



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

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CIRCULAR LETTER NO. 1783

To All Members and Subscribers of the Bureau:

**FERTILIZER OR PESTICIDE APPLICATION-
COMMERCIAL OR DOMESTIC & DRIVERS
CLASSIFICATION CODE 0046**

The Division of Insurance has approved the above Item, adopted by our committees, effective 12:01 A.M., August 15, 1997, applicable to new and renewal policies only.

This Item recognizes the emergence and growth of a relatively new industry, fertilizer or pesticide application companies, and establishes a new classification Code 0046 and classification phraseology, with appropriate footnotes, to which employers engaged in this business will be assigned.

Fertilizer or pesticide application companies are engaged in the ground application of liquid or granular fertilizer, or the application of liquid or granular pesticide, such as insecticide, fungicide, herbicide or common disinfectant, at commercial sites or private dwellings. These chemicals or other products are generally applied utilizing the following process. Bulk tank trucks, of various capacities, are filled with a liquid chemical, or other product, to be applied to a lawn and are driven to the work location. An employee dispenses the chemical, or other product, onto the lawn using a hand-held hose. Granular fertilizers or pesticides are applied using a walk-behind spreader. These are the only operations conducted by many fertilizer or pesticide application companies.

Some fertilizer or pesticide application companies also conduct other operations, utilizing various types of powered or non-powered equipment. In addition to the application of various feeding, weeding and related materials, it is not uncommon for fertilizer or pesticide application companies to engage in core aeration, thatching, slice-seeding and mowing. Such related operations are typically referred to as lawn maintenance, as opposed to fertilizer or pesticide application.

As the result of a review of a number of landscape gardening and fertilizer or pesticide application companies operating in Massachusetts, it has been determined that, although some fertilizer or pesticide application companies have been properly assigned to classification Code 0042 "Landscape Gardening & Drivers," others have been incorrectly assigned to classification Code 9102 "Park NOC - All Employees & Drivers."

Fertilizer or pesticide application companies comprise a group of sufficient size in Massachusetts to merit having their own separate and unique classification. It is anticipated that this type of company will continue to produce even greater payrolls in the future as additional companies enter the fertilizer or pesticide application business.

Since no specific classification code or classification phraseology exists, at present, for companies engaged in fertilizer or pesticide application operations, a new, separate, and distinct classification, Code 0046 "Fertilizer or Pesticide Application - Commercial or Domestic & Drivers" has been established for these companies. In addition to explanatory wording describing fertilizer or pesticide operations, footnotes to the classification phraseology for the new Code 0046 indicate that risks engaged in lawn maintenance operations [formerly shown as an entry in the Underwriting Guide and to be shown in the Classifications section of the manual] are properly assigned to Code 0042, and that Code 0046 does not allow for such operations to be considered as incidental. The footnotes also state that Code 0046 and Code 0042 may be assigned to the same risk, landscape gardening or lawn maintenance operations shall be separately rated as Code 0042, and that a division of a single employee's payroll shall be allowed under certain conditions. Also, the footnotes specify that Code 0046 shall not be assigned at the same job or location to which Code 0042 applies.

Code 0046 will be treated as a contractor classification and, accordingly, subject to certain conditions, permanent yard locations maintained by risks appropriately assigned to Code 0046 can qualify for assignment to Code 8227 "Contractor's Permanent Yard."

As the result of the introduction of Code 0046, it is necessary to revise the footnotes to Codes 0042 and 9102. The foregoing changes are detailed in attached Exhibit 1.

The following rate and rating values for the new Code 0046 are comprised of a weighted average and are derived by applying a weight of 1/3 to the rate and rating values for Code 0042 effective May 1, 1996 and a weight of 2/3 to the rate and rating values for Code 9102 effective May 1, 1996. When sufficient experience develops, the new classification will be rated independently. Until then, the future rate and rating values for Code 0046 will continue to be calculated using the weighted average method.

Manual Rate	Minimum Premium	Loss Constant	Expected Loss Rate	D-Ratio
\$5.90	\$422	\$20	\$2.58	0.23

Reprinted manual pages will be distributed in due course.

NORMAN R. FONTAINE
Vice President of Industry Affairs

NRF/sf
Enclosure

BASIC MANUAL

MASSACHUSETTS

PRESENT PHRASEOLOGY

PART TWO - CLASSIFICATIONS

NONE

PROPOSED PHRASEOLOGY

PART TWO - CLASSIFICATIONS

FERTILIZER OR PESTICIDE APPLICATION - COMMERCIAL OR DOMESTIC & Drivers.....0046

Applies to the ground application of liquid or granular fertilizer, regardless of how the fertilizer is applied. Also applies to the ground application of liquid or granular pesticide, such as insecticide, fungicide, herbicide or common disinfectant, regardless of how the pesticide is applied, however, the individual pesticide applicator must be certified or licensed if required by law.

Risks engaged in core aeration, thatching, slice-seeding, mowing and all other types of related lawn maintenance operations are properly assigned to Code 0042. Code 0046 does not allow such operations to be considered as incidental.

Codes 0046 and 0042 may be assigned to the same risk. Landscape gardening or lawn maintenance operations shall be separately rated as Code 0042. Division of a single employee's payroll shall be allowed, provided payroll records are maintained showing separately the amount of payroll expended for fertilizer or pesticide application, landscape gardening or lawn maintenance operations.

Code 0046 shall not be assigned at the same job or location to which Code 0042 applies.

LANDSCAPE GARDENING & Drivers.....0042

Includes laying out grounds, trees, shrubs, flowers or lawns. Codes 0042 and 9102 park NOC shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses. Excavation, filling or back-filling to be separately rated as 6217 excavation NOC.

LANDSCAPE GARDENING & Drivers.....0042

Includes laying out grounds, trees, shrubs, flowers or lawns. Codes 0042 and 9102 park NOC may be assigned to the same risk, provided separate crews are maintained without interchange of labor and the operations described by these classifications are conducted as separate and distinct businesses. Excavation, filling or back-filling to be separately rated as 6217 excavation NOC.

**LAWN MAINTENANCE -
COMMERCIAL OR DOMESTIC
& Drivers.....0042**
[From Underwriting Guide]

**LAWN MAINTENANCE -
COMMERCIAL OR DOMESTIC
& Drivers.....0042**

Includes grass cutting, core aeration, thatching, slice-seeding and, with the exception of fertilizer or pesticide application, all other related operations.

**PARK NOC - ALL EMPLOYEES
& Drivers.....9102**

Operation, care, and maintenance of amusement devices to be separately rated as 9180 amusement device operation.

**PARK NOC - ALL EMPLOYEES
& Drivers.....9102**

Operation, care and maintenance of amusement devices to be separately rated as Code 9180 amusement device operation. Includes risks operating public or private parks under contract, providing such operations are conducted as a separate and distinct business, with separate crews that are engaged exclusively in park operation without interchange of labor.

RETROSPECTIVE RATING PLAN MANUAL

MASSACHUSETTS

PRESENT PHRASEOLOGY

PART FOUR - F
TABLE OF CLASSIFICATIONS
BY HAZARD GROUP

Code No.	Hazard Group
NONE	NONE

PROPOSED PHRASEOLOGY

PART FOUR - F
TABLE OF CLASSIFICATIONS
BY HAZARD GROUP

Code No.	Hazard Group
0046	II