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
PRESENT PHRASEOLOGY: New Phraseology:
Edition Effective April 1, 1921
Eliminate entire Chemical and Dyestuff Rating Plan (CDRP).

BASIC MANUAL

PRESENT PHRASEOLOGY: New Phraseology:
None
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: New Phraseology:
Part Four-F
Table of Classifications by Hazard Group

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>4800 – 4811</td>
<td>IV</td>
<td>NONE</td>
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<tr>
<td>4812 – 4825</td>
<td>III</td>
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3229-1
CHEMICAL CODES 4828 AND 4829
RATES AND RATING VALUES

MASSACHUSETTS

<table>
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<tr>
<th>CODE</th>
<th>RATE</th>
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<tr>
<td>4828</td>
<td>7.65</td>
<td>3.34</td>
<td>.26</td>
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<tr>
<td>4829</td>
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New Chemical Classifications and New Codes Being Introduced
As A Result of the Elimination of the Chemical and Dyestuff
Rating Plan Manual (CDRP)

<table>
<thead>
<tr>
<th>Classification Phraseology</th>
<th>Present Class Code</th>
<th>New Class Code</th>
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<tbody>
<tr>
<td>CHEMICAL BLENDING OR MIXING NOC - ALL OPERATIONS &amp; DRIVERS</td>
<td>Varies by Risk (4800-4823)</td>
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<td>CHEMICAL MFG NOC - ALL OPERATIONS &amp; DRIVERS</td>
<td>Varies by Risk (4800-4823)</td>
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Existing Classifications With Codes Changed As A Result of the New Chemical Classifications

<table>
<thead>
<tr>
<th>Classification Phraseology</th>
<th>Present Class Code</th>
<th>New Class Code</th>
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<tbody>
<tr>
<td>ACID MFG</td>
<td>Varies by Risk (4800-4823)</td>
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<tr>
<td>AMMONIA MFG (NOC - ALL OPERATIONS &amp; DRIVERS)*</td>
<td>4812</td>
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</tr>
<tr>
<td>AMMONIA NITRATE MFG (NOC - ALL OPERATIONS &amp; DRIVERS)*</td>
<td>4811</td>
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<tr>
<td>DYE OR DYE INTERMEDIATE MFG</td>
<td>Varies by Risk (4800-4823)</td>
<td>4829</td>
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<tr>
<td>SULPHUR REFINING</td>
<td>Varies by Risk (4800-4823)</td>
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<tr>
<td>SYNTHETIC RUBBER INTERMEDIATE MFG (- ALL OPERATIONS &amp; DRIVERS)*</td>
<td>4804</td>
<td>4829</td>
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<tr>
<td>VITRIOL MFG (- ALL OPERATIONS &amp; DRIVERS)*</td>
<td>4815</td>
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* Phraseology within parentheses is added and will be shown in manual.