



**THE WORKERS' COMPENSATION
RATING AND INSPECTION BUREAU OF MASSACHUSETTS**

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January 21, 1997

CIRCULAR LETTER NO. 1775

To All Members and Subscribers of the Bureau:

**ELIMINATION OF CHEMICAL AND DYESTUFF RATING PLAN [CDRP]
ESTABLISHMENT OF TWO REPLACEMENT CLASSIFICATIONS -
CODES 4828 AND 4829**

EFFECTIVE FEBRUARY 1, 1997

The Commissioner of Insurance has approved the elimination of the Chemical and Dyestuff Rating Plan [CDRP], which no longer meets current business needs, and the establishment, in its place, of two new classification Codes 4828 and 4829 for risks engaged in chemical operations which are not otherwise classified.

The two new Codes 4828 and 4829 will be used in conjunction with the two new classification phraseologies described in Exhibit I attached. Also, the classification phraseologies for several existing chemical manufacturing classifications, formerly rated under the Chemical and Dyestuff Rating Plan Manual using either standard rating methodology [Codes 4800-4823] or an average [a] rating procedure [Codes 4860-4883], and the Basic Manual, as shown in attached Exhibit III, will be retained, since they provide a specific description of certain operations. The codes for these classifications are being replaced with Code 4829.

The rates and rating values shown in attached Exhibit II are applicable initially to both Codes 4828 and 4829. They are the same as the rates and rating values that currently apply to CDRP Code 4823, and are the lowest rates and rating values for any code in the CDRP. We plan to adjust these rates and rating values in the future based on reported CDRP experience combined with experience for Codes 4828 and 4829 until sufficient ratemaking data is available to allow for the use of conventional ratemaking methodology based on the individual experience of Codes 4828 and 4829.

These changes apply to new and renewal policies effective on or after 12:01 A.M., February 1, 1997.

Revised manual pages reflecting these changes will be issued in due course.

NORMAN R. FONTAINE
Vice President of Industry Affairs

NRF/sf/3229
Enclosures

PRESENT PHRASEOLOGY:

~~Edition Effective April 1, 1924~~

NEW PHRASEOLOGY:

Eliminate entire Chemical and Dyestuff Rating Plan (CDRP).

BASIC MANUAL

PRESENT PHRASEOLOGY:

None

NEW PHRASEOLOGY:

CHEMICAL BLENDING OR MIXING NOC - ALL OPERATIONS & DRIVERS Shall not be assigned to a risk engaged in the manufacture of chemicals.....**4828**

CHEMICAL MFG NOC - ALL OPERATIONS & DRIVERS Includes blending or mixing. Shall not be assigned to a risk that is engaged exclusively in the blending or mixing of chemicals. The following is a partial list of chemical manufacturing processes contemplated by Code 4829: alcoholysis; alkylation; amination; calcination; carboxylation; compression of gases; distillation; esterification; halogention; nitration; oxidation; reduction; sulphonation**4829**

RETROSPECTIVE RATING PLAN MANUAL

PRESENT PHRASEOLOGY:

Part Four-F

Table of Classifications by Hazard Group

Code No.	Hazard Group
4800 - 4811	IV
4812 - 4825	III
4860 - 4883	IV
NONE	NONE
NONE	NONE

NEW PHRASEOLOGY:

Part Four-F

Table of Classifications by Hazard Group

Code No.	Hazard Group
<u>NONE</u>	<u>NONE</u>
<u>NONE</u>	<u>NONE</u>
<u>NONE</u>	<u>NONE</u>
<u>4828</u>	<u>III</u>
<u>4829</u>	<u>III</u>

**CHEMICAL CODES 4828 AND 4829
RATES AND RATING VALUES**

MASSACHUSETTS

CODE	RATE	ELR	D RATIO
4828	7.65	3.34	.26
4829	7.65	3.34	.26

**New Chemical Classifications and New Codes Being Introduced
As A Result of the Elimination of the Chemical and Dyestuff
Rating Plan Manual (CDRP)**

<u>Classification Phraseology</u>	<u>Class Code</u>
CHEMICAL BLENDING OR MIXING NOC - ALL OPERATIONS & DRIVERS.....	4828
CHEMICAL MFG NOC - ALL OPERATIONS & DRIVERS.....	4829

**Existing Classifications With Codes Changed As A Result of the
New Chemical Classifications**

<u>Classification Phraseology</u>	<u>Present Class Code</u>	<u>New Class Code</u>
ACID MFG.....	Varies by Risk (4800-4823)	4829
AMMONIA MFG (NOC - ALL OPERATIONS & DRIVERS)*.....	4812	4829
AMMONIA NITRATE MFG (NOC - ALL OPERATIONS & DRIVERS)*.....	4811	4829
DYE OR DYE INTERMEDIATE MFG	Varies by Risk (4800-4823)	4829
SULPHUR REFINING	Varies by Risk (4800-4823)	4829
SYNTHETIC RUBBER INTERMEDIATE MFG (- ALL OPERATIONS & DRIVERS)*.....	4804	4829
VITRIOL MFG (- ALL OPERATIONS & DRIVERS)*	4815	4829

* Phraseology within parentheses is added and will be shown in manual.