in size over the past years.

Common causes of loss for both codes reviewed for this industry include cut, puncture and scrape, strain or injury by repetitive motion, strain or injury by pushing or pulling, and strain or injury by lifting.

NCCI recommends eliminating the term "manufacturing" under Code 2600 and changing the term to "processing" to better describe the actual operations covered by the classification. NCCI is also recommending the removal of hatters' fur manufacturing from Code 2623 and including it in Code 2600 since the processes are very similar.

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For this industry, NCCI is also proposing to reformat the “Fur,” “Leather,” and “Wool” section headings since several of the classifications under these sections are being revised in this analysis. This will allow NCCI to more easily incorporate future changes.

IMPACT

No modifications or adjustments to the filed loss costs/rates are proposed for these classifications. The reassignment of hatters’ fur manufacturing from Code 2623 to Code 2600, while not measurable, is not expected to impact the loss costs/rates of either classification. Other phraseology changes are for clarification and should not result in any reclassification of risks or change in loss costs/rates or premium.

IMPLEMENTATION

NCCI recommends that the proposed changes to Code 2600 and Code 2623 be implemented in conjunction with the effective date of this class filing.

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TO ITEM FILING B-1387, AND ADDENDUM TO ITEM FILING B-1391

EXHIBIT 14—NATIONAL CLASSIFICATION(S)

TANNING AND FUR MFG.

CLASSIFICATIONS

- FUR**
- 2501 **FUR CLOTHING MFG.**
Preparation of skins to be separately rated.
- 2600 **FUR MFG.—PROCESSING—PREPARING SKINS.**
~~Hatters' fur mfg. to be separately rated as Code 2623.~~
- 2623 **HATTERS' FUR MFG.**
- LEATHER**
- 2688 **LEATHER BELTING MFG.**
- 2623 **Embossing**
~~Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 2623 are conducted as a separate and distinct business.~~
- 2688 **LEATHER GOODS MFG. NOC**
MFG.:
- 4493 **LEATHER MFG.—IMITATION**
- 2623 **LEATHER MFG. Patent or Enamel—INCLUDING TANNING, LEATHER EMBOSSING, AND WOOL PULLING**
Includes processing of patent or enamel leather.
- 2623 **TANNING**
- WOOL**
- 8103◆ **Merchant**
Includes warehouse.
- 2623 **Pulling**
- 2211 **Separating**
~~Applies to chemical separation of wool from cotton.~~
- 2286 **Spinning and Weaving**
- 8103◆ **WOOL MERCHANT**
Includes warehouse.
- 2211 **WOOL SEPARATING**
Applies to chemical separation of wool from cotton.
- 2286 **WOOL SPINNING AND WEAVING**

ITEM B-1394—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND RULES, ADDENDUM TO ITEM FILING B-1387, AND ADDENDUM TO ITEM FILING B-1391

FACT SHEET 15

TREE PRUNING, SPRAYING, AND REPAIRING

PROPOSAL

The focus of the proposed changes for this industry is to reassign and/or assign operations into classifications that reflect the exposures common to those operations.

Additional classification phraseologies to be created

- Code 0106—STUMP REMOVAL OPERATIONS—BY SPECIALIST CONTRACTOR & DRIVERS
Not applicable to stump removal operations in connection with logging, excavation, or street or road construction operations.
- Code 0106—TREE PRUNING AND REMOVAL—ALL OPERATIONS & DRIVERS—NATURAL CATASTROPHE
Applicable to risks contracting exclusively to prune limbs, clean up tree debris, and remove lodged or felled trees in the aftermath of a natural catastrophe. Code 0106—Tree Pruning and Removal—All Operations & Drivers—Natural Catastrophe may be assigned as an additional classification when separation of payroll exists. When no separation of payroll exists, the payroll for the entire operation must be assigned to the highest rated classification. Refer to Code 2702 for removal of standing trees and Code 6217 for removal of tree debris using mechanical equipment such as bulldozers and hydroaxes.

Classification phraseology to be transferred to another code

- Code 5507●—STUMP REMOVAL OPERATIONS: BY SPECIALIST CONTRACTOR & DRIVERS
(Moving this phraseology to Code 0106)

Classification phraseologies to be modernized and clarified

Current Phraseology:

- Code 0106—TREE PRUNING, SPRAYING, REPAIRING & DRIVERS
- Code 9102—LAWN Maintenance—Commerical or Domestic & Drivers.
Includes grass cutting, weed control, and lawn spraying. This classification does not apply to a risk whose principal business is tree pruning, tree spraying, or exterminating. Codes 9102 and 0042—Landscape Gardening may be assigned to the same risk.
- Code 0106—CLEARING OF RIGHT-OF-WAY—ELECTRIC, POWER, TELEPHONE, BURGLAR, OR FIRE ALARM LINES
Tree Pruning, or Trimming, or Spraying—Existing Right-of-Way—All Operations & Drivers
Includes incidental tree removal operations.

Proposed Phraseology Change:

- Code 0106—TREE PRUNING, SPRAYING, REPAIRING—ALL OPERATIONS & DRIVERS. Applicable by job site to tree pruning contracts requiring any aboveground level work. Code 0106 applies to the whole contract including, but not limited to, chipping and cleanup activities regardless of whether or not a separate contract is written for tree pruning or lawn maintenance and another contract is written for chipping or cleanup. Incidental tree removal on a developed site conducted in connection with tree pruning, spraying, and repairing operations is also assigned to Code 0106. Code 0106 is differentiated from Code 2702—Logging or Lumbering & Drivers because under Code 0106 a tree is removed by cutting it into sections. Also, due to limited clearance from structures, a guide rope is used as needed to direct the fall of the tree. Refer to Code 2702 for risks engaged exclusively in tree removal operations.
- Code 9102—LAWN MAINTENANCE—COMMERCIAL OR DOMESTIC & DRIVERS. Includes grass cutting, weed control, and lawn spraying. Code 9102 also applies to tree pruning if pruning is performed from the ground. The use of walls, ladders, roofs, scaffolds, hoisting equipment, etc., is not considered working from the ground. Refer to Code 0106 when the contract involves pruning from the ground and

ITEM B-1394—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND RULES, ADDENDUM TO ITEM FILING B-1387, AND ADDENDUM TO ITEM FILING B-1391

above the ground. Code 9102 and Code 0042—Landscape Gardening and Drivers may be assigned to the same risk.

- Code 0106—TREE PRUNING, TRIMMING, OR SPRAYING—ALL OPERATIONS & DRIVERS FOR EXISTING RIGHT-OF-WAY—ELECTRIC, POWER, TELEPHONE, BURGLAR, OR FIRE ALARM LINES

BACKGROUND AND BASIS FOR CHANGE

Tree services are provided to a variety of customers such as government agencies, utility companies, businesses, and homeowners. These businesses may also provide a variety of services such as maintenance and care of trees, removal of fallen trees and limbs, and lawn and shrub care. This work can be performed from ground level with ladders or aerial lift buckets, or by climbing the trees. Incidental tree removal conducted in connection with tree pruning, spraying, and repairing is also contemplated in Code 0106.

Based on a review of claims data, slip and fall injuries from different levels were the number one cause of injury from a severity standpoint and number six for frequency. This injury cause is expected because tree climbing is an inherent part of pruning the tree. Being struck or injured by falling or flying object, which can be tree limbs, entire trees or debris, is also a common injury cause in this industry. A comparison of claims data provided by carriers and maintained in NCCI's database for Code 0106 and Code 2702—Logging and Drivers, supports a difference in exposure between a tree pruner or repairer and a logger. Tree pruners and repairers spend most of their time climbing trees, which can lead to fatal injuries from falling or electrocution. Although incidental tree removal is allowed in Code 0106, these workers often have limited clearance from structures and need to have greater control of the work site to prevent branches or the tree from hitting a structure. An alternative method of cutting down a tree is to saw the tree trunk into sections.

Code 0106 is not applicable to a specialty contractor performing tree removal. These businesses would continue to be classified to Code 2702 because they are in the business of cutting down and removing trees. NCCI is proposing amending the filed *Basic Manual* wording to clarify the intent of these codes.

Stump grinding is another service provided by tree pruners, repairers, and sprayers, but it can also be provided by specialty contractors. It is performed using a portable stump grinding machine that has an attachment that spins. The machine is lowered onto the top of the stump and used to grind the stump down to the desired depth below ground level. It is worked from side to side through the stump, advancing slowly until there is no stump left. Stump grinding can also be performed using explosives, depending on the location and size of the stump. Stump grinding is currently assigned to Code 5507—Street or Road Construction: Subsurface Work & Drivers. NCCI's proposal is to reassign this industry to Code 0106. By reassigning these stump grinding businesses, they are being grouped with similar operations that reflect exposures common to the industry.

For this industry, NCCI is also proposing to reformat the "Lawn" section heading because one of the classifications under this section is being revised in this analysis. This will allow NCCI to more easily incorporate future changes.

IMPACT

No modification or adjustment to filed loss costs/rates is proposed for Codes 0106 and 9102.

This item filing recommends that stump removal and grinding operations be removed from Code 5507—Street or Road Construction: Subsurface Work & Drivers and instead be assigned to a newly created phraseology for Code 0106— Stump Removal Operations—By Specialist Contractor & Drivers. This will result in better aligning stump removal operations into a classification with like payroll and hazard. Due to differences in loss costs/rates, this change may result in an increase in premium charged for risks with stump grinding operations.

Other phraseology changes are for clarification and should not result in any reclassification of risks or change in loss costs/rates or premium.

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IMPLEMENTATION

NCCI recommends that the proposed changes to Codes 5507, 0106, and 9102 be implemented in conjunction with the effective date of this class filing.

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TO ITEM FILING B-1387, AND ADDENDUM TO ITEM FILING B-1391

EXHIBIT 15—NATIONAL CLASSIFICATION(S)

TREE PRUNING, SPRAYING, AND REPAIRING

CLASSIFICATIONS

**CLEARING OF RIGHT-OF-WAY—ELECTRIC, POWER, TELEPHONE, BURGLAR, OR FIRE
ALARM LINES**

0106 ~~Tree Pruning, Trimming, or Spraying—Existing Right-of-Way—All Operations & Drivers.~~
Includes incidental tree removal operations.

0106 ~~TREE PRUNING, TRIMMING, OR SPRAYING—Existing Right-of-Way —ALL OPERATIONS &
DRIVERS FOR EXISTING RIGHT-OF-WAY—ELECTRIC, POWER, TELEPHONE, BURGLAR, OR
FIRE ALARM LINES~~

Includes incidental tree removal operations.

5507● ~~STUMP REMOVAL OPERATIONS—BY SPECIALIST CONTRACTOR & DRIVERS.~~

Not applicable to stump removal operations in connection with logging and lumbering operations.

0106 ~~STUMP REMOVAL OPERATIONS—BY SPECIALIST CONTRACTOR & DRIVERS~~

Not applicable to stump removal operations in connection with logging, excavation or street or road
construction operations.

0106 ~~TREE PRUNING AND REMOVAL—ALL OPERATIONS & DRIVERS—NATURAL CATASTROPHE~~

Applicable to risks contracting exclusively to prune limbs, clean up tree debris, and remove lodged or
felled trees in the aftermath of a natural catastrophe. Code 0106—Tree Pruning and Removal—All
Operations & Drivers—Natural Catastrophe may be assigned as an additional classification when
separation of payroll exists. When no separation of payroll exists, the payroll for the entire operation
must be assigned to the highest rated classification. Refer to Code 2702 for removal of standing trees
and Code 6217 for removal of tree debris using mechanical equipment such as bulldozers and
hydroaxes.

0106 ~~TREE PRUNING, SPRAYING, REPAIRING—ALL OPERATIONS & DRIVERS~~

Applicable by job site to tree pruning contracts requiring any aboveground level work. Code 0106
applies to the whole contract including, but not limited to, chipping and cleanup activities regardless of
whether or not a separate contract is written for tree pruning or lawn maintenance and another contract
is written for chipping or cleanup. Incidental tree removal on a developed site conducted in connection
with tree pruning, spraying, and repairing operations is also assigned to Code 0106. Code 0106 is
differentiated from Code 2702—Logging or Lumbering & Drivers because under Code 0106 a tree is
removed by cutting it into sections. Also, due to limited clearance from structures, a guide rope is used
as needed to direct the fall of the tree. Refer to Code 2702 for risks engaged exclusively in tree
removal operations.

LAWN

9102 ~~LAWN MAINTENANCE—COMMERCIAL OR DOMESTIC & DRIVERS~~

Includes grass cutting, weed control, and lawn spraying. Code 9102 also applies to tree pruning if
pruning is performed from the ground. The use of walls, ladders, roofs, scaffolds, hoisting equipment,
etc., is not considered working from the ground. Refer to Code 0106 when the contract involves
pruning from the ground and above the ground. This classification does not apply to a risk whose
principal business is tree pruning, tree spraying, or exterminating. Code 9102 and Code 0042—
Landscape Gardening and Drivers may be assigned to the same risk.

5183● ~~LAWN SPRINKLER SYSTEM INSTALLATION—UNDERGROUND & DRIVERS.~~

Irrigation and drainage system construction to be separately rated as Code 6229.

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FACT SHEET 16

ADDENDUM TO CLASS FILING B-1387

PROPOSAL

The focus of the proposed changes in this part of the filing is to make some wording changes that were inadvertently overlooked in Item Filing B-1387.

BACKGROUND AND BASIS FOR CHANGE

NCCI filed changes in 2004 to two industries: the charitable and welfare industry and the bottling industry. Some wording revisions needed to reflect the proposed classification treatment were inadvertently omitted in Item Filing B-1387.

IMPACT

The corrections proposed will amend the classification phraseologies and reference wording only. These changes are needed to ensure that NCCI's *Basic Manual* properly reflects the intent of the revisions proposed in Item Filing B-1387. The corrections will not result in any major reclassification of risks or change in loss costs/rates or premium other than those that resulted from the application of the revisions from Item B-1387.

IMPLEMENTATION

These proposed corrections will be effective October 1, 2007, the same effective date as the changes in Item B-1387.

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TO ITEM FILING B-1387, AND ADDENDUM TO ITEM FILING B-1391

EXHIBIT 16—ADDENDUM TO CLASS FILING B-1387

NATIONAL CLASSIFICATION(S)

CLASSIFICATIONS

EFFECTIVE 12:01 A.M., OCTOBER 1, 2007

2157 BEVERAGE MFG.—CARBONATED—NOC & ~~ALL OPERATIONS~~, ROUTE SUPERVISORS, &
DRIVERS

CANNING OR BOTTLING CARBONATED BEVERAGES.
See Carbonated Beverage Mfg. NOC or Bottling NOC.

~~WELFARE OR CHARITABLE ORGANIZATION~~

~~Stores to be separately rated.~~

~~8861 Professional Employees & Clerical~~

~~9110 All Other Employees & Drivers~~

ITEM B-1394—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND RULES, ADDENDUM TO ITEM FILING B-1387, AND ADDENDUM TO ITEM FILING B-1391

FACT SHEET 17

ADDENDUM TO CLASS FILING B-1391

PROPOSAL

The focus of the proposed changes in this part of the filing is to make some wording changes that were inadvertently overlooked in Item Filing B-1391.

BACKGROUND AND BASIS FOR CHANGE

In Item B-1391, filed with an effective date of January 1, 2005, NCCI proposed changes to the classification treatment of 10 industries: Bag or Sack Manufacturing; Linotype Printing; Ice Manufacturing; Five-and-Dime Stores; Restaurants; Real Estate Appraisal and Agency; Commercial Restaurant Equipment Installation; Auto Dismantling and Recycling; Book or Record Stores; and Heating, Ventilation, Air-Conditioning, and Refrigeration. Some revisions needed to reflect the proposed classification treatment were inadvertently omitted in Item Filing B-1391.

For the bag or sack manufacturing industry, four reference phraseologies need revision. In two instances, reference phraseology was not eliminated as it should have been, while in the other two cases, class codes were eliminated but the related reference phraseologies were not reassigned to the replacement code.

For the five-and-dime industry, the mercantile symbol (◆) that applies to Code 8017— STORE: FIVE AND TEN CENT, was not shown beside the code number in the B-1391 filing.

As part of this addendum, NCCI is also proposing to reformat one entry under the “Bag” section heading and another entry under the “Store” section heading, since corrections are needed to related phraseologies.

IMPACT

The changes proposed will amend the classification phraseologies and reference wording only. These changes are needed to ensure that NCCI's *Basic Manual* properly reflects the intent of the revisions proposed in Item Filing B-1391. The corrections will not result in any reclassification of risks or change in loss costs/rates or premium other than those that resulted from the application of the revisions from Item B-1391.

IMPLEMENTATION

The proposed corrections for these B-1391 changes have varying effective dates that occur in conjunction with the applicable state's loss cost/rate filing. The exhibits that follow are in order by effective date.

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EXHIBIT 17—ADDENDUM TO CLASS FILING B-1391

NATIONAL CLASSIFICATION(S) APPLYING IN UTAH

CLASSIFICATIONS
EFFECTIVE 12:01 A.M., DECEMBER 1, 2004

BAG

2578 2501 BAG RENOVATING.

Applies to the renovating or repairing of cotton, burlap, or gunny bags or sacks and includes sewing.

2578 ~~SACK OR BAG MFG.—CLOTH~~

~~Applies to the mfr. of cotton, burlap, or gunny bags or sacks.~~

2576 2501 SAILMAKING

Applies to shop operations.

2576 ~~TENT OR AWNING MFG.—SHOP~~

~~The installation, removal, or repair of awnings, tents, or other canvas products away from the shop shall be classified as Code 5102—Tent erection. Unless payroll records are accurately maintained showing the amount of payroll expended for shop work, the entire payroll shall be assigned to Code 5102—Tent erection.~~

STORE

8017 ~~Five and Ten Cent.~~

~~Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of “5¢ & 10¢” or “5¢ to \$1.00.”~~

8017◆ ~~STORE—FIVE AND TEN CENT.~~

Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of “5¢ & 10¢” or “5¢ to \$1.00.”

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EXHIBIT 17—ADDENDUM TO CLASS FILING B-1391

NATIONAL CLASSIFICATION(S)

CLASSIFICATIONS

EFFECTIVE 12:01 A.M., JANUARY 1, 2005

BAG

2578 2501 BAG RENOVATING.

Applies to the renovating or repairing of cotton, burlap, or gunny bags or sacks and includes sewing.

2578 SACK OR BAG MFG.—CLOTH

Applies to the mfr. of cotton, burlap, or gunny bags or sacks.

2576 2501 SAILMAKING

Applies to shop operations.

2576 TENT OR AWNING MFG.—SHOP

The installation, removal, or repair of awnings, tents, or other canvas products away from the shop shall be classified as Code 5102—Tent erection. Unless payroll records are accurately maintained showing the amount of payroll expended for shop work, the entire payroll shall be assigned to Code 5102—Tent erection.

STORE

8017 Five and Ten Cent.

Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of "5¢ & 10¢" or "5¢ to \$1.00."

8017◆ STORE—FIVE AND TEN CENT.

Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of "5¢ & 10¢" or "5¢ to \$1.00."

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EXHIBIT 17—ADDENDUM TO CLASS FILING B-1391

NATIONAL CLASSIFICATION(S) APPLYING IN NEBRASKA

CLASSIFICATIONS
EFFECTIVE 12:01 A.M., FEBRUARY 1, 2005

BAG

2578 2501 BAG RENOVATING.

Applies to the renovating or repairing of cotton, burlap, or gunny bags or sacks and includes sewing.

2578 ~~SACK OR BAG MFG.—CLOTH~~

~~Applies to the mfr. of cotton, burlap, or gunny bags or sacks.~~

2576 2501 SAILMAKING

Applies to shop operations.

2576 ~~TENT OR AWNING MFG.—SHOP~~

~~The installation, removal, or repair of awnings, tents, or other canvas products away from the shop shall be classified as Code 5102—Tent erection. Unless payroll records are accurately maintained showing the amount of payroll expended for shop work, the entire payroll shall be assigned to Code 5102—Tent erection.~~

STORE

8017 ~~Five and Ten Cent.~~

~~Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of "5¢ & 10¢" or "5¢ to \$1.00."~~

8017◆ ~~STORE—FIVE AND TEN CENT.~~

Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of "5¢ & 10¢" or "5¢ to \$1.00."

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EXHIBIT 17—ADDENDUM TO CLASS FILING B-1391

NATIONAL CLASSIFICATION(S)

CLASSIFICATIONS

EFFECTIVE 12:01 A.M., MARCH 1, 2005

BAG

2578 2501 BAG RENOVATING.

Applies to the renovating or repairing of cotton, burlap, or gunny bags or sacks and includes sewing.

2578 ~~SACK OR BAG MFG.—CLOTH~~

~~Applies to the mfr. of cotton, burlap, or gunny bags or sacks.~~

2576 2501 SAILMAKING

Applies to shop operations.

2576 ~~TENT OR AWNING MFG.—SHOP~~

~~The installation, removal, or repair of awnings, tents, or other canvas products away from the shop shall be classified as Code 5102—Tent erection. Unless payroll records are accurately maintained showing the amount of payroll expended for shop work, the entire payroll shall be assigned to Code 5102—Tent erection.~~

STORE

8017 ~~Five and Ten Cent.~~

~~Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of “5¢ & 10¢” or “5¢ to \$1.00.”~~

8017◆ ~~STORE—FIVE AND TEN CENT.~~

Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of “5¢ & 10¢” or “5¢ to \$1.00.”

ITEM B-1394—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND RULES, ADDENDUM
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EXHIBIT 17—ADDENDUM TO CLASS FILING B-1391

NATIONAL CLASSIFICATION(S) APPLYING IN VERMONT

CLASSIFICATIONS

EFFECTIVE 12:01 A.M., APRIL 1, 2005

BAG

2578 2501 BAG RENOVATING.

Applies to the renovating or repairing of cotton, burlap, or gunny bags or sacks and includes sewing.

2578 SACK OR BAG MFG.—CLOTH

Applies to the mfr. of cotton, burlap, or gunny bags or sacks.

2576 2501 SAILMAKING

Applies to shop operations.

2576 TENT OR AWNING MFG.—SHOP

The installation, removal, or repair of awnings, tents, or other canvas products away from the shop shall be classified as Code 5102—Tent erection. Unless payroll records are accurately maintained showing the amount of payroll expended for shop work, the entire payroll shall be assigned to Code 5102—Tent erection.

STORE

8017 Five and Ten Cent.

Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of “5¢ & 10¢” or “5¢ to \$1.00.”

8017◆ STORE—FIVE AND TEN CENT.

Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of “5¢ & 10¢” or “5¢ to \$1.00.”

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EXHIBIT 17— ADDENDUM TO CLASS FILING B-1391

NATIONAL CLASSIFICATION(S) APPLYING IN TENNESSEE

CLASSIFICATIONS
EFFECTIVE 12:01 A.M., JULY 1, 2005

BAG

2578 2501 BAG RENOVATING.

Applies to the renovating or repairing of cotton, burlap, or gunny bags or sacks and includes sewing.

2578 ~~SACK OR BAG MFG.—CLOTH~~

~~Applies to the mfr. of cotton, burlap, or gunny bags or sacks.~~

2576 2501 SAILMAKING

Applies to shop operations.

2576 ~~TENT OR AWNING MFG.—SHOP~~

~~The installation, removal, or repair of awnings, tents, or other canvas products away from the shop shall be classified as Code 5102—Tent erection. Unless payroll records are accurately maintained showing the amount of payroll expended for shop work, the entire payroll shall be assigned to Code 5102—Tent erection.~~

STORE

8017 ~~Five and Ten Cent.~~

~~Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of “5¢ & 10¢” or “5¢ to \$1.00.”~~

8017◆ ~~STORE—FIVE AND TEN CENT.~~

~~Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of “5¢ & 10¢” or “5¢ to \$1.00.”~~

ITEM B-1394—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND RULES, ADDENDUM
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EXHIBIT 17— ADDENDUM TO CLASS FILING B-1391

NATIONAL CLASSIFICATION(S) APPLYING IN KENTUCKY

CLASSIFICATIONS
EFFECTIVE 12:01 A.M., SEPTEMBER 1, 2005

BAG

2578 2501 BAG RENOVATING.

Applies to the renovating or repairing of cotton, burlap, or gunny bags or sacks and includes sewing.

2578 SACK OR BAG MFG.—CLOTH

Applies to the mfr. of cotton, burlap, or gunny bags or sacks.

2576 2501 SAILMAKING

Applies to shop operations.

2576 TENT OR AWNING MFG.—SHOP

The installation, removal, or repair of awnings, tents, or other canvas products away from the shop shall be classified as Code 5102—Tent erection. Unless payroll records are accurately maintained showing the amount of payroll expended for shop work, the entire payroll shall be assigned to Code 5102—Tent erection.

STORE

8017 Five and Ten Cent.

Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of "5¢ & 10¢" or "5¢ to \$1.00."

8017◆ STORE—FIVE AND TEN CENT.

Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of "5¢ & 10¢" or "5¢ to \$1.00."

ITEM B-1394—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND RULES, ADDENDUM
TO ITEM FILING B-1387, AND ADDENDUM TO ITEM FILING B-1391

EXHIBIT 17— ADDENDUM TO CLASS FILING B-1391

NATIONAL CLASSIFICATION(S) APPLYING IN DC

CLASSIFICATIONS
EFFECTIVE 12:01 A.M., NOVEMBER 1, 2005

BAG

2578 2501 BAG RENOVATING.

Applies to the renovating or repairing of cotton, burlap, or gunny bags or sacks and includes sewing.

2578 ~~SACK OR BAG MFG.—CLOTH~~

~~Applies to the mfr. of cotton, burlap, or gunny bags or sacks.~~

2576 2501 SAILMAKING

Applies to shop operations.

2576 ~~TENT OR AWNING MFG.—SHOP~~

~~The installation, removal, or repair of awnings, tents, or other canvas products away from the shop shall be classified as Code 5102—Tent erection. Unless payroll records are accurately maintained showing the amount of payroll expended for shop work, the entire payroll shall be assigned to Code 5102—Tent erection.~~

STORE

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~~Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of “5¢ & 10¢” or “5¢ to \$1.00.”~~

8017◆ ~~STORE—FIVE AND TEN CENT.~~

Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of “5¢ & 10¢” or “5¢ to \$1.00.”

ITEM B-1394—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND RULES, ADDENDUM
TO ITEM FILING B-1387, AND ADDENDUM TO ITEM FILING B-1391

EXHIBIT 17— ADDENDUM TO CLASS FILING B-1391

NATIONAL CLASSIFICATION(S) APPLYING IN GEORGIA

CLASSIFICATIONS
EFFECTIVE 12:01 A.M., DECEMBER 1, 2005

BAG

2578 2501 BAG RENOVATING.

Applies to the renovating or repairing of cotton, burlap, or gunny bags or sacks and includes sewing.

2578 ~~SACK OR BAG MFG.—CLOTH~~

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2576 2501 SAILMAKING

Applies to shop operations.

2576 ~~TENT OR AWNING MFG.—SHOP~~

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STORE

8017 ~~Five and Ten Cent.~~

~~Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of "5¢ & 10¢" or "5¢ to \$1.00."~~

8017◆ ~~STORE—FIVE AND TEN CENT.~~

Applicable to store locations at which are sold a variety of small wares such as stationery, giftware, toilet articles, light hardware, toys, housewares, confectionery, ready-to-wear clothing and accessories, etc. Sales are usually for cash without delivery service. Stores are sometimes distinguished by advertising price ranges of "5¢ & 10¢" or "5¢ to \$1.00."

ITEM B-1394—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND RULES, ADDENDUM
TO ITEM FILING B-1387, AND ADDENDUM TO ITEM FILING B-1391

EXHIBIT 17— ADDENDUM TO CLASS FILING B-1391

NATIONAL CLASSIFICATION(S) APPLYING IN SOUTH CAROLINA

CLASSIFICATIONS
EFFECTIVE TBD (*ITEM B-1391 IS PENDING IN SC*)

BAG

2578 2501 BAG RENOVATING.

Applies to the renovating or repairing of cotton, burlap, or gunny bags or sacks and includes sewing.

2578 SACK OR BAG MFG.—CLOTH

Applies to the mfr. of cotton, burlap, or gunny bags or sacks.

2576 2501 SAILMAKING

Applies to shop operations.

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STORE

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Exhibit 2

NCCI's Scope for Code 5606**Code 5606**

PHRASEOLOGY CONTRACTOR—PROJECT MANAGER, CONSTRUCTION EXECUTIVE, CONSTRUCTION MANAGER OR CONSTRUCTION SUPERINTENDENT

Note: This classification is available only to project managers, construction executives, construction managers, or construction superintendents having administrative or managerial responsibility for construction or erection projects. When determining eligibility, it is the job duties, and not the job titles, that are the main consideration.

1. "Project Manager, Construction Executive, Construction Manager, or Construction Superintendent" are defined as those persons exercising operational control indirectly through full-time job supervisors or foremen of the employer.
2. When exercising control through a subcontractor, each subcontractor must have a job supervisor or foreman at the specific job site in order to permit the assignment of this classification. The supervisor or foreman of the subcontractor may manage one site or multiple sites. If any of the subcontractors do not have a job supervisor or foreman at any job site visited by the construction executive, all of the payroll of the construction executive for that policy year is assigned to the highest rated construction class code applicable. A sole proprietor or owner/operator with no employees, working as a subcontractor for the insured, would prevent the assignment of this classification to a construction executive because the subcontractor does not have the required job supervisor or foreman.
3. This code does not apply to any person who is directly in charge of or who is performing any degree of actual construction work. Such person must be assigned to the classification that specifically describes the type of construction or erection operation over which they are exercising direct supervisory control provided separate payroll records are maintained for each operation. Any such operation for which separate payroll records are not maintained must be assigned to the highest rated classification that applies to the job or location where the operation is performed.
4. Code 5606 is not available for division of a single employee's payroll with any other classification.

Description:

Code 5606 is intended to cover the project manager, construction executive, construction manager, or construction superintendent of both specialty and general contracting risks. The project manager, etc., will spend some time in the office and the remainder of time visiting various job sites conferring with the job superintendent or foreperson to keep track of the progress of the work being conducted at each job or project. The qualifications established for the use of Code 5606 are that the project manager, etc., of a construction or erection concern must be exercising supervision through superintendents or forepeople of the employer and cannot have direct charge over the workers at the construction or erection site. The project manager may also exercise supervision through subcontractors, superintendents,

or forepeople, but each subcontractor must have an on-site superintendent or foreperson at each and every job site. The important element is determining their job duties and not their title as well as that the supervision must be indirect rather than direct.

When terms such as "all employees," "all other employees," "all operations," and "all operations to completion" appear in the phraseology of a construction or erection operation applicable to an insured, Code 5606 may also be assigned to those employees who are otherwise qualified to be assigned to Code 5606.

Exhibit 3

Current MA State Exception to NCCI's Scope for Code 5606

Code 5606

PHRASEOLOGY CONTRACTOR—EXECUTIVE SUPERVISOR OR CONSTRUCTION SUPERINTENDENT

Note:

1. This classification is available only to executive supervisors or construction superintendents having administrative or managerial responsibility for construction or erection projects.
2. "Executive Supervisors" or "Construction Superintendents" are defined as those persons exercising supervisory control through job superintendents or foremen.
3. Does not apply to any person who is directly in charge of construction work. Such person shall be assigned to the classification which specifically describes the type of construction or erection operation over which they are exercising direct supervisory control provided separate payroll records are maintained for each operation. Any such operation for which separate payroll records are not maintained shall be assigned to the highest rated classification which applies to the job or location where the operation is performed. Refer to Rule IV-D-8.
4. Code 5606 is not available for division of a single employee's payroll with any other classification.

Description:

Code 5606 is intended to cover the project manager, construction executive, construction manager, or construction superintendent of both specialty and general contracting risks. The project manager, etc., will spend some time in the office and the remainder of time visiting various job sites conferring with the job superintendent or foreperson to keep track of the progress of the work being conducted at each job or project. The qualifications established for the use of Code 5606 are that the project manager, etc., of a construction or erection concern must be exercising supervision through superintendents or forepeople of the employer and cannot have direct charge over the workers at the construction or erection site. The important element is determining their job duties and not their title as well as that the supervision must be indirect rather than direct.

When terms such as "all employees," "all other employees," "all operations," and "all operations to completion" appear in the phraseology of a construction or erection operation applicable to an insured, Code 5606 may also be assigned to those employees who are otherwise qualified to be assigned to Code 5606.

Code 5606 is not available to any person who is directly in charge of construction work. Regardless of job title, any person exercising control of a construction project through job subcontractors is exercising direct supervisory control as opposed to indirect supervision. Accordingly, such person shall be assigned to the classification which specifically describes the type of construction or erection operation over which they are exercising direct supervisory control provided separate payroll records are maintained for each

operation. Any such operation for which separate payroll records are not maintained shall be assigned to the highest rated classification which applies to the job or location where the operation is performed. With respect to subcontracted operations, only those qualifying persons exercising control of construction projects exclusively contracted to general contractors may be considered for assignment to Code 5606. In those instances, the control of the construction projects must be exercised through the general contractor's job supervisor or foreman.

Exhibit 4

Massachusetts Workers Compensation and Employers Liability Insurance Manual

Present Phraseology Part Two - Classifications	Proposed Phraseology Part Two - Classifications
<p>CONTRACTOR—EXECUTIVE SUPERVISOR OR CONSTRUCTION SUPERINTENDENT.....5606</p> <ol style="list-style-type: none"> 1. This classification is available only to executive supervisors or construction superintendents having administrative or managerial responsibility for construction or erection projects. 2. Executive supervisors or construction superintendents are defined as those persons exercising supervisory control through job superintendents or foremen. 3. Does not apply to any person who is directly in charge of construction work. Such person shall be assigned to the classification that specifically describes the type of construction or erection operation over which they are exercising direct supervisory control provided separate payroll records are maintained for each operation. Any such operation for which separate payroll records are not maintained shall be assigned to the highest-rated classification which applies to the job or location where the operation is performed. <i>Refer to Rule IV-D-8.</i> 4. Code 5606 is not available for division of a single employee's payroll with any other classification. 	<p>CONTRACTOR—PROJECT MANAGER, CONSTRUCTION EXECUTIVE, CONSTRUCTION MANAGER, OR CONSTRUCTION SUPERINTENDENT.....5606</p> <p>This classification is available only to project managers, construction executives, construction managers, or construction superintendents having administrative or managerial responsibility for construction or erection projects. When determining eligibility, it is the job duties that are the main consideration and not the job titles.</p> <ol style="list-style-type: none"> 1. "Project Manager, Construction Executive, Construction Manager, or Construction Superintendent" are defined as those persons exercising operational control indirectly through full-time job supervisors or foremen of the employer. 2. When exercising control through a subcontractor, each subcontractor must have a job supervisor or foreman at the specific job site in order to permit the assignment of this classification. The supervisor or foreman of the subcontractor may manage one site or multiple sites. If any of the subcontractors do not have a job supervisor or foreman at any job site visited by the construction executive, all of the payroll of the construction executive for that policy year is assigned to the highest rated construction class code applicable. A sole proprietor or owner/operator with no employees, working as a subcontractor for the insured, would prevent the assignment of this classification to a construction executive because the subcontractor does not have the required job supervisor or foreman. 3. This code does not apply to any person who is directly in charge of, or who is performing, any degree of actual construction work. Such a person must be assigned to the classification that specifically describes the type of construction or erection operation over which they are exercising direct supervisory control provided separate payroll records are maintained for each operation. Any such operation for which separate payroll records are not maintained must be assigned to the highest-rated classification that applies to the job or location where the operation is performed. 4. Code 5606 is not available for division of a single employee's payroll with any other classification.

Exhibit 5

Exhibit 5

Massachusetts Workers Compensation and Employers Liability Insurance Manual

Present Phraseology Part One – Rules	Proposed Phraseology Part One – Rules
<p>Rule IV, C. Classification, 3. Words and Phrases</p> <p>a. All Employees, All Other Employees, All Operations, or All Operations to Completion: If a classification includes any of these phrases, no other classification shall be assigned to that risk unless specifically directed by classification wording, even though some operations or employees are at a separate location.</p> <p>Exceptions to 3.a. above (1) Operations described by Contractors' Permanent Yard, Code 8227 and Contractor - Executive Supervisor or Construction Superintendent, Code 5606.</p>	<p>Rule IV, C. Classification, 3. Words and Phrases</p> <p>a. All Employees, All Other Employees, All Operations, or All Operations to Completion: If a classification includes any of these phrases, no other classification shall be assigned to that risk unless specifically directed by classification wording, even though some operations or employees are at a separate location.</p> <p>Exceptions to 3.a. above (1) Operations described by Contractors' Permanent Yard, Code 8227 and Contractor—Project Manager, Construction Executive, Construction Manager, or Construction Superintendent, Code 5606.</p>