



Minnesota Workers' Compensation  
Insurers Association, Inc.

7701 France Avenue South  
Suite 450  
Minneapolis, MN 55435-3203

952-897-1737 general  
952-897-6495 fax

[www.mwcia.org](http://www.mwcia.org)

June 20, 2018

**ALL ASSOCIATION MEMBERS**

Circular Letter No. 18-1732

**RE: NCCI Item B-1436— Revisions to Basic Manual Classifications and Appendix E— Classification by Hazard Group**

The Minnesota Department of Commerce has approved the above filing to become effective at 12:01 a.m. on January 1, 2019.

The purpose of this item is to revise, establish, clarify and eliminate certain national classifications. In addition, this item proposes some formatting and consistency-only changes to certain classifications. This item will require revisions to the *Minnesota Basic Manual*.

NCCI Exhibits 2 through 6 are included for your review and detail the proposed changes to the *Minnesota Basic Manual*.

Please note, certain Minnesota exceptions can be found in Exhibits 6A and 6G. Exhibit 12A has been added to update the *Minnesota User's Guide*.

NCCI Exhibits 8, 10 and 11 included in NCCI's filing memorandum are not applicable in Minnesota and have not been included in this Board packet. NCCI's Exhibits 1, 7 and 9 are also excluded from the Minnesota proposal outlined below because MWCIA staff is not recommending to adopt the changes outlined in Exhibits 1A through 1G.

Exhibits 1A through 1G proposes to combine and transition the classifications for Retirement Living Centers – Healthcare Employees (8824) with the classification for Nursing Homes (8829). In addition, it proposes to combine Retirement Living Centers - Food Service Employees (8825) with Retirement Living Centers - All Other Employees (8826). This results in the elimination of Codes 8825 and 8829 and their experience transitioned to Code 8824 for Healthcare Employees and Code 8826 for “All Other” Employees including Food Service Employees.

***MWCIA staff did not recommend to adopt Exhibits 1A through 1G for the following reasons:***

Based on underwriting and actuarial assessment of Minnesota data, all 5 classes have meaningful data developed to maintain high credibility for ratemaking purposes. Combining the exposures of 8824 and 8829 would impose adverse costs to those employers currently classified as 8829. Also, the provisions of MN Statute 79.211 allow for the division of payroll amongst classifications in the event an employer operates a Nursing Home Facility and Retirement Living Center-type services at the same location.

Exhibits 2A through 2E proposes to revise the classification treatment for limousine companies to remove nonscheduled limousine operations from Code 7370. The result, all limousine operations will be assigned to Code 7382, regardless of whether they are scheduled or nonscheduled. In addition, classification phraseology has been updated to clarify that garage employees are to be separately rated to Code 8385.

***MWCIA staff recommends to adopt Exhibits 2A through 2E***

Exhibits 3A through 3E proposes to revise and establish the classification treatment for photography and for document scanning to reflect today's image-capturing methods and to improve clarity.

***MWCIA staff recommends to adopt Exhibits 3A through 3E***

Exhibits 4A through 4E proposes to define and establish the classification treatment for the manufacture, service, or repair and the piloting of an unmanned aircraft system (UAS) or drone aircraft.

***MWCIA staff recommends to adopt Exhibits 4A through 4E***

Exhibits 5A through 5D proposes to revise the classification treatment for automobile body repair and mechanical repair to allow Codes 8380 and 8393 to be assigned to a single business operation. In addition, the proposal clarifies the assignment of service writers and estimators for these businesses.

***MWCIA staff recommends to adopt Exhibits 5A through 5D***

Exhibits 6A through 6K proposes to reformat certain classifications in Part Two-Classifications section of the *Minnesota Basic Manual* to simplify the display of the classifications.

***MWCIA staff recommends to adopt Exhibits 6A through 6K***

Please direct any questions you may have concerning this item to MWCIA's Underwriting Department at 952-897-1737, Option 1, or email to [underwriting@mwcia.org](mailto:underwriting@mwcia.org).

**A NOTICE TO MEMBERSHIP:**

MWCIA would like to remind our membership who have filed a Limited Power of Attorney with the Minnesota Department of Commerce that no materials referenced in this Circular Letter are required to be independently filed with the Department.

Exhibit 2A

**Minnesota Basic Manual**

**PART TWO — CLASSIFICATIONS**

*Effective January 1, 2019*

CURRENT LANGUAGE	PROPOSED LANGUAGE
<del>LIMOUSINE CO.</del>	NONE
<del>ALL OTHER EMPLOYEES &amp; DRIVERS</del>	NONE
7370 NONSCHEDULED	NONE

Exhibit 2B

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT LANGUAGE	PROPOSED LANGUAGE
<b>TAXICAB COMPANY</b>	<b>SAME</b>
<p><b>7370 ALL OTHER EMPLOYEES &amp; DRIVERS.</b> The entire remuneration of all taxicab drivers <del>shall</del> be included in computing the premium. In the absence of verifiable payroll records, the premium charged will be determined on the basis of the amount per vehicle per policy year for employee-operated vehicles shown in the <b>Minnesota Ratemaking Report</b> under Miscellaneous Values. This amount is subject to pro rata adjustment only when a vehicle is owned by the <del>insured</del> for a portion of the policy period.</p> <p>If the owner also leases or rents such vehicles to others, an additional premium <del>shall</del> be calculated on the basis of the amount per vehicle per policy year for leased or rented vehicles shown in the <b>Minnesota Ratemaking Report</b> under Miscellaneous Values. This amount is subject to pro rata adjustment only when the lease is for a portion of the policy period.</p> <p>These amounts are in consideration of gratuities, multiple shifts, downtime, vacation time, or other periods during which the vehicle is not in operation.</p>	<p><b>7370 ALL OTHER EMPLOYEES &amp; DRIVERS.</b> The entire remuneration of all taxicab drivers <u>must</u> be included in computing the premium. In the absence of verifiable payroll records, the premium charged will be determined on the basis of the amount per vehicle per policy year for employee-operated vehicles shown in the <b>Minnesota Ratemaking Report</b> under Miscellaneous Values. This amount is subject to pro rata adjustment only when a vehicle is owned by the <u>employer</u> for a portion of the policy period.</p> <p>If the owner also leases or rents such vehicles to others, an additional premium <u>must</u> be calculated on the basis of the amount per vehicle per policy year for leased or rented vehicles shown in the <b>Minnesota Ratemaking Report</b> under Miscellaneous Values. This amount is subject to pro rata adjustment only when the lease is for a portion of the policy period.</p> <p>These amounts are in consideration of gratuities, multiple shifts, downtime, vacation time, or other periods during which the vehicle is not in operation.</p> <p><u>Garage employees are to be separately rated to Code 8385.</u></p>

Exhibit 2C

*Minnesota Basic Manual*

**PART TWO — CLASSIFICATIONS**

*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<b>BUS COMPANIES</b>	<b>BUS <u>CO.</u></b>
7382 ALL OTHER EMPLOYEES & DRIVERS	7382 ALL OTHER EMPLOYEES & DRIVERS. <u>Garage employees are to be separately rated to Code 8385.</u>

Exhibit 2D

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
LIMOUSINE CO.	SAME
<del>ALL OTHER EMPLOYEES &amp; DRIVERS:</del>	NONE
7382 <del>SCHEDULED</del>	7382 <del>ALL OTHER EMPLOYEES &amp; DRIVERS.</del> <u>Garage employees are to be separately rated to Code 8385.</u>

Exhibit 2E

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<p><b>RAILROAD OPERATION</b>  <del>The classifications for railroad construction and railroad operation do not contemplate coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that Act. For such coverage information, see Rule 3-A-4, and the <b>Minnesota User's Guide—The Admiralty Law, the Federal Employers' Liability Act, and the Migrant and Seasonal Agricultural Worker Protection Act.</b> See also RAILROAD CONSTRUCTION (FELA) and RAILROAD OPERATIONS (FELA) following.</del>  <b>STREET:</b></p>	<p style="text-align: center;">NONE</p>
<p><b>8385 YARD EMPLOYEES</b></p>	<p><b>8385 <del>RAILROAD OPERATION—STREET—YARD EMPLOYEES</del></b>  <del>Code 8385 does not consider coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that act. For such coverage, refer to Rule 3-A-4, and the <b>Minnesota User's Guide—The Admiralty Law, the Federal Employers' Liability Act, and the Migrant and Seasonal Agricultural Worker Protection Act.</b> See also RAILROAD CONSTRUCTION (FELA) AND RAILROAD OPERATIONS (FELA) following.</del></p>



Exhibit 2E continued

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<p><b>7382</b> <del>ALL OTHER EMPLOYEES &amp; DRIVERS</del></p>	<p><b>7382</b> <del>RAILROAD OPERATION—STREET—ALL OTHER EMPLOYEES &amp; DRIVERS</del>  <u>Yard employees are to be separately rated to code 8385. Code 7382 does not consider coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that act. For such coverage, refer to Rule 3-A-4, and the <i>Minnesota User's Guide—The Admiralty Law, the Federal Employers' Liability Act, and the Migrant and Seasonal Agricultural Worker Protection Act.</i> See also RAILROAD CONSTRUCTION (FELA) AND RAILROAD OPERATIONS (FELA) following.</u></p>
<p><b>7133</b> <del>NOC—ALL EMPLOYEES &amp; DRIVERS. All employees connected with the operation or maintenance of automobile bus lines shall be rated as Code 8385 or 7382—Bus co.</del></p>	<p><b>7133</b> <del>RAILROAD OPERATION NOC—ALL EMPLOYEES &amp; DRIVERS</del>  <u>All employees connected with the operation or maintenance of automobile bus lines must be rated as Code 7382 or Code 8385. Code 7133 does not consider coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that act. For such coverage, refer to Rule 3-A-4, and the <i>Minnesota User's Guide—The Admiralty Law, the Federal Employers' Liability Act, and the Migrant and Seasonal Agricultural Worker Protection Act.</i> See also RAILROAD CONSTRUCTION (FELA) AND RAILROAD OPERATIONS (FELA) following.</u></p>

Exhibit 3A

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<p><del>4364</del> <del>FILM PRINT SHOPS—ALL EMPLOYEES &amp; CLERICAL, SALESPERSONS, DRIVERS.</del> Includes developing and printing of film.</p>	<p>NONE</p>
<p>NONE</p>	<p><u>4361</u> <u>PHOTO PRINT SHOP—ALL EMPLOYEES &amp; CLERICAL, SALESPERSONS, DRIVERS</u>  <u>Applies to developing and printing photographs from film or digital media.</u></p>
<p>4361 PHOTOGRAPHER— ALL EMPLOYEES &amp; CLERICAL, SALESPERSONS, DRIVERS. Includes incidental retail store and photo <del>processing employees</del>. <del>As respects</del> aerial photography, the payroll of all members of the flying crew and aircraft ground employees <del>shall</del> be <del>assigned</del> to the appropriate aircraft flying and ground classification.</p>	<p>4361 PHOTOGRAPHER— ALL EMPLOYEES &amp; CLERICAL, SALESPERSONS, DRIVERS  Includes incidental retail store and photo <u>developing or printing, whether from film or digital media</u>. <u>For</u> aerial photography, the payroll of all members of the flying crew and aircraft ground employees <u>must</u> be <u>separately rated</u> to the appropriate aircraft flying and ground classification.</p>

Exhibit 3B

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<p style="text-align: center;">NONE</p>	<p><b>8015</b> <u>◆ DOCUMENT-SCANNING OPERATIONS— ALL EMPLOYEES &amp; CLERICAL, SALESPERSONS, DRIVERS</u>  <u>Applies to document-scanning operations for customers performed at the employer's or customer's location. Includes document storage and shredding operations performed at the employer's location only. Document shredding performed at the customer's location, including the bailing and transportation of those shredded documents, is to be separately rated to Code 8264.</u></p>
<p style="text-align: center;">NONE</p>	<p><b>8264</b> <u>◆ DOCUMENT-SHREDDING OPERATIONS &amp; DRIVERS</u>  <u>Applies to employers in the business of document-shredding only. Includes shredding at the employer's or customer's location, including the bailing and transportation of those shredded documents. Also includes all shredding at the customer's location when performed as part of a document-scanning operation. Refer to Code 8015 for document-scanning operations for customers performed at the employer's or customer's location.</u></p>

Exhibit 3C

**Minnesota Basic Manual**

**PART TWO — CLASSIFICATIONS**

*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<p><b>8015♦ QUICK PRINTING— COPYING OR DUPLICATING SERVICE-ALL EMPLOYEES &amp; CLERICAL, SALESPERSONS, DRIVERS.</b> <del>This classification</del> applies to <del>risks</del> that provide reproductions by <del>means-of</del> offset-type duplicators on paper sizes less than 18 x 23 inches. The reproduction by <del>means-of</del> electrostatic-type devices, digital or nonimpact imaging on paper of any size is also included. Additional operations performed by such <del>risks</del> in support of quick printing or copying services such as binding, collating, corner rounding, cutting, distribution, folding, scoring, laminating, mailing, numbering, padding, perforating, foil embossing, shrink-wrapping, stapling, automated platemaking and similar type activities <del>are included in this classification.</del></p> <p>Manual plate making and rubber stamp making on strictly an incidental basis <del>is</del> also included.</p> <p>Any <del>risk engaged</del> in reproduction by <del>means</del> other than as described above, or where the principal activity is one of the additional activities noted above and not quick printing or copying services, <del>shall</del> be rated <del>as</del> Code 4299—<del>Printing</del>. Codes 8015 <del>and 4299 shall</del> not be assigned to the same <del>risk</del> unless the operation subject to Code 8015 is conducted as a separate <del>undertaking or enterprise.</del></p> <p><del>Operations excluded from Code 8015 include</del> box scoring and die making.</p>	<p><b>8015♦ QUICK PRINTING—COPYING OR DUPLICATING SERVICE-ALL EMPLOYEES &amp; CLERICAL, SALESPERSONS, DRIVERS</b>  <u>Applies to employers</u> that provide reproductions by offset-type duplicators on paper sizes less than 18 x 23 inches. The reproduction by electrostatic-type devices, digital, or nonimpact imaging on paper of any size is also included. Additional operations performed by such <u>employers</u> in support of quick printing or copying services <u>are included in Code 8015</u> such as binding, collating, corner rounding, cutting, distribution, folding, scoring, laminating, mailing, numbering, padding, perforating, foil embossing, shrink-wrapping, stapling, automated platemaking, and similar type activities.</p> <p>Manual platemaking and rubber stamp making on a strictly incidental basis <u>are</u> also included.</p> <p>Any <u>employer that provides</u> reproductions by <u>methods</u> other than described above, or where the principal activity is one of the additional activities noted above and not quick printing or copying services, <u>must</u> be <u>separately</u> rated <u>to</u> Code 4299. Codes <u>4299 and 8015 must</u> not be assigned to the same <u>employer</u> unless the operation subject to Code 8015 is conducted as a separate <u>and distinct business</u>. <u>Box scoring and die making operations are excluded from Code 8015.</u></p>

Exhibit 3D

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<b>SIGN MANUFACTURING</b>	<b>SAME</b>
<p><del>PLASTIC OR VINYL COMPUTER-GENERATED LETTERS OR GRAPHICS. Includes designing and cutting letters or graphics and mounting on pre-manufactured surfaces of fabric, metal, plastic, or wood and the cutting, forming or molding of mounting services. Codes 4299 and 9501 shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses. Sign installation, maintenance, repair, removal, or replacement away from shop to be separately rated as Codes 9521 or 9554.</del></p>	<b>NONE</b>
<b>4299 No PAINTING OR USING POWER MACHINERY</b>	<b>NONE</b>
<b>NONE</b>	<p><b>4299</b> <u>PLASTIC OR VINYL COMPUTER-GENERATED LETTERS OR GRAPHICS—NO PAINTING OR USING POWER MACHINERY</u>  <u>Includes designing and cutting letters or graphics and mounting on premanufactured surfaces of fabric, metal, plastic, or wood and the cutting, forming, or molding of mounting surfaces. Codes 4299 and 9501 must not be assigned to the same employer unless the operations described by these classifications are conducted as separate and distinct businesses. Sign installation, maintenance, repair, removal, or replacement—away from the shop are to be separately rated to Code 9521 or 9554.</u></p>

Exhibit 3E

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<b>SIGN MANUFACTURING</b>	<b>SAME</b>
<p><del>PLASTIC OR VINYL COMPUTER-GENERATED LETTERS OR GRAPHICS. Includes designing and cutting letters or graphics and mounting on pre-manufactured surfaces of fabric, metal, plastic, or wood and the cutting, forming or molding of mounting services. Codes 4299 and 9501 shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses. Sign installation, maintenance, repair, removal, or replacement—away from shop to be separately rated as Codes 9521 or 9554.</del></p>	<b>NONE</b>
<b>9501 PAINTING OR USING POWER MACHINERY &amp; DRIVERS</b>	<b>NONE</b>
<b>NONE</b>	<p><b><u>9501 PLASTIC OR VINYL COMPUTER GENERATED LETTERS OR GRAPHICS—PAINTING OR USING POWER MACHINERY &amp; DRIVERS</u></b>  <u>Includes designing and cutting letters or graphics and mounting on premanufactured surfaces of fabric, metal, plastic, or wood and the cutting, forming, or molding of mounting surfaces. Codes 4299 and 9501 must not be assigned to the same employer unless the operations described by these classifications are conducted as separate and distinct businesses. Sign installation, maintenance, repair, removal, or replacement—away from the shop are to be separately rated to Code 9521 or 9554.</u></p>

Exhibit 4A

*Minnesota Basic Manual*

**PART ONE —CLASSIFICATION ASSIGNMENT  
B. EXPLANATION OF CLASSIFICATIONS**

*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<p><b>3. General Inclusions</b></p>	<p><b>SAME</b></p>
<p>a. Some operations appear to be separate businesses but are included within all basic classifications. These are called general inclusions. These operations are not separately classified. They include the following:</p> <ol style="list-style-type: none"> <li>(1) Restaurants or cafeterias, stores, or day care services operated by the employer for employee use</li> </ol> <p><b>Exception:</b> If these operations are conducted in connection with construction, erection, lumbering or mining operations, they must be separately classified.</p> <ol style="list-style-type: none"> <li>(2) Manufacture of containers by the employer, such as bags, barrels, bottles, boxes, cans, cartons or packing cases for sole use in the operations insured by the policy</li> <li>(3) Hospitals or medical facilities operated by the employer for its employees</li> <li>(4) Maintenance or repair of the employer's buildings or equipment by the employer's employees</li> <li>(5) Printing by the employer on its own products, packaging, brochures, or promotional materials.</li> </ol>	<p>a. Some operations appear to be separate businesses but are included within all basic classifications. These are called general inclusions. These operations are not separately classified. They include the following:</p> <ol style="list-style-type: none"> <li>(1) Restaurants or cafeterias, stores, or day care services operated by the employer for employee use</li> </ol> <p><b>Exception:</b> If these operations are conducted in connection with construction, erection, lumbering or mining operations, they must be separately classified.</p> <ol style="list-style-type: none"> <li>(2) Manufacture of containers by the employer, such as bags, barrels, bottles, boxes, cans, cartons or packing cases for sole use in the operations insured by the policy</li> <li>(3) Hospitals or medical facilities operated by the employer for its employees</li> <li>(4) Maintenance or repair of the employer's buildings or equipment by the employer's employees</li> <li>(5) Printing by the employer on its own products, packaging, brochures, or promotional materials</li> <li>(6) <u>Piloting of unmanned aircraft systems or drone aircraft with a combined weight (including its attached systems, payload, and cargo) of less than 55 pounds</u></li> </ol> <p><b>Exceptions:</b></p> <ol style="list-style-type: none"> <li>(a) <u>Autonomous drone aircraft computer system designers or programmers who qualify as clerical office employees in accordance with Rule 1-B-2-a and do not pilot or operate the drone aircraft are assigned to the appropriate clerical classification.</u></li> <li>(b) <u>If an employee qualifies as an outside salesperson in accordance with Rule 1-B-2-c, the piloting of a drone aircraft to support their sales duties is included within the classification assigned to the outside salesperson.</u></li> </ol>

Exhibit 4B

**Minnesota Basic Manual**

**PART ONE —CLASSIFICATION ASSIGNMENT  
B. EXPLANATION OF CLASSIFICATIONS**

*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<p><b>4. General Exclusions</b></p> <p>Some operations in a business are so unusual for the type of business described by the applicable basic classification, that they are separately classified even though the operations are not conducted as a secondary business. These are called general exclusions. They are:</p> <ul style="list-style-type: none"> <li>(a) Aviation—all operations of the flying and ground crews</li> <li>(b) New construction or alterations</li> <li>(c) Stevedoring</li> <li>(d) Sawmill operations</li> </ul> <p><i>Refer to the <b>Minnesota User's Guide</b> for an example.</i></p>	<p style="text-align: center;"><b>SAME</b></p> <p>Some operations in a business are so unusual for the type of business described by the applicable basic classification, that they are separately classified even though the operations are not conducted as a secondary business. These are called general exclusions. They are:</p> <ul style="list-style-type: none"> <li>(a) Aviation—all operations of the flying and ground crews, <u>including piloting of drone aircraft with a combined weight (including its attached systems, payload, and cargo) of 55 pounds or more</u></li> <li>(b) New construction or alterations</li> <li>(c) Stevedoring</li> <li>(d) Sawmill operations</li> </ul> <p><i>Refer to the <b>Minnesota User's Guide</b> for an example.</i></p>



Exhibit 4C

**Minnesota Basic Manual**

**PART TWO — CLASSIFICATIONS**

*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<b>NONE</b>	<p><b><u>3685 UNMANNED AIRCRAFT SYSTEM OR DRONE AIRCRAFT MFG., SERVICE, OR REPAIR – AIRCRAFT WEIGHING LESS THAN 55 POUNDS</u></b></p> <p><u>Applies to the manufacture, service or repair of drone aircraft weighing less than 55 pounds. Includes do-it-yourself, recreational, and commercial models, and military drone aircraft. The manufacture, service, or repair of drone aircraft weighing 55 pounds or more must be separately rated to Code 3830.</u></p>

Exhibit 4D

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<b>NONE</b>	<p><b><u>3830 UNMANNED AIRCRAFT SYSTEM OR DRONE AIRCRAFT MFG., SERVICE, OR REPAIR—AIRCRAFT WEIGHING 55 POUNDS OR MORE</u></b></p> <p><u>Applies to the manufacture, service or repair of drone aircraft weighing 55 pounds or more. Includes do-it-yourself, recreational, and commercial models, and military drone aircraft. The manufacture, service, or repair of drone aircraft weighing less than 55 pounds must be separately rated to Code 3685.</u></p>

Exhibit 4E

**Minnesota Basic Manual**

**PART TWO — CLASSIFICATIONS**

*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<p><b>NONE</b></p>	<p><b><u>8720 UNMANNED AIRCRAFT SYSTEM OR DRONE AIRCRAFT OPERATIONS NOC—AIRCRAFT WEIGHING LESS THAN 55 POUNDS</u></b></p> <p><u>Applies to employers that operate drone aircraft with a combined weight (including its attached systems, payload, and cargo) of less than 55 pounds for other businesses.</u></p> <p><u>The operation of drone aircraft with a combined weight (including its attached systems, payload, and cargo) of 55 pounds or more for other businesses must be separately rated to the applicable aviation classification.</u></p> <p><u>The manufacture, service, or repair of drone aircraft must be separately rated to Code 3685 or 3830.</u></p>

Exhibit 5A

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<p><b>AUTOMOBILE</b></p> <p><b>8380 SERVICE OR REPAIR CENTER &amp; DRIVERS.</b> Includes parts department employees. <del>Automobile salespersons to be separately rated as Code 8748. Codes 8380 and 8392—Automobile storage garage must not be assigned to the same employer unless the operations described by these classifications are conducted as separate and distinct businesses. Towing for others and roadside assistance to be separately rated.</del></p> <p>Employees (usually referred to as service writers) who greet customers for the purpose of discussing problems associated with the customer's vehicle are additionally classified to Code 8380. These service writers will often conduct a cursory inspection of the customer's vehicle and provide an estimate for the anticipated repair work. These employees may also enter the shop area to determine the status of repair work on a customer's vehicle.</p>	<p style="text-align: center;"><b>SAME</b></p> <p><b>8380 SERVICE OR REPAIR CENTER &amp; DRIVERS.</b> Includes parts department employees <u>and service writers</u>. Employees (usually referred to as service writers) who greet customers for the purpose of discussing problems associated with the customer's vehicle are additionally classified to Code 8380. These service writers will often conduct a cursory inspection of the customer's vehicle and provide an estimate for the anticipated repair work. These employees may also enter the shop area to determine the status of repair work on a customer's vehicle.</p> <p><u>Automobile salespersons are to be separately rated to Code 8748. Codes 8380 and 8392 must not be assigned to the same employer unless the operations described by these classifications are conducted as separate and distinct businesses. Automobile body repair is to be separately rated to Code 8393. Towing for others and roadside assistance are to be separately rated.</u></p>

Exhibit 5B

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY		PROPOSED PHRASEOLOGY	
<b>AUTOMOBILE</b>			<b>SAME</b>
<b>8380</b>	<b>SALES OR SERVICE AGENCY &amp; PARTS DEPARTMENT EMPLOYEES, DRIVERS.</b> Automobile salespersons to be separately rated <b>as</b> Code 8748. Towing for others and roadside assistance to be separately rated.	<b>8380</b>	<b>SALES OR SERVICE AGENCY &amp; PARTS DEPARTMENT EMPLOYEES, DRIVERS.</b> Automobile salespersons to be separately rated <u>to</u> Code 8748. <u>Automobile body repair is to be separately rated to Code 8393.</u> Towing for others and roadside assistance <u>are</u> to be separately rated.

Exhibit 5C

**Minnesota Basic Manual**

**PART TWO — CLASSIFICATIONS**

*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<b>GASOLINE STATION</b>	<b>SAME</b>
<p><b>8380 NOC—RETAIL &amp; DRIVERS.</b> Includes retail diesel stations and gasoline stations providing full services such as, but not limited to, pumping gasoline, checking fluid levels, attended car washing service, and automobile maintenance or repair. Codes 8380 and 8392 must not be assigned to the same employer unless the operations described by these classifications are conducted as separate and distinct businesses. Towing for others and roadside assistance to be separately rated.</p>	<p><b>8380 NOC—RETAIL &amp; DRIVERS.</b> Includes retail diesel stations and gasoline stations providing full services such as, but not limited to, pumping gasoline, checking fluid levels, attended car washing service, and automobile maintenance or repair. Codes 8380 and 8392 must not be assigned to the same employer unless the operations described by these classifications are conducted as separate and distinct businesses. <u>Automobile body repair is to be separately rated to Code 8393.</u> Towing for others and roadside assistance <u>are</u> to be separately rated.</p>

Exhibit 5D

**Minnesota Basic Manual**

**PART TWO — CLASSIFICATIONS**

*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<p><b>AUTOMOBILE</b></p> <p><b>8393 BODY REPAIR &amp; DRIVERS.</b> Applies to the repair of metal, fiberglass, and plastic automobile bodies and includes upholstery and painting. Codes <del>8393, 3822, 3824, 3808, and 8380</del> must not be assigned to the same employer unless the operations described by these classifications are conducted as separate and distinct businesses. Towing for others and roadside assistance to be separately rated.</p> <p>Employees (usually referred to as service writers) who greet customers for the purpose of discussing problems associated with the customer's vehicle are additionally classified to Code 8393. These service writers will often conduct a cursory inspection of the customer's vehicle and provide an estimate for the anticipated repair work. These employees may also enter the shop area to determine the status of repair work on a customer's vehicle.</p>	<p><b>SAME</b></p> <p><b>8393 BODY REPAIR &amp; DRIVERS.</b> Applies to the repair of metal, fiberglass, <u>carbon fiber</u>, and plastic automobile bodies and includes upholstery and painting. <u>Includes estimators. Automobile mechanical service and repair work are to be separately rated to Code 8380.</u> Codes <del>3808, 3822, 3824 and 8393</del> must not be assigned to the same employer unless the operations described by these classifications are conducted as separate and distinct businesses. Towing for others and roadside assistance <u>are</u> to be separately rated.</p> <p>Employees (usually referred to as service writers) who greet customers for the purpose of discussing problems associated with the customer's vehicle are additionally classified to Code 8393. These service writers will often conduct a cursory inspection of the customer's vehicle and provide an estimate for the anticipated repair work. These employees may also enter the shop area to determine the status of repair work on a customer's vehicle.</p>

Exhibit 6A

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<b>CHRISTMAS TREE</b>	<b>SAME</b>
<b>0042• HARVESTING <del>AND LOADING</del> EXCLUSIVELY &amp; DRIVERS</b>	<b>0042• HARVESTING EXCLUSIVELY &amp; DRIVERS</b>

\*MN exception: Assigns Christmas tree harvesting to code 0042.



Exhibit 6B

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<p><del>2417 — CLOTH PRINTING. Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 2417 are conducted as a separate and distinct business.</del>  <del>SILK SCREEN PROCESS:</del></p>	<p><u>2417 CLOTH PRINTING</u>  <u>Not applicable to an employer performing operations described by another classification unless the operations subject to Code 2417 are conducted as a separate and distinct business.</u></p>
<p><del>2501 — HAND PRINTING. Includes drying.</del></p>	<p><u>2501 CLOTH PRINTING—SILK SCREEN PROCESS—HAND PRINTING</u>  <u>Includes drying.</u></p>
<p><del>2413 — MACHINERY OPERATIONS. Applies to operations preliminary to or following the hand printing process.</del></p>	<p><u>2413 CLOTH PRINTING—SILK SCREEN PROCESS—MACHINERY OPERATIONS</u>  <u>Applies to operations before or after the hand printing process.</u></p>

Exhibit 6C

*Minnesota Basic Manual*

**PART TWO — CLASSIFICATIONS**

*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<b>CONSTRUCTION</b> <del>ELEVATOR OR HOD HOIST INSTALLATION, REPAIR, OR REMOVAL &amp; DRIVERS. The following operations will be classified as:</del>	<b>NONE</b>
<del>5213• CONCRETE OR CONCRETE-ENCASED BUILDINGS OR STRUCTURES</del>	<b>NONE</b>
<del>5057• IRON OR STEEL BUILDINGS OR STRUCTURES</del>	<b>NONE</b>
<del>5022• MASONRY BUILDINGS OR STRUCTURES</del>	<b>NONE</b>
<del>6003• PIERS OR WHARFS</del>	<b>NONE</b>
<del>5403• WOODEN BUILDINGS OR STRUCTURES INCLUDING THOSE DESIGNED FOR DWELLING OCCUPANCY</del>	<b>NONE</b>
<del>3507 MACHINERY, DREDGE, OR STEAM SHOVEL MFG. NOC</del>	<b>NONE</b>
<b>NONE</b>	<del>6003• CONSTRUCTION—ELEVATOR OR HOD HOIST INSTALLATION, REPAIR, OR REMOVAL &amp; DRIVERS—PIERS OR WHARVES</del>

Exhibit 6D

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
None	<u>5213</u> • <del>CONSTRUCTION—ELEVATOR OR HOD HOIST INSTALLATION, REPAIR, OR REMOVAL &amp; DRIVERS—CONCRETE OR CONCRETE-ENCASED BUILDINGS OR STRUCTURES</del>
None	<u>5022</u> • <del>CONSTRUCTION—ELEVATOR OR HOD HOIST INSTALLATION, REPAIR, OR REMOVAL &amp; DRIVERS—MASONRY BUILDINGS OR STRUCTURES</del>
None	<u>5403</u> • <del>CONSTRUCTION—ELEVATOR OR HOD HOIST INSTALLATION, REPAIR, OR REMOVAL &amp; DRIVERS—WOODEN BUILDINGS OR STRUCTURES INCLUDING THOSE DESIGNED FOR DWELLING OCCUPANCY</del>
None	<u>3507</u> <del>CONSTRUCTION—MACHINERY, DREDGE, OR STEAM SHOVEL MFG. NOC</del>

Exhibit 6E

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
NONE	<u>5057 • CONSTRUCTION—ELEVATOR OR HOD HOIST INSTALLATION, REPAIR, OR REMOVAL &amp; DRIVERS—IRON OR STEEL BUILDINGS OR STRUCTURES</u>

Exhibit 6F

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY		PROPOSED PHRASEOLOGY	
<b>FIREWORKS</b>		<b>NONE</b>	
<b>9180</b>	<del>EXHIBITION &amp; DRIVERS</del> <del>Mfg. See EXPLOSIVES.</del>	<b>9180</b>	<b><u>FIREWORKS EXHIBITION &amp; DRIVERS</u></b>

Exhibit 6G

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY		PROPOSED PHRASEOLOGY	
<b>FISH</b>			<b>NONE</b>
2111	<del>CURING. Applies to shore or dock work only</del> <del>HATCHERIES. See FARM.</del>	2111	<b>FISH CURING</b> <u>Applies to shore or dock work only.</u>

MN exception: Assigns Fish Curing to code 2111.

Exhibit 6H

*Minnesota Basic Manual*  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<b>FLORIST. See FARM</b>	<b>NONE</b>
<b>8001♦ <del>STORE &amp; DRIVERS. Includes service away from store premises. Cultivating or gardening to be separately rated as Code 0035—Farm—florist.</del></b>	<b>8001♦ <u>FLORIST—STORE &amp; DRIVERS</u></b> <u>Includes service away from store premises. Cultivating or gardening are to be separately rated to Code 0035.</u>

Exhibit 6I

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<b>GOLF</b>	<b>NONE</b>
<del>4902 CLUBS—MFG. OR ASSEMBLING</del>	<b>NONE</b>
<del>9060 COURSE, NOT MINIATURE—PUBLIC OR PRIVATE. See CLUB—COUNTRY, GOLF, ETC.</del>	<b>NONE</b>
<b>NONE</b>	<u>4902 GOLF CLUBS—MFG. OR ASSEMBLING</u>
<b>NONE</b>	<u>9060 GOLF COURSE, NOT MINIATURE—PUBLIC OR PRIVATE</u> <u>See CLUB—COUNTRY</u>



Exhibit 6J

**Minnesota Basic Manual**  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<del>REFRIGERATION. A refrigeration system is defined as "domestic" whether located in a residential or commercial setting provided it is a "reach-in" refrigeration system having not more than 1/3 h.p. motor or more than 20 cubic feet capacity. All other types of refrigeration shall be considered as commercial.</del>	NONE
<del><b>COMMERCIAL:</b>  <b>5537• REFRIGERATION SYSTEMS, AIR-CONDITIONING, HEATING, &amp; VENTILATION — INSTALLATION, SERVICE, AND REPAIR &amp; DRIVERS.</b> Applicable to installation, service, and repair including residential and commercial. Separately rate portable air-conditioning units to Code 9519.</del>	NONE
<del><b>DOMESTIC:</b>  <b>9519 INSTALLATION, SERVICE, OR REPAIR &amp; DRIVERS</b></del>	NONE
NONE	<del><b>5190• REFRIGERATION—COMMERCIAL—CLEANING, OILING, OR ADJUSTING &amp; DRIVERS</b>  <u>A refrigeration system is defined as "domestic" whether located in a residential or commercial setting provided it is a "reach-in" refrigeration system having not more than a 1/3 h.p. motor or more than a 20-cubic-foot capacity. All other types of refrigeration are considered commercial.</u></del>
NONE	<del><b>3724• REFRIGERATION—COMMERCIAL—INSTALLATION OR REPAIR OF COMPRESSORS, MOTORS, OR OTHER MACHINERY &amp; DRIVERS</b>  <u>A refrigeration system is defined as "domestic" whether located in a residential or commercial setting provided it is a "reach-in" refrigeration system having not more than a 1/3 h.p. motor or more than a 20-cubic-foot capacity. All other types of refrigeration are considered commercial.</u></del>

Exhibit 6J (Cont.)

*Minnesota Basic Manual*

**PART TWO — CLASSIFICATIONS**

*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
NONE	<p><b>5183• <u>REFRIGERATION—COMMERCIAL—PIPE FITTING INCLUDING THE INSTALLATION OF TUBING &amp; DRIVERS</u></b>  <u>A refrigeration system is defined as “domestic” whether located in a residential or commercial setting provided it is a “reach-in” refrigeration system having not more than a 1/3 h.p. motor or more than a 20-cubic-foot capacity. All other types of refrigeration are considered commercial.</u></p>
NONE	<p><b>9519 <u>REFRIGERATION—DOMESTIC—CLEANING, OILING, OR ADJUSTING &amp; DRIVERS</u></b>  <u>A refrigeration system is defined as “domestic” whether located in a residential or commercial setting provided it is a “reach-in” refrigeration system having not more than a 1/3 h.p. motor or more than a 20-cubic-foot capacity. All other types of refrigeration are considered commercial.</u></p>
NONE	<p><b>9519 <u>REFRIGERATION—DOMESTIC—INSTALLATION, SERVICE, OR REPAIR &amp; DRIVERS</u></b>  <u>A refrigeration system is defined as “domestic” whether located in a residential or commercial setting provided it is a “reach-in” refrigeration system having not more than a 1/3 h.p. motor or more than a 20-cubic-foot capacity. All other types of refrigeration are considered commercial.</u></p>
NONE	<p><b>5183• <u>REFRIGERATION—DOMESTIC—PIPE FITTING INCLUDING THE INSTALLATION OF TUBING &amp; DRIVERS</u></b>  <u>A refrigeration system is defined as “domestic” whether located in a residential or commercial setting provided it is a “reach-in” refrigeration system having not more than a 1/3 h.p. motor or more than a 20-cubic-foot capacity. All other types of refrigeration are considered commercial.</u></p>

Exhibit 6K

*Minnesota Basic Manual*  
**PART TWO — CLASSIFICATIONS**  
*Effective January 1, 2019*

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<del>REFRIGERATOR MFG.—METAL—DOMESTIC OR COMMERCIAL</del>	NONE
<del>3179 MANUFACTURING OR ASSEMBLING THE REFRIGERATING UNIT</del>	NONE
NONE	<u>3179 REFRIGERATOR MFG.—METAL—DOMESTIC OR COMMERCIAL—MANUFACTURING OR ASSEMBLING THE REFRIGERATING UNIT</u>
<del>3076 ALL OTHER OPERATIONS</del>	NONE
NONE	<u>3076 REFRIGERATOR MFG.—METAL—DOMESTIC OR COMMERCIAL—ALL OTHER OPERATIONS</u>

**Minnesota Basic Manual**  
**User's Guide — G. Examples**  
**Effective January 1, 2019**

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY
<p><b>Rule 1-B-4</b></p> <p><b>General Exclusions</b></p> <p><del>An accounting firm, classified to the standard exception Code 8810 Clerical Office Employees NOC, provides a child care program for its employees. An employer-operated day care service is considered a general exclusion. This means that unless a classification applicable to a business includes employer-operated day care services, this service is separately classified. Therefore, the child care program of the accounting firm must be separately classified to the appropriate child day care center classification(s).</del></p>	<p><b>Rule 1-B-4</b></p> <p><b>General Exclusions</b></p> <p><u>A hospitality company with hotel operations in multiple locations, owns an aircraft that is operated by an employee who transports management employees to the various hotel locations. An employer-operated aircraft service is considered a general exclusion. This means that unless a classification applicable to a business includes flight operations, the operation is separately classified to the appropriate aviation classification(s).</u></p>
<p><b>Rule 1-B-6</b></p> <p><b>Principal Business</b></p> <ul style="list-style-type: none"> <li>An accounting firm classified to the standard exception Code 8810—Clerical Office Employees NOC provides a <del>child day care service for its employees. An employer-operated day care service</del> is considered a general exclusion and must be separately classified to the appropriate <del>child day care center</del> classification(s). Since the only basic classification of the business is represented by a general exclusion operation the principal business is the standard exception classification Code 8810.</li> </ul>	<p><b>Rule 1-B-6</b></p> <p><b>Principal Business</b></p> <ul style="list-style-type: none"> <li>An accounting firm classified to the standard exception Code 8810—Clerical Office Employees NOC provides <u>a company owned and operated aircraft to fly employees to customers' locations. An employer-operated aircraft service</u> is considered a general exclusion and must be separately classified to the appropriate <u>aviation</u> classification(s). Since the only basic classification of the business is represented by a general exclusion operation the principal business is the standard exception classification Code 8810.</li> </ul>



**Terri Robinson**  
Regulatory Services Division  
(P) 501-753-5180 (F) 561-893-5655  
Email: Terri\_Robinson@ncci.com

November 17, 2017

Brandon Miller, President  
Minnesota Workers' Compensation Insurers Association, Inc.  
7701 France Avenue South, Suite 450  
Minneapolis, MN 55435-3200

Dear Brandon,

We are filing the above captioned item filing in a number of NCCI jurisdictions. The attached filing memorandum describes the proposed changes.

This filing memorandum is proprietary and copyrighted by NCCI. NCCI grants your organization permission to copy, use and modify the filing memorandum as necessary for filing in your jurisdiction on the condition that the materials are reprinted for distribution or sale only to members of your organization and only for use in your state. In addition, the modified pages must bear the following copyright legend:

Includes ©Copyright 2017 material of the National Council on Compensation Insurance, Inc.  
Used with permission. All rights reserved.

NCCI maintains a report for use by our common members that contains the approval status of national and state item filings (*Status of Item Filings Circular*). Please notify Michelle Smith by phone (561-893-3016) or e-mail (michelle\_smith@ncci.com) if your organization files and receives approval of this item. This information will be reflected in the *Status of Item Filings Circular*, which is located on our web site and to which you have been given access.

Sincerely,

A handwritten signature in black ink that reads "Terri Robinson". The signature is written in a cursive, flowing style.

Terri Robinson  
State Relations Executive

c: Kathleen Peterson, MWICIA  
Michelle Smith, NCCI

## FILING MEMORANDUM

### ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

---

#### PURPOSE

This item revises, establishes, and eliminates certain:

- Classifications in NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)*
- Information in NCCI's *Assigned Carrier Performance Standards*

The manuals and states impacted by this item and the applicable fact sheets and exhibits are shown in the Exhibit Comments and Implementation Summary section of this item.

#### BACKGROUND

One of NCCI's core functions is the ongoing review and maintenance of the classification system. Part of this process includes assessing the continuing viability of more than 800 national and state special classification codes.

NCCI's analysis of the classification system is national in scope, and the proposals within this item are being presented in all NCCI states. NCCI also recognizes the occasional need for state-specific classification treatments to reflect geographical differences, and such treatments are also included in this item.

Additionally, the formatting of certain classifications in NCCI's *Basic Manual* must be revised to simplify their display and to improve online search results.

This item includes proposals for the individual classifications identified in each exhibit, including **format and consistency-only** changes, if applicable. The background information is contained in each exhibit's fact sheet.

#### Retirement Living Centers and Nursing Homes

An analysis was initiated to clarify the classification treatment for retirement living centers (RLCs) and nursing homes. Currently, NCCI assigns one classification to all employees of a nursing home. For RLCs, separate classifications are applied to healthcare employees, food service employees, and all other employees. It was determined from research of the two operations and analysis of past experience that they are similar in most aspects. Also, research indicates that facilities could have both types of operations at the same facility/location.

To clarify the classification treatment of RLCs and nursing homes, NCCI proposes to assign healthcare employees of all types of operations to one classification and to assign all other employees to another classification.

#### Limousine Companies

An analysis was initiated to determine whether the classification treatment of limousine companies needs to be clarified. NCCI assigns limousine companies to Code 7370 (nonscheduled) or Code 7382 (scheduled).

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. ("NCCI"). The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (by way of example, create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event such use is contemplated or desired, please contact NCCI's Legal Department for permission.

## FILING MEMORANDUM

### ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

---

To clarify the classification treatment for limousine companies, NCCI proposes to remove limousine operations from Code 7370, reassign all exposure to Code 7382, and remove all references to scheduled and nonscheduled.

#### Photography and Document Scanning

An analysis was initiated to modernize the photography classification language and to determine a classification treatment for document-scanning services. NCCI proposes to clarify the classification treatment for digital photography operations by updating the phraseology of Code 4361 to address photo developing and printing, including digital media. A phraseology will be added to Code 8015 for document-scanning operations and drivers, with the shredding of documents at customers' on-site locations to be assigned to Code 8264. Also, a phraseology will be added to Code 8264 for those companies that perform document shredding at the customer's location.

#### Unmanned Aircraft System or Drone Aircraft

An analysis was initiated to determine the appropriate classification treatment for drone aircraft manufacturing and piloting operations. Currently, there is no single classification that applies to or directly references these operations. When assigning a classification for drone aircraft manufacturing or piloting, consideration must be given to the size, weight, and the intended end use of the drone aircraft.

NCCI proposes that the piloting of drone aircraft with a combined weight (including its attached systems, payload, and cargo) of less than 55 pounds be treated as a general inclusion and included in the basic classification for the business. Piloting of drone aircraft with a combined weight (including its attached systems, payload, and cargo) of 55 pounds or more must be separately rated. For employers piloting drone aircraft with a combined weight (including its attached systems, payload, and cargo) of less than 55 pounds for other businesses, NCCI proposes assigning Code 8720. The weight limitation is based on current FAA rules.

NCCI also proposes that the manufacture, service, or repair of drone aircraft be assigned to two existing national classifications:

- Code 3685 if the drone aircraft weighs less than 55 pounds
- Code 3830 if the drone aircraft weighs 55 pounds or more

New classification phraseologies for drone aircraft manufacturing will be established for each code.

#### Automobile Body Repair and Mechanical Repair

An analysis was initiated to determine the appropriate classification treatment for businesses that perform both automobile body repair and mechanical repair work. With advances in automobile technology and an increased emphasis on safety, employees are specially trained and certified either as automobile mechanical repair technicians or automobile body repair technicians. Today, there are shops that perform only automobile mechanical repair work, others that perform only automobile body repair work, and still others that perform both automobile mechanical repair work and body repair work.

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. ("NCCI"). The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (by way of example, create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event such use is contemplated or desired, please contact NCCI's Legal Department for permission.

## FILING MEMORANDUM

### ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

---

NCCI proposes to allow the assignment of both Codes 8380 and 8393 to a single business operation. Additionally, further clarification is proposed for the assignment of service writers and estimators for these businesses.

#### Classifications to Be Reformatted

Several classifications must be reformatted to simplify the display of the classifications in Part Two—Classifications of NCCI's *Basic Manual* for improved online search results. Some wording will be revised to maintain the proper context of the information when displayed on a separate Web page. Reformatting will not result in the reclassification of any employers.

#### PROPOSAL

This item is presented with fact sheets and exhibits as shown in the Exhibit Comments and Implementation Summary table. The fact sheet for each exhibit details the proposals relating to that exhibit, as well as the background and basis for the proposed changes, the estimated impact of the proposals, and the details of implementation.

The proposed changes have been consolidated for display purposes only. Exhibits may display several revised, established, and eliminated phraseologies. These phraseologies should each be viewed as individual changes to *Basic Manual* content. The exhibit will show only the proposed changes for the classification impacted by this item. Routine revisions to incorporate plain language are also included in this item.

#### IMPACT

This item will support the uniform and equitable treatment of employers within each industry. NCCI recognizes that some proposals, such as those that cause a specific operation to move from one classification to another, may have a premium impact for particular employers. Additionally, some of the changes proposed will have a loss cost/rate impact. The fact sheets for each exhibit details the potential impacts specific to each of the proposed changes.

#### IMPLEMENTATION

##### Classifications to Be Reformatted

In all states, the classifications to be reformatted in Exhibit 6 of this item will become effective for new and renewal policies only, effective on and after 12:01 a.m. on October 1, 2018.

##### All Other Classification Revisions

For all other classification revisions, this item is applicable to new and renewal policies only, and will become effective concurrent with each state's approved loss cost/rate filing effective on and after October 1, 2018, unless otherwise noted. For example, this item will become effective January 1, 2019, for approved loss cost/rate filings that have a January 1, 2019 effective date. If there is no loss cost/rate filing for a state in

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. ("NCCI"). The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (by way of example, create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event such use is contemplated or desired, please contact NCCI's Legal Department for permission.



**FILING MEMORANDUM**

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

---

a given year, this item will take effect on that state’s regular loss cost/rate effective date. The regular loss cost/rate effective date is the date of the state’s previous year’s loss cost/rate effective date.

Fact Sheet 1, related to Retirement Living Centers and Nursing Homes, includes a transition program for all NCCI states except Florida and Texas. The details corresponding to the initiation and final implementation date of the transition program are provided in Exhibit 9 for the following states:

AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV

**Anticipated Effective Dates by State**

The following chart shows the anticipated effective dates for each state:

State	Anticipated* Effective Date
Alabama	March 1, 2019
Alaska	January 1, 2019
Arizona	January 1, 2019
Arkansas	July 1, 2019
Colorado	January 1, 2019
Connecticut	January 1, 2019
District of Columbia	November 1, 2018
Florida	The effective date of this item will depend on the date regulatory approval is granted. If the item is approved on or before July 1, 2018, it will become effective January 1, 2019. If it is approved after July 1, 2018, it will become effective January 1, 2020.
Georgia	March 1, 2019
Hawaii	This item will be implemented in Hawaii’s loss cost filing proposed to be effective January 1, 2019. The effective date will be determined upon regulatory approval of the individual carrier’s election to adopt this change.
Idaho	January 1, 2019
Illinois	January 1, 2019
Indiana	January 1, 2019

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. ("NCCI"). The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (by way of example, create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event such use is contemplated or desired, please contact NCCI's Legal Department for permission.

FILING MEMORANDUM

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
 E—CLASSIFICATIONS BY HAZARD GROUP

Iowa	January 1, 2019
Kansas	January 1, 2019
Kentucky	October 1, 2018
Louisiana	May 1, 2019
Maine	April 1, 2019
Maryland	January 1, 2019
Mississippi	March 1, 2019
Missouri	January 1, 2019
Montana	July 1, 2019
Nebraska	February 1, 2019
Nevada	March 1, 2019
New Hampshire	January 1, 2019
New Mexico	January 1, 2019
Oklahoma	January 1, 2019
Oregon	January 1, 2019
Rhode Island	August 1, 2019
South Carolina	April 1, 2019
South Dakota	July 1, 2019
Tennessee	March 1, 2019
Texas	July 1, 2019
Utah	December 1, 2018
Vermont	April 1, 2019
Virginia	April 1, 2019
West Virginia	November 1, 2018

\* Subject to change, depending on the approved effective date of the loss cost/rate filing if a loss cost/rate filing has been submitted for a state.

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. ("NCCI"). The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (by way of example, create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event such use is contemplated or desired, please contact NCCI's Legal Department for permission.

FILING MEMORANDUM

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
 E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

Exhibits	Fact Sheet	Exhibit #	Proposal Applicable in:
Retirement Living Centers and Nursing Homes	1	1A-RD	All States Except FL, MT, OR, TX, VA
		1B-RD	All States Except FL, VA
		1C-RD	All States Except FL, MT, OR, TX, VA
		1D-RD	All States Except FL, VA
		1E-RD	All States Except FL, MT, OR, RI, VA
		1F-RD	All States Except FL, MT, OR, RI, VA
		1G-RD	All States Except FL, MT, OR, RI, TX, VA
Limousine Companies	2	2A-RD	All States Except CT, MD, TX, VA
		2B-RD	All States Except TX, VA
		2C-RD	All States Except MT, VA
		2D-RD	All States Except CT, MD, TX, VA
		2E-RD	All States Except TX, VA
Photography and Document Scanning	3	3A-RD	All States Except HI, TX, VA
		3B-RD	All States Except VA
		3C-RD	All States Except TX, VA
		3D-RD	All States Except HI, TX, VA
		3E-RD	All States Except HI, TX, VA
Unmanned Aircraft System or Drone Aircraft	4	4A-RD	All States Except FL
		4B-RD	All States Except FL, TX
		4C-RD	All States Except VA
		4D-RD	All States Except VA
		4E-RD	All States Except VA

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. ("NCCI"). The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (by way of example, create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event such use is contemplated or desired, please contact NCCI's Legal Department for permission.

FILING MEMORANDUM

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
 E—CLASSIFICATIONS BY HAZARD GROUP

Exhibits	Fact Sheet	Exhibit #	Proposal Applicable in:
Automobile Body Repair and Mechanical Repair	5	5A-RD	All States Except AK, CT, FL, HI, LA, MO, OK, OR, RI, TN, TX, VA
		5B-RD	All States Except CT, FL, HI, LA, MO, OK, OR, RI, TX, VA
		5C-RD	All States Except FL, HI, LA, MO, OK, OR, RI, TX, VA
		5D-RD	All States Except CT, FL, HI, LA, MO, OK, OR, RI, TX, VA
Classifications to Be Reformatted	6	6A-FD	All States Except TX, VA
		6B-FD	All States Except TX, VA
		6C-FD	All States Except FL, TX, VA
		6D-FD	All States Except TX, VA
		6E-FD	All States Except OR, TX, VA
		6F-FD	All States Except TX, VA
		6G-FD	All States Except AK, TX, VA
		6H-FD	All States Except TX, VA
		6I-FD	All States Except TX, VA
		6J-FD	All States Except OR, TX, VA
6K-FD	All States Except TX, VA		
Basic Manual Appendix E—Table of Classifications by Hazard Group	1	7-RD	All States
State-Specific Exhibits	1, 2, 3, 4, 5, 6	8-FD or RD	AK, CT, FL, HI, LA, MD, MO, MT, OK, OR, RI, TN, TX, VA
Two-Phase Transition Program Details	1	9-RD	All States Except FL, TX
Assigned Carrier Performance Standards	1	10-RD	AK, AR, GA, IN, KS, MS, NH, OR, SD
New Mexico Workers' Compensation Assigned Risk Pool Manual	1	11-RD	NM

**Note:** For filing purposes, this memorandum and applicable fact sheets are being provided for both the fixed exhibit as shown in Exhibit 6 and all other exhibits effective concurrent with each state's approved loss cost/rate filing. The fixed date exhibit is filed with the regulatory authority as Item B-1436-FD. The exhibits based on each state's approved loss cost/rate filing is filed with the regulatory authority as Item B-1436-RD.

The enclosed materials are copyrighted materials of the National Council on Compensation Insurance, Inc. ("NCCI"). The use of these materials may be governed by a separate contractual agreement between NCCI and its licensees such as an affiliation agreement between you and NCCI. Unless permitted by NCCI, you may not copy, create derivative works (by way of example, create or supplement your own works, databases, software, publications, manuals, or other materials), display, perform, or use the materials, in whole or in part, in any media. Such actions taken by you, or by your direction, may be in violation of federal copyright and other commercial laws. NCCI does not permit or acquiesce such use of its materials. In the event such use is contemplated or desired, please contact NCCI's Legal Department for permission.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 1**

**RETIREMENT LIVING CENTERS AND NURSING HOMES**

**PURPOSE**

The purpose of the proposed changes for this industry is to revise the classification treatment for retirement living centers (RLCs) and nursing homes.

**BACKGROUND**

Nursing homes serve as permanent residences for people who are too frail or sick to live at home or as a temporary residence due to an extended recovery period. Nursing homes primarily provide skilled nursing care and related services to residents who require medical or nursing care, and rehabilitation services for the rehabilitation of injured, disabled, or sick persons.

RLCs provide help with activities of daily living like bathing, dressing, and using the bathroom. They may also help with care most people do themselves like taking medicine or using eye drops and additional services like getting to appointments or preparing meals. Residents often live in their own room or apartment within a building or group of buildings and have some or all of their meals together. Social and recreational activities are usually provided. Some of these facilities have health services on-site.

Continuing care retirement communities (CCRCs) are retirement communities that offer more than one kind of housing and different levels of care. In the same community, there may be individual homes or apartments for residents who still live on their own, an assisted living facility for people who need some help with daily care, and a nursing home for those who require more care. Residents move from one level to another based on their needs, but usually stay within the CCRC. For purposes of this item filing, references to RLCs includes CCRCs.

Currently, NCCI's classification system applies the following national classifications for this industry:

- Code 8824—Retirement Living Centers—Health Care Employees

Applies to all employees providing medical, nursing, or personal care to residents including but not limited to physicians, nurses, therapists, technicians, pharmacists, dieticians, aides, and orderlies. Not applicable to nursing homes or hospitals. Separately classify food service employees and all other employees engaged in non-health care activities.

- Code 8825—Retirement Living Centers—Food Service Employees

Not applicable to independently operated restaurants. Separately classify health care employees to Code 8824 and all other employees to Code 8826.

- Code 8826—Retirement Living Centers—All Other Employees & Salespersons, Drivers

Separately classify all health care employees to Code 8824 and all food service employees to Code 8825.

- Code 8829—Convalescent or Nursing Home—All Employees

Based on current classification wording, nursing home operations of an RLC at the same location are not separately rated but are assigned to the RLC classifications. However, the current classification wording

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 1 (CONT'D)**

does not clearly indicate the classification treatment for a nursing home operation that also provides a limited number of residents with RLC-type services at the same location.

The industry is evolving and the distinction between nursing homes and RLCs is beginning to blur. Healthcare workers are performing their tasks in all areas of a facility with both operations, as do the non-healthcare workers. The goal is to simplify the classification treatment for this industry because facilities could have both nursing home and RLC operations at the same facility or location.

**PROPOSAL**

NCCI proposes discontinuing Codes 8825 and 8829, while maintaining and changing the definition of Codes 8824 and 8826. All healthcare employees would be assigned to the same classification, Code 8824. All food service and “all other” employees would be assigned to the same classification, Code 8826. As a result, two basic classifications (Code 8824 for healthcare employees and Code 8826 for food service and “all other” employees) would apply nationally to the RLC and nursing home industry.

NCCI proposes the following:

1. Revise the phraseology of Code 8824—Retirement Living Centers—Health Care Employees to describe facilities and workers assigned to the classification
2. Establish the following phraseologies for Code 8824:
  - Adult Congregate Living Facilities—Healthcare Employees
  - Continuing Care Retirement Communities—Healthcare Employees
  - Convalescent Homes—Healthcare Employees
  - Homes for the Aged—Healthcare Employees
  - Memory Care Facilities—Healthcare Employees
  - Rest Homes—Healthcare Employees
  - Nursing Homes or Assisted Living Facilities—Healthcare Employees
  - Skilled Nursing Facilities—Healthcare Employees
3. Revise the phraseology of Code 8826—Retirement Living Centers—All Other Employees & Salespersons, Drivers to describe facilities and workers assigned to the classification
4. Establish the following phraseologies for Code 8826:
  - Adult Congregate Living Facilities—All Other Employees & Salespersons, Drivers
  - Continuing Care Retirement Communities—All Other Employees & Salespersons, Drivers
  - Convalescent Homes—All Other Employees & Salespersons, Drivers
  - Homes for the Aged—All Other Employees & Salespersons, Drivers
  - Memory Care Facilities—All Other Employees & Salespersons, Drivers
  - Rest Homes—All Other Employees & Salespersons, Drivers
  - Nursing Homes or Assisted Living Facilities—All Other Employees & Salespersons, Drivers
  - Skilled Nursing Facilities—All Other Employees & Salespersons, Drivers
5. Eliminate Code 8825—Retirement Living Centers—Food Service Employees and reassign these operations to Code 8826—Retirement Living Centers—All Other Employees & Salespersons, Drivers
6. Eliminate Code 8829—Convalescent or Nursing Home—All Employees and all associated phraseologies and reassign these operations to:
  - Code 8824—Nursing Homes or Assisted Living Facilities—Health Care Employees

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 1 (CONT'D)**

- Code 8826—Nursing Homes or Assisted Living Facilities—All Other Employees & Salespersons, Drivers
- 7. Revise Appendix E—Table of Classifications by Hazard Group to show the elimination of Codes 8825 and 8829
- 8. Revise Performance Standard 4—Loss Prevention and Performance Standard 6—Audits in NCCI's *Assigned Carrier Performance Standards* to show the elimination of Code 8829

**IMPACT****Combination of Codes 8825 and 8826, Retaining Code 8826 (Exhibits 1C, 1D, 9)**

Codes 8825 and 8826 are being combined to assign all food and “all other” nonhealthcare employees for this industry to one classification. As a result, Code 8825 will be discontinued and Code 8826 will be retained and redefined. The loss cost/rate for Code 8826 will be based on the historical data of Codes 8825 and 8826. NCCI conducted a review using the latest policy periods used for ratemaking to determine the need for a transition program. Based on the result of this review, a two-phase transition is being proposed for all states except Texas. Using a transition program will help minimize the immediate premium impact to individual employers. At the end of the two-phase transition program, the experience reported to Code 8825 will be reassigned to Code 8826, and Code 8825 will be discontinued. Refer to Exhibit 9 for information about the proposed transition program.

**Redefinition of Code 8824 (Exhibits 1A, 1B, 9), Discontinuation of Code 8829 (Exhibits 1E, 1F, 1G, 9)**

All healthcare employees for this industry will eventually be assigned to Code 8824 instead of both Codes 8824 and 8829. However, the codes are not being combined in the same manner as Codes 8825 and 8826.

When the two-phase transition program for Codes 8825 and 8826 is complete:

- Code 8824 will be redefined.
- Code 8829 will be discontinued.
- No transition program for Codes 8824 and 8829 will apply.
- The starting loss costs/rates for revised Code 8824 will be based on the historical data of Codes 8824 and 8829. This will continue until revised Code 8824 develops data to determine its own loss cost/rate.

Rating values will be calculated according to NCCI's standard procedure. Note that the starting loss costs will differ in Texas. Refer to the Texas Proposal and Impact sections for information.

- Historical experience will not be reassigned from Code 8829 to Codes 8824 to establish a loss cost/rate for redefined Codes 8824.

For all states, the premium impact to individual employers will depend on the amount of payroll that transfers between retirement living center and nursing home-related classifications, as well as their associated loss cost/rate compared to the redefined classification's proposed loss cost/rate. A negligible impact to overall statewide premium is expected as a result of these changes.

**STATE-SPECIFIC PROPOSALS AND IMPACTS**

All current state exceptions will continue to apply unless otherwise noted in the state-specific exhibits (Exhibit 8).

**Montana Proposal:**



**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 1 (CONT'D)**

NCCI proposes that Montana eliminate the following state special phraseologies and adopt the national proposals in Exhibits 1B, 1D, and 8:

- Code 8824—Retirement, Care, Nursing, and Convalescent Centers
- Code 8825—Retirement, Care, Nursing, and Convalescent Centers—Food Service Employees
- Code 8826—Retirement, Care, Nursing, and Convalescent Centers—All Other Employees & Salespersons, Drivers

**Montana Impact:**

The premium impact in Montana is equivalent to the impact determined by the proposed national treatment.

**Oregon Proposal:**

NCCI proposes that Oregon eliminate the following state special phraseologies and notes and adopt the national proposals in Exhibits 1B, 1D, and 8:

- Adult Community Care Facilities
- Convalescent Center
- Nursing or Convalescent Home
- Code 8824—Retirement, Care, Nursing, and Convalescent Centers—Health Care Employees
- Code 8825—Retirement, Care, Nursing, and Convalescent Centers—Food Service Employees
- Code 8826—Retirement, Care, Nursing, and Convalescent Centers—All Other Employees

**Oregon Impact:**

The premium impact in Oregon is equivalent to the impact determined by the proposed national treatment.

**Rhode Island Proposal:**

NCCI is not proposing any changes to the following Rhode Island special codes for specially licensed facilities:

- Code 8841—Nursing Home—Professional Employees
- Code 9047—Nursing Home—All Other Employees and Drivers

NCCI proposes that Rhode Island adopt the national proposals in Exhibits 1A thru 1D.

**Rhode Island Impact:**

The premium impact in Rhode Island is equivalent to the impact determined by the proposed national treatment.

**Texas Proposal:**

NCCI proposes that Texas eliminate the following state special phraseologies:

- Code 9052—Retirement Centers or Villages—Ambulatory Residents—All Other Employees & Drivers
- Code 9058—Retirement Centers or Villages—Ambulatory Residents—Restaurant Employees

NCCI proposes that Texas adopt the national proposals in Exhibits 1B, 1D, 1E and 1F, including the establishment of Codes 8824 and 8826 in Texas. The transition program described in the national impact section above will not apply because Codes 8824 and 8826 will be new classifications in Texas. As a result,



**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 1 (CONT'D)**

the implementation of Codes 8824 and 8826 in Texas is proposed to be effective on the approved loss cost effective date of July 1, 2019.

The starting loss cost of the newly established Code 8824 in Texas will be that of Code 8829. However, data will not be reassigned from Code 8829 to Code 8824. This will continue until Code 8824 develops data to determine its own loss cost.

The starting loss cost of the newly established Code 8826 in Texas will be a payroll-weighted average of the loss costs of Codes 9052 and 9058. This will continue until Code 8826 develops data to determine its own loss cost.

**Texas Impact:**

While employers will be reassigned from Code 8829 to the redefined codes, historical experience will not be reassigned from Code 8829 to Code 8824 or Code 8826, or from Codes 9052 or 9058 to Code 8826, to establish the redefined Code 8824 or 8826. The impact to individual employers will depend on the amount of payroll that transfers between retirement living center and nursing home-related classifications, as well as their associated loss cost compared to the newly defined classification's proposed loss cost. Negligible impact to overall statewide premium is expected as a result of these changes.

**Virginia Proposal:**

NCCI proposes that Virginia adopt the proposed national treatment for Codes 8824, 8825, 8826, and 8829. Accordingly, the Virginia Special Classifications in NCCI's *Basic Manual* will be reformatted and updated for the following codes to reflect the nationally proposed revisions:

- Code 8824—Retirement Living Centers—Health Care Employees
- Code 8825—Retirement Living Centers—Food Service Employees
- Code 8826—Retirement Living Centers—All Other Employees & Salespersons, Drivers
- Code 8829—Convalescent or Nursing Home—All Employees
- Code 8835—Home, Public and Traveling Healthcare—All Employees
- Code 9015—Building or Property Management—All Other Employees
- Code 9052—Hotel—All Other Employees & Salespersons, Drivers
- Code 9082—Restaurant NOC
- Code 9410—Municipal, Township, County or State Employee NOC

**Virginia Impact:**

The premium impact in Virginia is equivalent to the impact determined by the proposed national treatment for Codes 8824, 8825, 8826, and 8829. The proposed updates to the Virginia Special Classifications in NCCI's *Basic Manual* descriptions are not expected to have an additional premium impact.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 1A—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 1—RETIREMENT LIVING CENTERS AND NURSING HOMES  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VT, WV)

**8824 RETIREMENT LIVING CENTERS—HEALTHCARE EMPLOYEES**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to all employees providing medical, nursing, or personal care to residents of these types of facilities including, but not limited to, physicians, nurses, therapists, technicians, pharmacists, dieticians, aides, and orderlies. Also applies to administrative healthcare personnel who do not qualify for assignment to Code 8810.

Not applicable to nursing homes or hospitals. Separately classify food service employees and all other employees engaged in who perform non-healthcare activities are to be separately rated to Code 8826.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 1B—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 1—RETIREMENT LIVING CENTERS AND NURSING HOMES  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV)

**8824 NURSING HOMES OR ASSISTED LIVING FACILITIES—HEALTHCARE EMPLOYEES**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to all employees providing medical, nursing, or personal care to residents of these types of facilities including, but not limited to, physicians, nurses, therapists, technicians, pharmacists, dietitians, aides, and orderlies. Also applies to administrative healthcare personnel who do not qualify for assignment to Code 8810.

Not applicable to hospitals. Food service employees and all other employees who perform non-healthcare activities are to be separately rated to Code 8826.

**8824 ADULT CONGREGATE LIVING FACILITIES—HEALTHCARE EMPLOYEES**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to all employees providing medical, nursing, or personal care to residents of these types of facilities including, but not limited to, physicians, nurses, therapists, technicians, pharmacists, dietitians, aides, and orderlies. Also applies to administrative healthcare personnel who do not qualify for assignment to Code 8810.

Not applicable to hospitals. Food service employees and all other employees who perform non-healthcare activities are to be separately rated to Code 8826.

**8824 CONTINUING CARE RETIREMENT COMMUNITIES—HEALTHCARE EMPLOYEES**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to all employees providing medical, nursing, or personal care to residents of these types of facilities including, but not limited to, physicians, nurses, therapists, technicians, pharmacists, dietitians, aides, and orderlies. Also applies to administrative healthcare personnel who do not qualify for assignment to Code 8810.

Not applicable to hospitals. Food service employees and all other employees who perform non-healthcare activities are to be separately rated to Code 8826.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT 1B—RD (CONT'D)  
BASIC MANUAL—2001 EDITION  
FACT SHEET 1—RETIREMENT LIVING CENTERS AND NURSING HOMES  
PART TWO—CLASSIFICATIONS**

**(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,  
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV)**

**8824 CONVALESCENT HOMES—HEALTHCARE EMPLOYEES**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to all employees providing medical, nursing, or personal care to residents of these types of facilities including, but not limited to, physicians, nurses, therapists, technicians, pharmacists, dietitians, aides, and orderlies. Also applies to administrative healthcare personnel who do not qualify for assignment to Code 8810.

Not applicable to hospitals. Food service employees and all other employees who perform non-healthcare activities are to be separately rated to Code 8826.

**8824 HOMES FOR THE AGED—HEALTHCARE EMPLOYEES**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to all employees providing medical, nursing, or personal care to residents of these types of facilities including, but not limited to, physicians, nurses, therapists, technicians, pharmacists, dietitians, aides, and orderlies. Also applies to administrative healthcare personnel who do not qualify for assignment to Code 8810.

Not applicable to hospitals. Food service employees and all other employees who perform non-healthcare activities are to be separately rated to Code 8826.

**8824 MEMORY CARE FACILITIES—HEALTHCARE EMPLOYEES**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to all employees providing medical, nursing, or personal care to residents of these types of facilities including, but not limited to, physicians, nurses, therapists, technicians, pharmacists, dietitians, aides, and orderlies. Also applies to administrative healthcare personnel who do not qualify for assignment to Code 8810.

Not applicable to hospitals. Food service employees and all other employees who perform non-healthcare activities are to be separately rated to Code 8826.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 1B—RD (CONT'D)  
BASIC MANUAL—2001 EDITION  
FACT SHEET 1—RETIREMENT LIVING CENTERS AND NURSING HOMES  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV)

**8824 REST HOMES—HEALTHCARE EMPLOYEES**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to all employees providing medical, nursing, or personal care to residents of these types of facilities including, but not limited to, physicians, nurses, therapists, technicians, pharmacists, dietitians, aides, and orderlies. Also applies to administrative healthcare personnel who do not qualify for assignment to Code 8810.

Not applicable to hospitals. Food service employees and all other employees who perform non-healthcare activities are to be separately rated to Code 8826.

**8824 SKILLED NURSING FACILITIES—HEALTHCARE EMPLOYEES**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to all employees providing medical, nursing, or personal care to residents of these types of facilities including, but not limited to, physicians, nurses, therapists, technicians, pharmacists, dietitians, aides, and orderlies. Also applies to administrative healthcare personnel who do not qualify for assignment to Code 8810.

Not applicable to hospitals. Food service employees and all other employees who perform non-healthcare activities are to be separately rated to Code 8826.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT 1C—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 1—RETIREMENT LIVING CENTERS AND NURSING HOMES  
PART TWO—CLASSIFICATIONS**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VT, WV)

**8825 RETIREMENT LIVING CENTERS—FOOD SERVICE EMPLOYEES**

~~Not applicable to independently operated restaurants. Separately classify health care employees to Code 8824 and all other employees to Code 8826.~~

**8826 RETIREMENT LIVING CENTERS—ALL OTHER EMPLOYEES & SALESPERSONS, DRIVERS**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to employees providing food service, maintenance, and operation of these facilities.

~~Separately classify a~~All healthcare employees are to be separately rated to Code 8824 and all food service employees to Code 8825.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT 1D—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 1—RETIREMENT LIVING CENTERS AND NURSING HOMES  
PART TWO—CLASSIFICATIONS**

**(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,  
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV)**

**8826      NURSING HOMES OR ASSISTED LIVING FACILITIES—ALL OTHER EMPLOYEES &  
SALESPERSONS, DRIVERS**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to employees providing food service, maintenance, and operation of these facilities.

All healthcare employees are to be separately rated to Code 8824.

**8826      ADULT CONGREGATE LIVING FACILITIES—ALL OTHER EMPLOYEES & SALESPERSONS,  
DRIVERS**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to employees providing food service, maintenance, and operation of these facilities.

All healthcare employees are to be separately rated to Code 8824.

**8826      CONTINUING CARE RETIREMENT COMMUNITIES—ALL OTHER EMPLOYEES &  
SALESPERSONS, DRIVERS**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to employees providing food service, maintenance, and operation of these facilities.

All healthcare employees are to be separately rated to Code 8824.

**8826      CONVALESCENT HOMES—ALL OTHER EMPLOYEES & SALESPERSONS, DRIVERS**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to employees providing food service, maintenance, and operation of these facilities.

All healthcare employees are to be separately rated to Code 8824.



ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 1D—RD (CONT'D)  
BASIC MANUAL—2001 EDITION  
FACT SHEET 1—RETIREMENT LIVING CENTERS AND NURSING HOMES  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV)

**8826 HOMES FOR THE AGED—ALL OTHER EMPLOYEES & SALESPERSONS, DRIVERS**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to employees providing food service, maintenance, and operation of these facilities. All healthcare employees are to be separately rated to Code 8824.

**8826 MEMORY CARE FACILITIES—ALL OTHER EMPLOYEES & SALESPERSONS, DRIVERS**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to employees providing food service, maintenance, and operation of these facilities. All healthcare employees are to be separately rated to Code 8824.

**8826 REST HOMES—ALL OTHER EMPLOYEES & SALESPERSONS, DRIVERS**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to employees providing food service, maintenance, and operation of these facilities. All healthcare employees are to be separately rated to Code 8824.

**8826 SKILLED NURSING FACILITIES—ALL OTHER EMPLOYEES & SALESPERSONS, DRIVERS**

Applies to facilities that provide skilled nursing care and other types of residential services for individuals who require medical or nursing care, and rehabilitation services. These types of facilities include, but are not limited to, nursing homes, assisted living facilities, adult congregate living facilities, continuing care retirement communities, retirement living centers, and memory care facilities.

Applies to employees providing food service, maintenance, and operation of these facilities. All healthcare employees are to be separately rated to Code 8824.



ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 1E—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 1—RETIREMENT LIVING CENTERS AND NURSING HOMES  
PART TWO—CLASSIFICATIONS  
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,  
NE, NH, NM, NV, OK, SC, SD, TN, TX, UT, VT, WV)

**8829**      **CONVALESCENT OR NURSING HOME—ALL EMPLOYEES**

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 1F—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 1—RETIREMENT LIVING CENTERS AND NURSING HOMES  
PART TWO—CLASSIFICATIONS  
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,  
NE, NH, NM, NV, OK, SC, SD, TN, TX, UT, VT, WV)

**8829 NURSING OR CONVALESCENT HOME—ALL EMPLOYEES**

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 1G—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 1—RETIREMENT LIVING CENTERS AND NURSING HOMES  
PART TWO—CLASSIFICATIONS  
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,  
NE, NH, NM, NV, OK, SC, SD, TN, UT, VT, WV)

**8829 HOME FOR AGED—ALL EMPLOYEES**

**8829 REST HOME—ALL EMPLOYEES**

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 2****LIMOUSINE COMPANIES****PURPOSE**

The purpose of the proposed changes for this industry is to revise the classification treatment for limousine companies.

**BACKGROUND**

An analysis was initiated to determine whether the classification treatment of limousine companies needs to be clarified. Historically, this industry has had two different types of drivers representing two distinct exposures. The current classifications for limousine companies are:

- Code 7370—Limousine Co.—All Other Employees & Drivers—Nonscheduled
- Code 7382—Limousine Co.—All Other Employees & Drivers—Scheduled

The difference between scheduled and nonscheduled limousine companies is not clearly defined in NCCI's *Basic Manual*. Stakeholders may define “scheduled” as traveling from Point A to Point B on a set time schedule, with no variation in the route. Others believe that “scheduled” refers to making a reservation or arrangement for pickup at a time prior to the actual transport. These differing interpretations may result in the misclassification of employers in the limousine industry.

**PROPOSAL**

To clarify the classification treatment for limousine companies, NCCI proposes to remove nonscheduled limousine operations from Code 7370. All limousine operations will be assigned to Code 7382, regardless of whether they are scheduled or nonscheduled.

NCCI also proposes to add references to both Codes 7370 and 7382 to clarify the current national treatment that garage employees are to be separately rated to Code 8385—Limousine Co.—Garage Employees.

Specifically, NCCI proposes to:

1. Eliminate the phraseology “Limousine Co.—All Other Employees & Drivers—Nonscheduled” from Code 7370 and reassign these operations to Code 7382—Limousine Co.—All Other Employees & Drivers
2. Revise Code 7382—Limousine Co.—All Other Employees & Drivers—Scheduled to remove the reference to “Scheduled” and to indicate that garage employees are to be separately rated to Code 8385
3. Revise the note of the following phraseologies to indicate that garage employees are to be separately rated to Code 8385:
  - Code 7370—Taxicab Co.—All Other Employees & Drivers
  - Code 7382—Bus Co.—All Other Employees & Drivers
4. Revise the note of Code 7382—Railroad Operation—Street—All Other Employees & Drivers to indicate yard employees are to be separately rated to Code 8385.

Also, the national classifications for Railroad will be reformatted and updated with plain language to simplify the display of the classifications in the manual for improved online search results on [ncci.com](http://ncci.com)

**IMPACT**

The loss costs/rates and rating values for Codes 7370 and 7382 will continue to be calculated according to NCCI's standard procedure. The impact to individual employers will depend on the amount of payroll that transfers from Code 7370 to Code 7382, as well as their associated loss cost/rate. Negligible impact to overall statewide premium is expected as a result of these changes. There is no impact from clarifying the current national treatment for garage employees.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 2 (CONT'D)**

**STATE-SPECIFIC PROPOSALS AND IMPACTS**

All state exceptions will continue to apply unless otherwise noted in the state-specific exhibits (Exhibit 8).

**Connecticut Proposal:**

NCCI proposes the elimination of the Connecticut special phraseology for Code 7382—Limousine Co.—All Other Employees & Drivers because the proposed national treatment is consistent with the current Connecticut treatment.

NCCI proposes that Connecticut adopt the national proposals in Exhibits 2B, 2C, and 2E.

**Connecticut Impact:**

Because all limousine operations, both scheduled and nonscheduled, are currently assigned to Code 7382 in Connecticut, there will be no statewide premium impact resulting from the proposed change to the national treatment of limousine operations.

**Maryland Proposal:**

NCCI proposes the elimination of the Maryland special phraseology for Code 7382—Limousine Co.—All Other Employees & Drivers because the proposed national treatment is consistent with the current Maryland treatment.

NCCI proposes that Maryland adopt the national proposals in Exhibits 2B, 2C, and 2E.

**Maryland Impact:**

Because all limousine operations, both scheduled and nonscheduled, are currently assigned to Code 7382 in Maryland, there will be no statewide premium impact resulting from the proposed change to the national treatment of limousine operations.

**Montana Proposal:**

NCCI proposes retaining the Montana special phraseology for Code 7382—Bus Company, Ambulance Service & Emergency Medical Providers—All Other Employees & Drivers because it also includes ambulance service and emergency medical providers.

NCCI proposes that Montana adopt the national proposals in Exhibits 2A, 2B, 2D, and 2E.

**Montana Impact:**

The premium impact in Montana is equivalent to the impact determined by the proposed national treatment.

**Texas Proposal:**

Texas has state special phraseologies for Code 7382:

- Code 7382—Limousine Co.—All Other Employees & Drivers
- Code 7382—Taxicab Co.—All Other Employees & Drivers

NCCI proposes retaining the Texas special phraseologies because they include additional information regarding verifiable payroll records and the leasing or renting of vehicles. However, NCCI also proposes revising the notes to indicate that garage employees are to be separately rated to Code 8385.

NCCI proposes that Texas adopt the national proposal in Exhibit 2C.

**Texas Impact:**

Because all limousine operations, both scheduled and nonscheduled, are currently assigned to Code 7382 in Texas, there will be no statewide premium impact resulting from the proposed change to the national treatment of limousine operations. There also is not impact from clarifying the current treatment for garage employees.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 2 (CONT'D)**

**Virginia Proposal:**

NCCI proposes:

1. Elimination of the Virginia special phraseology Code 7382—Limousine Co.—All Other Employees & Drivers and that Virginia adopt the proposed national treatment because it is consistent with the current Virginia treatment.
2. Reformatting and updating with plain language the following Virginia Special Classifications in NCCI's **Basic Manual**:
  - 7370—Taxicab Co.—All Other Employees & Drivers
  - 7382—Bus Co.—All Other Employees & Drivers

**Virginia Impact:**

Because all limousine operations, both scheduled and nonscheduled, are currently assigned to Code 7382 in Virginia, there will be no statewide premium impact resulting from the proposed change to the national treatment of limousine operations.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 2A—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 2—LIMOUSINE COMPANIES  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MO, MS, MT,  
NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

**7370**      **LIMOUSINE CO.—ALL OTHER EMPLOYEES & DRIVERS—NONSCHEDULED**

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 2B—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 2—LIMOUSINE COMPANIES  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

**7370 TAXICAB CO.—ALL OTHER EMPLOYEES & DRIVERS**

The entire payroll of all taxicab drivers ~~shall~~ must be included in calculating the premium.

In the absence of verifiable payroll records, the premium charged will be determined on the basis of the amount per vehicle per policy year for employee-operated vehicles shown in the state rate pages under Miscellaneous Values. This amount is subject to pro rata adjustment only when a vehicle is owned by the ~~insured~~ employer for a portion of the policy period.

If the owner also leases or rents such vehicles to others, an additional premium ~~shall~~ must be calculated on the basis of the amount per vehicle per policy year for leased or rented vehicles shown in the state rate pages under Miscellaneous Values. This amount is subject to pro rata adjustment only when the lease is for a portion of the policy period.

These amounts are in consideration of gratuities, multiple shifts, downtime, vacation time, or other periods during which the vehicle is not in operation.

Garage employees are to be separately rated to Code 8385.



ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 2C—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 2—LIMOUSINE COMPANIES  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,  
MS, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV)

7382 BUS CO.—ALL OTHER EMPLOYEES & DRIVERS

Garage employees are to be separately rated to Code 8385.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 2D—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 2—LIMOUSINE COMPANIES  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MO, MS, MT,  
NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

7382 LIMOUSINE CO.—ALL OTHER EMPLOYEES & DRIVERS—~~SCHEDULED~~  
Garage employees are to be separately rated to Code 8385.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 2E—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 2—LIMOUSINE COMPANIES  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

**RAILROAD OPERATION-**

The classifications for railroad construction and railroad operation do not contemplate coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that Act. For such coverage, see *Rule 3-A-4*.

**Street-**

**8385**            **Yard Employees**

**7382**            **All Other Employees & Drivers**

**7133**            **NOC—All Employees & Drivers.** All employees connected with the operation or maintenance of automobile bus lines shall be rated as Code 8385 or 7382—Bus co.

**8385**            **RAILROAD OPERATION—STREET—YARD EMPLOYEES**

Code 8385 does not consider coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that Act. For such coverage, refer to *Rule 3-A-4*.

**7382**            **RAILROAD OPERATION—STREET—ALL OTHER EMPLOYEES & DRIVERS**

Yard employees are to be separately rated to Code 8385.  
Code 7382 does not consider coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that Act. For such coverage, refer to *Rule 3-A-4*.

**7133**            **RAILROAD OPERATION NOC—ALL EMPLOYEES & DRIVERS**

All employees connected with the operation or maintenance of automobile bus lines must be rated as Code 7382 or Code 8385.  
Code 7133 does not consider coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that Act. For such coverage, refer to *Rule 3-A-4*.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 3****PHOTOGRAPHY AND DOCUMENT SCANNING****PURPOSE**

The purpose of the proposed changes for this industry is to revise the classification treatment for photography and document scanning.

**BACKGROUND**

An analysis of the photography and document-scanning operations was initiated based on the need to reflect today's image-capturing methods and improve clarity regarding the classification treatment for document-scanning operations.

**Photography**

Digital photography is currently the primary form of photography. Producing digital photographs typically involves using a computer, while traditional photography uses a chemical process for developing film. Photographs are often created using digital cameras and smartphones. Some photographers still use traditional film cameras and then scan the negatives or prints into their computers. The more traditional method of photography remains in use, but it is no longer the primary method.

**Document Scanning**

The process of scanning documents involves converting print to digital form. Scanning involves using computer-based equipment, but not photography or microfilming. The scanned documents are stored or archived in a variety of methods, such as a flash drive, CD, DVD, or cloud storage system via a secure website. Document scanning is an operation more closely aligned with photocopying documents. The exposure for photography does not align with the exposure for document scanning because film is not used in document scanning. Document scanning is also not closely aligned with microfilming because microfilming involves a machine that produces a picture on film.

Currently, there is no classification in NCCI's *Basic Manual* that addresses the document-scanning business or scanning-related operations. Document scanning is classified using NCCI's *Basic Manual* Rule 1-D-2, which states, "If no basic classification clearly describes the business, the classification that most closely describes the business must be assigned."

**PROPOSAL**

NCCI proposes to:

1. Eliminate the phraseology of Code 4361—Film Print Shops—All Employees & Clerical, Salespersons, Drivers, and establish the phraseology Code 4361—Photo Print Shop—All Employees & Clerical, Salespersons, Drivers. The new phraseology note will indicate that it applies to developing and printing photographs whether from film or digital media.
2. Revise the note of Code 4361—Photographer—All Employees & Clerical, Salespersons, Drivers to include photo developing or printing whether from film or digital media.
3. Establish new national phraseology Code 8264—Document-Shredding Operations & Drivers, to clarify the appropriate classification for those operations.
4. Establish new national phraseology Code 8015—Document-Scanning Operations—All Employees & Clerical, Salespersons, Drivers, because the operation is most closely aligned with photocopying documents.
5. Revise the note of Code 8015—Quick Printing—Copying or Duplicating Service—All Employees & Clerical, Salespersons, Drivers to use plain language.
6. Revise the notes of the following codes for plain language purposes and to replace the word "services" with "surfaces":

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 3 (CONT'D)**

- Code 4299—Sign Manufacturing—Plastic or Vinyl Computer-Generated Letters or Graphics—No Painting or Using Power Machinery
- Code 9501—Sign Manufacturing—Plastic or Vinyl Computer-Generated Letters or Graphics—Painting or Using Power Machinery & Drivers

**IMPACT**

It is possible that individual employers may experience an increase or decrease in premium from the transfer of payroll between codes. The impact to individual employers will depend on the amount of payroll that is transferred, as well as the associated loss costs/rates of the codes involved. Negligible impact to overall statewide premium is expected as a result of these changes.

**STATE-SPECIFIC PROPOSALS AND IMPACTS**

All state exceptions will continue to apply unless otherwise noted in the state-specific exhibits (Exhibit 8).

**Hawaii Proposal:**

NCCI proposes:

1. Elimination of the following Hawaii special phraseologies and adoption of the proposed national treatments which include clerical employees.
  - Code 4361—Film Print Shops—All Employees—Salespersons & Drivers
  - Code 4361—Photographer—All Employees—Salespersons & Drivers
2. Elimination of the Hawaii special phraseology Code 4299—Sign Manufacturing—Plastic or Vinyl Computer-Generated Letters or Graphics—No Painting or Using Power Machinery because the proposed national treatment is consistent with the current Hawaii treatment.
3. Elimination of the Hawaii special phraseology for Code 9501—Sign Manufacturing—Plastic or Vinyl Computer-Generated Letters or Graphics—Painting or Using Power Machinery and that Hawaii adopt the proposed national treatment which includes drivers.
4. Hawaii adopt the national proposals in Exhibits 3B and 3C.

**Hawaii Impact:**

In addition to the national proposal and impact, Hawaii photography and print film shops employers that currently use Code 8810 for clerical employees may see an increase in premium due to reassignment to proposed national Code 4361 which includes clerical employees.

**Texas Proposal:**

NCCI proposes:

1. Elimination of the following Texas special phraseologies for Codes 4299 and 4361:
  - Code 4299—Copying and Duplicating Service & Drivers
  - Code 4361—Film Processing & Drivers
  - Code 4361—Photo Developing and Printing & Drivers
  - Code 4361—Photo Finishing Pickup Stations & Drivers
2. Texas adopt the proposed national treatments for this industry which include clerical and sales employees in the Codes 4361 and 8015 phraseologies (Exhibits 3B and 8):
  - Code 4361—Photo Print Shop—All Employees & Clerical, Salespersons, Drivers
  - Code 8015—Document-Scanning Operations—All Employees & Clerical, Salespersons, Drivers
  - Code 8015—Quick Printing—Copying or Duplicating Service—All Employees & Clerical, Salespersons, Drivers

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 3 (CONT'D)**

- Code 8264—Document-Shredding Operations & Drivers
- 3. Maintain Texas special phraseology Code 4361—Photographer—All Employees & Drivers because it includes information regarding the assignment of payroll for employees that fly. However, the phraseology will be revised to include clerical employees and salespersons to be consistent with the national treatment, and to include the national reference to photo developing or printing whether from film or digital media.
- 4. Texas adopt the national proposal in Exhibits 3B and 3C, including the establishment of Code 8015—Quick Printing—Copying or Duplicating Service—All Employees & Clerical, Salespersons, Drivers.

**Texas Impact:**

In addition to the national proposal and impact, the starting loss cost of the newly established Code 8015 in Texas will be that of Code 4299, because Code 8015 does not currently apply in Texas. This will continue until Code 8015 develops data to determine its own loss cost. There will be no reassignment of historical experience from Code 4299. Furthermore, Texas photography, film and copying employers that currently use Code 8810 for clerical employees, or Code 8742 for sales employees, may see an increase in premium due to reassignment to proposed national Codes 4361 and 8015, which include clerical and sales employees.

**Virginia Proposal:**

NCCI proposes that Virginia adopt the proposed national treatment for Codes 4299, 4361, 8015, 8264, and 9501. Accordingly, the Virginia Special Classifications in NCCI's *Basic Manual* will be reformatted and updated for the following codes:

- Code 4299—Sign Manufacturing—Plastic or Vinyl Computer-Generated Letters or Graphics—No Painting or Using Power Machinery
- Code 4361—Photographer—All Employees & Clerical, Salespersons, Drivers
- Code 4361—Photo Print Shop—All Employees & Clerical, Salespersons, Drivers
- Code 8015—Quick Printing—Copying or Duplicating Service—All Employees & Clerical, Salespersons, Drivers
- Code 8015—Document-Scanning Operations—All Employees & Clerical, Salespersons, Drivers
- Code 8264—Document-Shredding Operations & Drivers
- Code 9501—Sign Manufacturing—Plastic or Vinyl Computer-Generated Letters or Graphics—Painting or Using Power Machinery

**Virginia Impact:**

The premium impact in Virginia is equivalent to the impact determined by the proposed national treatment for Codes 4299, 4361, 8015, 8264, and 9501. The proposed updates to the Virginia Special Classifications in NCCI's *Basic Manual* descriptions are not expected to have an additional premium impact.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 3A—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 3—PHOTOGRAPHY AND DOCUMENT SCANNING  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,  
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

- 4364**     ~~**FILM PRINT SHOPS—ALL EMPLOYEES & CLERICAL, SALESPERSONS, DRIVERS.**~~  
Includes developing and printing of film.
- 4361**     **PHOTO PRINT SHOP—ALL EMPLOYEES & CLERICAL, SALESPERSONS, DRIVERS**  
Applies to developing and printing photographs from film or digital media.
- 4361**     **PHOTOGRAPHER—ALL EMPLOYEES & CLERICAL, SALESPERSONS, DRIVERS**  
Includes incidental retail store and photo processing employees developing or printing, whether from film or digital media. ~~As respects~~ For aerial photography, the payroll of all members of the flying crew and aircraft ground employees ~~shall~~ must be assigned separately rated to the appropriate aircraft flying and ground classification.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 3B—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 3—PHOTOGRAPHY AND DOCUMENT SCANNING  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV)

**8015◆** DOCUMENT-SCANNING OPERATIONS—ALL EMPLOYEES & CLERICAL, SALESPERSONS, DRIVERS

Applies to document-scanning operations for customers performed at the employer's or customer's location. Includes document storage and shredding operations performed at the employer's location only. Document shredding performed at the customer's location, including the bailing and transportation of those shredded documents, is to be separately rated to Code 8264.

**8264◆** DOCUMENT-SHREDDING OPERATIONS & DRIVERS

Applies to employers in the business of document-shredding only. Includes shredding at the employer's or customer's location, including the bailing and transportation of those shredded documents. Also includes all shredding at the customer's location when performed as part of a document-scanning operation. Refer to Code 8015 for document-scanning operations for customers performed at the employer's or customer's location.



ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 3C—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 3—PHOTOGRAPHY AND DOCUMENT SCANNING  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

**8015◆ QUICK PRINTING—COPYING OR DUPLICATING SERVICE—ALL EMPLOYEES & CLERICAL, SALESPERSONS, DRIVERS**

~~This classification a~~Applies to ~~risks~~ employers that provide reproductions by means of offset-type duplicators on paper sizes less than 18 x 23 inches. The reproduction by means of electrostatic-type devices, digital, or nonimpact imaging on paper of any size is also included. Additional operations performed by such ~~risks~~ employers in support of quick printing or copying services are included in Code 8015 such as binding, collating, corner rounding, cutting, distribution, folding, scoring, laminating, mailing, numbering, padding, perforating, foil embossing, shrink-wrapping, stapling, automated platemaking, and similar type activities ~~are included in this classification.~~

Manual platemaking and rubber stamp making on a strictly incidental basis ~~is~~ are also included.

Any ~~risk engaged in~~ employer that provides reproductions by means methods other than described above, or where the principal activity is one of the additional activities noted above and not quick printing or copying services, ~~shall~~ must be separately rated as to Code 4299—Printing. Codes ~~4299 and 8015 and 4299~~ shall must not be assigned to the same ~~risk employer~~ unless the operation subject to Code 8015 is conducted as a separate ~~undertaking or enterprise~~ and distinct business.

~~Operations excluded from Code 8015 include~~ Box scoring and die making operations are excluded from Code 8015.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 3D—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 3—PHOTOGRAPHY AND DOCUMENT SCANNING  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,  
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

**4299 SIGN MANUFACTURING—PLASTIC OR VINYL COMPUTER-GENERATED LETTERS OR  
GRAPHICS—NO PAINTING OR USING POWER MACHINERY**

Includes designing and cutting letters or graphics and mounting on premanufactured surfaces of fabric, metal, plastic, or wood and the cutting, forming, or molding of mounting ~~services~~ surfaces. Codes 4299 and 9501 ~~shall~~ must not be assigned to the same ~~risk employer~~ unless the operations described by these classifications are conducted as separate and distinct businesses. Sign installation, maintenance, repair, removal, or replacement—away from the shop are to be separately rated ~~as to~~ to Codes 9521 or 9554.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 3E—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 3—PHOTOGRAPHY AND DOCUMENT SCANNING  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,  
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

**9501 SIGN MANUFACTURING—PLASTIC OR VINYL COMPUTER-GENERATED LETTERS OR  
GRAPHICS—PAINTING OR USING POWER MACHINERY & DRIVERS**

Includes designing and cutting letters or graphics and mounting on premanufactured surfaces of fabric, metal, plastic, or wood and the cutting, forming, or molding of mounting ~~services~~ surfaces. Codes 4299 and 9501 ~~shall~~ must not be assigned to the same ~~risk employer~~ unless the operations described by these classifications are conducted as separate and distinct businesses. Sign installation, maintenance, repair, removal, or replacement—away from the shop are to be separately rated ~~as to~~ to Codes 9521 or 9554.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 4****UNMANNED AIRCRAFT SYSTEM OR DRONE AIRCRAFT****PURPOSE**

The purpose of the proposed changes for this industry is to establish the classification treatment for the manufacture, service, or repair and the piloting of an unmanned aircraft system (UAS) or drone aircraft. According to the Federal Aviation Association (FAA), a UAS, also known as a drone, is an aircraft without a human pilot onboard and is controlled by an operator on the ground.

**BACKGROUND**

Due to the recent increase in the use of drone aircraft, NCCI initiated an analysis to determine the appropriate classification treatment for drone aircraft manufacturing and piloting operations.

There is a broad range of drone aircraft, of various sizes, produced for personal, commercial, and military use. Some of the industries that currently use drone aircraft include film and TV production, real estate, construction, and agriculture. Examples of flying drone aircraft for commercial use include providing aerial surveying or photography services and performing roof inspections or real estate photography.

Drone aircraft that weigh between 0.55 pounds and 55 pounds are currently registered under the FAA's small UAS rule (14 CFR Part 107) unless a waiver applies. Drone aircraft that weigh 55 pounds or more are currently registered under the FAA's traditional aircraft rule (14 CFR Part 47).

Currently, there is no single classification that applies to or directly references piloting operations or drone manufacturing. When assigning a classification for drone:

- Piloting operations – consideration should include size, weight, and the application of the drone
- Manufacturing operations – consideration should include size and weight; the type of materials used to manufacture the drone; and the intended end use of the vehicle, including the specific components being loaded onto the vehicle

**PROPOSAL**

NCCI proposes to:

1. Revise **Basic Manual** Rule 1-B-3—General Inclusions to include the piloting of drone aircraft with a combined weight (including its attached systems, payload, and cargo) of less than 55 pounds. Consideration was given to requiring that this type of piloting be assigned to a single classification, regardless of the primary business operation. However, the use of drones encompasses a broad variety of businesses and industries. Therefore, a single classification approach would not be feasible. Autonomous drone computer system designers or programmers who work exclusively in an office and do not pilot or operate the drone will be appropriately classified as clerical office employees.
2. Revise **Basic Manual** Rule 1-B-4—General Exclusions to include the piloting of drone aircraft with a combined weight (including its attached systems, payload, and cargo) of 55 pounds or more. The physical nature of the aircraft is similar to standard piloted aircraft and there are additional piloting requirements to fly these drones. The assignment of the aviation flying crew codes, which are considered general exclusions, best suits these piloting operations.
3. Establish the following classification treatments for the manufacture, service, or repair of drone aircraft:
  - Code 3685—Unmanned Aircraft System or Drone Aircraft Mfg., Service, or Repair—Aircraft Weighing Less Than 55 Pounds
  - Code 3830—Unmanned Aircraft System or Drone Aircraft Mfg., Service, or Repair—Aircraft Weighing 55 Pounds or More

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 4 (CONT'D)**

4. Assign employers providing drone-piloting services to other businesses to new national phraseology Code 8720—Unmanned Aircraft System or Drone Aircraft Operations NOC—Aircraft Weighing Less Than 55 Pounds. The piloting of aircraft weighing 55 pounds or more (including its attached systems, payload, and cargo) will be separately rated to the appropriate aviation classification.

**IMPACT**

As a result of the changes proposed in this item, it is possible that individual employers may experience an increase or decrease in premium. The impact to individual employers will depend on the amount of payroll that is transferred between codes, as well as the associated loss costs/rates of the codes involved, if any. Negligible impact to overall statewide premium is expected as a result of these changes.

**STATE-SPECIFIC PROPOSALS AND IMPACTS**

All state exceptions will continue to apply unless otherwise noted in the state-specific exhibits (Exhibit 8).

**Florida Proposal:**

NCCI proposes:

1. Revise the Florida exception to **Basic Manual** Rule 1-B-3—General Inclusions to include the piloting of drone aircraft with a combined weight (including its attached systems, payload, and cargo) of less than 55 pounds.
2. Revise the Florida exception to **Basic Manual** Rule 1-B-4—General Exclusions to include the piloting of drone aircraft with a combined weight (including its attached systems, payload, and cargo) of 55 pounds or more.
3. Florida adopt the national proposals in Exhibits 4C, 4D, and 4E.

**Florida Impact:**

The premium impact in Florida is equivalent to the impact determined by the proposed national treatment.

**Texas Proposal:**

NCCI proposes that Texas revise their exception to **Basic Manual** Rule 1-B-4—General Exclusions to include the piloting of drone aircraft with a combined weight (including its attached systems, payload, and cargo) of 55 pounds or more.

NCCI proposes that Texas adopt the national proposals in Exhibits 4A, 4C, 4D, and 4E, including the establishment of Code 8720—Unmanned Aircraft System or Drone Aircraft Operations NOC—Aircraft Weighing Less Than 55 Pounds.

**Texas Impact:**

The starting loss cost of the newly established Code 8720 in Texas will be that of Code 8742, because Code 8720 does not currently apply and the applicable operations are assigned to Code 8742. This will continue until Code 8720 develops data to determine its own loss cost/rate.

**Virginia Proposal:**

NCCI proposes that Virginia adopt the proposed national treatment for Codes 3685, 3830, and 8720. Accordingly, the Virginia Special Classifications in NCCI's **Basic Manual** will be updated for the following codes:

- Code 3685—Unmanned Aircraft System or Drone Aircraft Mfg., Service, or Repair—Aircraft Weighing Less Than 55 Pounds
- Code 3830—Unmanned Aircraft System or Drone Aircraft Mfg., Service, or Repair—Aircraft Weighing 55 Pounds or More

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 4 (CONT'D)**

- Code 8720—Unmanned Aircraft System or Drone Aircraft Operations NOC—Aircraft Weighing Less Than 55 Pounds

NCCI also proposes that Virginia adopt the proposed national changes to NCCI's *Basic Manual* Rules 1-B-3 and 1-B-4 detailed in Exhibits 4A and 4B.

**Virginia Impact:**

The premium impact in Virginia is equivalent to the impact determined by the proposed national treatment for Codes 3685, 3830, and 8720. The proposed updates Rules 1-B-3 and 1-B-4 and to the Virginia Special Classifications in NCCI's *Basic Manual* descriptions are not expected to have an additional premium impact.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT 4A—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 4—UNMANNED AIRCRAFT SYSTEM OR DRONE AIRCRAFT  
PART ONE—RULES**

**RULE 1—CLASSIFICATION ASSIGNMENT  
B. EXPLANATION OF CLASSIFICATIONS**

**(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,  
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)**

**(Exhibit comment: All current state exceptions will continue to apply unless otherwise  
noted in the state-specific exhibits)**

**3. General Inclusions**

a. Some operations appear to be separate businesses but are included within all basic classifications. These are called general inclusions. These operations are not separately classified. They include the following:

- (1) Restaurants or cafeterias, stores, or day care services operated by the employer for employee use

**Exception:**

If these operations are conducted in connection with construction, erection, lumbering, or mining operations, they must be separately classified.

- (2) Manufacture of containers by the employer, such as bags, barrels, bottles, boxes, cans, cartons or packing cases for sole use in the operations insured by the policy
- (3) Hospitals or medical facilities operated by the employer for its employees
- (4) Maintenance or repair of the employer's buildings or equipment by the employer's employees
- (5) Printing by the employer on its own products, packaging, brochures, or promotional materials
- (6) Piloting of unmanned aircraft systems or drone aircraft with a combined weight (including its attached systems, payload, and cargo) of less than 55 pounds

**Exceptions:**

- (a) Autonomous drone aircraft computer system designers or programmers who qualify as clerical office employees in accordance with Rule 1-B-2-a and do not pilot or operate the drone aircraft are assigned to the appropriate clerical classification.
- (b) If an employee qualifies as an outside salesperson in accordance with Rule 1-B-2-c, the piloting of a drone aircraft to support their sales duties is included within the classification assigned to the outside salesperson.

b. Some employees may perform general inclusion duties for more than one basic classification. In such cases, *refer to Rule 2-G for classification treatment.*

c. A general inclusion operation must be separately classified if any of the following conditions apply:

- (1) The operation is conducted as a separate and distinct business of the employer (*refer to Rule 1-D-3*)
- (2) The operation is specifically excluded in the wording of the basic classification
- (3) The principal business is described by a standard exception classification

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

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 4B—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 4—UNMANNED AIRCRAFT SYSTEM OR DRONE AIRCRAFT  
PART ONE—RULES

RULE 1—CLASSIFICATION ASSIGNMENT

B. EXPLANATION OF CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

**4. General Exclusions**

Some operations in a business are so unusual for the type of business described by the applicable basic classification, that they are separately classified even though the operations are not conducted as a secondary business. These are called general exclusions. They are:

- a. Aviation—all operations of the flying and ground crews, including piloting of drone aircraft with a combined weight (including its attached systems, payload, and cargo) of 55 pounds or more
- b. New construction or alterations
- c. Stevedoring
- d. Sawmill operations

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



ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 4C—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 4—UNMANNED AIRCRAFT SYSTEM OR DRONE AIRCRAFT  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV)

**3685**     UNMANNED AIRCRAFT SYSTEM OR DRONE AIRCRAFT MFG., SERVICE, OR  
REPAIR—AIRCRAFT WEIGHING LESS THAN 55 POUNDS

Applies to the manufacture, service, or repair of drone aircraft weighing less than 55 pounds.  
Includes do-it-yourself, recreational, and commercial models, and military drone aircraft.

The manufacture, service, or repair of drone aircraft weighing 55 pounds or more must be  
separately rated to Code 3830.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 4D—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 4—UNMANNED AIRCRAFT SYSTEM OR DRONE AIRCRAFT  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV)

**3830**     UNMANNED AIRCRAFT SYSTEM OR DRONE AIRCRAFT MFG., SERVICE, OR  
REPAIR—AIRCRAFT WEIGHING 55 POUNDS OR MORE

Applies to the manufacture, service, or repair of drone aircraft weighing 55 pounds or more.  
Includes do-it-yourself, recreational, and commercial models, and military drone aircraft.

The manufacture, service, or repair of drone aircraft weighing less than 55 pounds must be  
separately rated to Code 3685.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 4E—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 4—UNMANNED AIRCRAFT SYSTEM OR DRONE AIRCRAFT  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV)

**8720**      **UNMANNED AIRCRAFT SYSTEM OR DRONE AIRCRAFT OPERATIONS NOC—AIRCRAFT  
WEIGHING LESS THAN 55 POUNDS**

Applies to employers that operate drone aircraft with a combined weight (including its attached systems, payload, and cargo) of less than 55 pounds for other businesses.

The operation of drone aircraft with a combined weight (including its attached systems, payload, and cargo) of 55 pounds or more for other businesses must be separately rated to the applicable aviation classification.

The manufacture, service, or repair of drone aircraft must be separately rated to Code 3685 or 3830.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 5****AUTOMOBILE BODY REPAIR AND MECHANICAL REPAIR****PURPOSE**

The purpose of the proposed changes for this industry is to revise the classification treatment for automobile body repair and mechanical repair.

**BACKGROUND**

Many businesses now offer both automobile body repair and mechanical repair, conducted from the same business location and operating as a single business entity. Most of these operations have physically separated the body repair operations from the mechanical repair operations. Additionally, there is minimal (if any) interchange of labor, since these repairs require unique training and skills. There are also concerns over what is considered as a separate and distinct business. An analysis was initiated to determine the appropriate classification treatment for businesses that perform both automobile body repair and mechanical repair work. With advances in automobile technology and an increased emphasis on safety, employees are specially trained and certified either as automobile mechanical repair technicians or automobile body repair technicians.

The filed language for national Code 8393—Automobile—Body Repair & Drivers states that Code 8380—Automobile Service or Repair Center & Drivers must not be assigned to the same employer unless the operations described by these classifications are conducted as separate and distinct businesses. If a business provides both automobile body repair and mechanical repair, and these services are not conducted as separate and distinct businesses, the automobile body repair and mechanical repair work would all be assigned to Code 8380. It has become more common for automobile body repair and mechanical repair to be performed within a single business operation.

**PROPOSAL**

Automobile body repair and mechanical repair are very different and have unique hazards. As a result, NCCI proposes to allow Codes 8380 and 8393 to be assigned to a single business operation. Additionally, further clarification is needed for the assignment of service writers and estimators for these businesses. These proposals will allow Codes 8380 and 8393 to be assigned to the same business, regardless if the operations are conducted as separate and distinct businesses. In addition, they provide clarity for these operations in states that use Code 8391—Automobile Repair Shop and Parts Department Employees, Drivers. The payroll of employees who perform duties related to both Codes 8380 and 8393 will be divided in accordance with NCCI's *Basic Manual* Rule 2-G—Interchange of Labor. Also, references to service writers and estimators will be added to NCCI's *Basic Manual* to clarify the classification of these employees.

NCCI proposes the following:

1. Revise the note of Code 8380—Automobile—Service or Repair Center & Drivers to include service writers and to indicate that automobile body repair is to be separately rated to Code 8393.
2. Revise the note of the following phraseologies to state that automobile body repair is to be separately rated to Code 8393:
  - Code 8380—Automobile—Sales or Service Agency & Parts Department Employees, Drivers
  - Code 8380—Gasoline Station NOC—Retail & Drivers
3. Revise the note of Code 8393—Automobile—Body Repair & Drivers to include the following:
  - Add “carbon fiber” to the applicable types of automobile bodies
  - Add estimators
  - Indicate that automobile mechanical service and repair work are to be separately rated to Code 8380

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 5 (CONT'D)****IMPACT**

As a result of the changes proposed, it is possible that individual employers may experience an increase or decrease in premium from the transfer of payroll between automobile repair codes. The impact to individual employers will depend on the amount of payroll that is transferred, as well as the associated loss costs/rates of the codes involved. Negligible impact to overall statewide premium is expected as a result of these changes.

**STATE-SPECIFIC PROPOSALS AND IMPACTS**

All state exceptions will continue to apply unless otherwise noted in the state-specific exhibits (Exhibit 8).

**Alaska Proposal:**

Alaska has a special phraseology for Code 8380—Automobile Service Center or Repair Center & Drivers. It states that counter clerks not performing shop operations are separately rated, and that parts department employees not performing shop operations are separately rated to Code 8002—Automobile Service Center or Repair Center—Counter Clerks. NCCI proposes retaining the Alaska special phraseology but revising it to state that parts department employees and service writers not performing or exposed to shop operations are to be separately rated to Code 8002.

NCCI proposes that Alaska adopt the national proposals in Exhibits 5B, 5C, and 5D.

**Alaska Impact:**

The premium impact in Alaska is equivalent to the impact determined by the proposed national treatment.

**Connecticut Proposal:**

NCCI proposes:

1. Elimination of the following Connecticut special phraseologies for Codes 8380 and 8393 because the proposed national treatment is consistent with the current Connecticut treatment:
  - Code 8380—Automobile—Sales or Service Agency & Parts Department Employees, Drivers
  - Code 8380—Automobile—Service or Repair Center & Drivers
  - Code 8393—Automobile—Body Repair
2. Connecticut adopt the national proposal in Exhibit 5C.

**Connecticut Impact:**

The premium impact in Connecticut is equivalent to the impact determined by the proposed national treatment.

**Florida Proposal:**

NCCI proposes to:

1. Revise the note of Florida special Code 8380—Automobile—Service or Repair Center & Drivers to include service writers and to indicate that automobile body repair is to be separately rated to Code 8393.
2. Revise the note of the following Florida special phraseologies to state that automobile body repair is to be separately rated to Code 8393:
  - Code 8380—Automobile—Sales or Service Agency & Parts Department Employees, Drivers
  - Code 8380—Gasoline Station NOC—Retail & Drivers
3. Revise the note of Florida special Code 8393—Automobile—Body Repair to include the following:
  - Add “carbon fiber” to the applicable types of automobile bodies
  - Add estimators
  - Indicate that automobile mechanical service and repair work is to be separately rated to Code 8380

**Florida Impact:**

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 5 (CONT'D)**

The premium impact in Florida is equivalent to the impact determined by the proposed national treatment.

**Hawaii Proposal:**

NCCI proposes to:

1. Revise Hawaii special Code 8393—Automobile—Body Repair:
  - Add “carbon fiber” to the applicable types of automobile bodies
  - Add estimators and drivers
  - State that automobile mechanical service and repair work is to be separately rated to Code 8391
2. Revise the note of Hawaii special Code 8391—Automobile Repair Shop and Parts Department Employees, Drivers:
  - Add service writers
  - State that Codes 8391 and 8392 must not be assigned to the same employer unless the operations are separate and distinct businesses
  - State that automobile body repair is to be separately rated to Code 8393
3. Revise the notes of the following Hawaii special phraseologies to indicate that automobile body repair is to be separately rated to Code 8393:
  - Code 8391—Automobile Sales or Service Agency & Parts Department Employees, Drivers
  - Code 8387—Automobile Service Station & Drivers
  - Code 8387—Gasoline Station NOC—Retail & Drivers

**Hawaii Impact:**

The premium impact in Hawaii is equivalent to the impact determined by the proposed national treatment.

**Louisiana Proposal:**

NCCI proposes to:

1. Revise the note of Louisiana special Code 8393—Automobile—Body Repair & Drivers:
  - Add “fiberglass, carbon fiber, and plastic” to the applicable types of automobile bodies
  - Add estimators
  - State that automobile mechanical service and repair work is to be separately rated to Code 8391
2. Revise the note of Louisiana special Code 8391—Automobile Repair Shop & Parts Department Employees, Drivers:
  - Add service writers
  - State that Codes 8391 and 8392 must not be assigned to the same employer unless the operations are separate and distinct businesses
  - State that automobile body repair is to be separately rated to Code 8393
3. Revise the notes of the following Louisiana special phraseologies to indicate that automobile body repair is to be separately rated to Code 8393:
  - Code 8391—Automobile Sales or Service Agency & Parts Department Employees, Drivers
  - Code 8387—Automobile Service Station & Drivers
  - Code 8387—Gasoline Station NOC—Retail & Drivers

**Louisiana Impact:**

The premium impact in Louisiana is equivalent to the impact determined by the proposed national treatment.

**Missouri Proposal:**

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 5 (CONT'D)**

NCCI proposes to:

1. Revise Missouri special Code 8393—Automobile—Body Repair:
  - Add “fiberglass, carbon fiber, and plastic” to the applicable types of automobile bodies
  - Add estimators and drivers
  - State that automobile mechanical service and repair work is to be separately rated to Code 8391
2. Revise the note of Missouri special Code 8391—Automobile Repair Shop & Parts Department Employees, Drivers:
  - Add service writers
  - State that Codes 8391 and 8392 must not be assigned to the same employer unless the operations are separate and distinct businesses
  - State that automobile body repair is to be separately rated to Code 8393
3. Revise the notes of the following Missouri special phraseologies to state that automobile body repair is to be separately rated to Code 8393:
  - Code 8391—Automobile Sales or Service Agency & Parts Department Employees, Drivers
  - Code 8387—Automobile Service Station & Drivers
  - Code 8387—Gasoline Station NOC—Retail & Drivers

**Missouri Impact:**

The premium impact in Missouri is equivalent to the impact determined by the proposed national treatment.

**Oklahoma Proposal:**

NCCI proposes to:

1. Revise Oklahoma special Code 8393—Automobile—Body Repair:
  - Add “fiberglass, carbon fiber, and plastic” to the applicable types of automobile bodies
  - Add estimators and drivers
  - State that automobile mechanical service and repair work is to be separately rated to Code 8391
2. Revise the note of Oklahoma special Code 8391—Automobile Repair Shop & Parts Department Employees, Drivers:
  - Add service writers
  - State that Codes 8391 and 8392 must not be assigned to the same employer unless the operations are separate and distinct businesses
  - State that automobile body repair is to be separately rated to Code 8393
3. Revise the notes of the following Oklahoma special phraseologies to indicate that automobile body repair is to be separately rated to Code 8393:
  - Code 8391—Automobile Sales or Service Agency & Parts Department Employees, Drivers
  - Code 8387—Automobile Service Station & Drivers
  - Code 8387—Gasoline Station NOC—Retail & Drivers

**Oklahoma Impact:**

The premium impact in Oklahoma is equivalent to the impact determined by the proposed national treatment.

**Oregon Proposal:**

NCCI proposes to:

1. Revise Oregon special Code 8393—Automobile—Body Repair & Drivers:

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 5 (CONT'D)**

- Include the current language, with some revisions, from the Automobile Notes
  - Add “fiberglass, carbon fiber, and plastic” to the applicable body types
  - Add estimators
  - State that automobile mechanical service and repair work is to be separately rated to Code 8380
2. Revise the note of Oregon special Code 8380—Automobile—Gasoline Station—NOC—Retail & Drivers:
    - Include the current language, with some revisions, from the Automobile Notes
    - Add service writers
    - State that automobile body repair is to be separately rated to Code 8393
  3. Revise the note of Oregon special Code 8380—Repair, Sales, or Service Agency & Drivers:
    - Include the current language, with some revisions, from the Automobile Notes
    - Change “service workers” to “service writers” for consistency with the other phraseologies
  4. Revise the note of Oregon special code 8380—Service Station & Drivers
    - Include the current language, with some revisions, from the Automobile Notes
    - Add service writers
    - State that automobile body repair is to be separately rated to Code 8393

**Oregon Impact:**

The premium impact in Oregon is equivalent to the impact determined by the proposed national treatment.

**Rhode Island Proposal:**

NCCI proposes to:

1. Revise Rhode Island special Code 8393—Automobile—Body Repair:
  - Add “fiberglass, carbon fiber, and plastic” to the applicable types of automobile bodies
  - Add estimators and drivers
  - State that automobile mechanical service and repair work is to be separately rated to Code 8391
2. Revise the note of Rhode Island special Code 8391—Automobile Repair Shop & Parts Department Employees, Drivers:
  - Add service writers
  - State that Codes 8391 and 8392 must not be assigned to the same employer unless the operations are separate and distinct businesses
  - State that automobile body repair is to be separately rated to Code 8393
3. Revise the notes of the following Rhode Island special phraseologies to indicate that automobile body repair is to be separately rated to Code 8393:
  - Code 8391—Automobile Sales or Service Agency & Parts Department Employees, Drivers
  - Code 8387—Automobile Service Station & Drivers
  - Code 8387—Gasoline Station NOC—Retail & Drivers

**Rhode Island Impact:**

As a result of the changes proposed, it is possible that individual employers may experience an increase or decrease in premium from the transfer of payroll between automobile repair codes. Transfer of payroll from driver codes to automobile repair codes may also cause an increase or decrease in premium. The impact to individual employers will depend on the amount of payroll that is transferred, as well as the associated loss costs of the codes involved. Negligible impact to overall statewide premium is expected as a result of these changes.



**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 5 (CONT'D)**

**Tennessee Proposal:**

NCCI proposes:

1. Revise the note of Tennessee special Code 8380—Automobile Service or Repair Center & Drivers to include service writers and to indicate that automobile body repair is to be separately rated to Code 8393.
2. Tennessee adopt the national proposal in Exhibit 5C.

**Tennessee Impact:**

The premium impact in Tennessee is equivalent to the impact determined by the proposed national treatment.

**Texas Proposal:**

NCCI proposes to:

1. Revise the Texas special phraseology note of Code 8391—Automobile Body Repair & Drivers to add estimators
2. Revise the Texas special phraseology note of Code 8391—Automobile Repair Shop & Parts Department Employees, Drivers to:
  - Add service writers
  - State that Codes 8391 and 9015 must not be assigned to the same employer unless the operations are separate and distinct businesses
3. Revise the Texas special phraseology note of Code 8391—Automobile Sales or Service Agency and Parts Department Employees, Drivers to add service writers
4. Revise the notes of the following Texas special phraseologies to indicate that automobile body repair is to be separately rated to Code 8391:
  - Code 8387—Automobile Service Station & Drivers
  - Code 8387—Gasoline Station—Retail & Drivers

**Texas Impact:**

The premium impact in Texas is equivalent to the impact determined by the proposed national treatment.

**Virginia Proposal:**

NCCI proposes that Virginia adopt the proposed national treatment for Codes 8380 and 8393. Accordingly, the Virginia Special Classifications in NCCI's **Basic Manual** will be updated for the following codes:

- Code 8380—Automobile Service or Repair Center & Drivers
- Code 8380—Automobile Sales or Service Agency & Parts Department Employees, Drivers
- Code 8380—Gasoline Station NOC—Retail & Drivers
- Code 8393—Automobile Body Repair & Drivers

**Virginia Impact:**

The premium impact in Virginia is equivalent to the impact determined by the proposed national treatment for Codes 8380 and 8393. The proposed updates to the Virginia Special Classifications in NCCI's **Basic Manual** descriptions are not expected to have an additional premium impact.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 5A—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 5—AUTOMOBILE BODY REPAIR  
PART TWO—CLASSIFICATIONS  
(Applies in: AL, AR, AZ, CO, DC, GA, IA, ID, IL, IN, KS, KY, MD, ME, MS, MT, NE, NH, NM,  
NV, SC, SD, UT, VT, WV)

**8380 AUTOMOBILE—SERVICE OR REPAIR CENTER & DRIVERS**

Includes parts department employees and service writers. Automobile salespersons are to be separately rated as to Code 8748. Codes 8380 and 8392—Automobile storage garage must not be assigned to the same employer unless the operations described by these classifications are conducted as separate and distinct businesses. Automobile body repair is to be separately rated to Code 8393. Towing for others and roadside assistance are to be separately rated.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 5B—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 5—AUTOMOBILE BODY REPAIR  
PART TWO—CLASSIFICATIONS  
(Applies in: AK, AL, AR, AZ, CO, DC, GA, IA, ID, IL, IN, KS, KY, MD, ME, MS, MT, NE, NH,  
NM, NV, SC, SD, TN, UT, VT, WV)

8380 AUTOMOBILE—SALES OR SERVICE AGENCY & PARTS DEPARTMENT EMPLOYEES,  
DRIVERS

Automobile salespersons to be separately rated as to Code 8748. Automobile body repair is to be separately rated to Code 8393. Towing for others and roadside assistance are to be separately rated.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 5C—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 5—AUTOMOBILE BODY REPAIR  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, IA, ID, IL, IN, KS, KY, MD, ME, MS, MT, NE, NH,  
NM, NV, SC, SD, TN, UT, VT, WV)

**8380 GASOLINE STATION NOC—RETAIL & DRIVERS**

Includes retail diesel stations and gasoline stations providing full services such as, but not limited to, pumping gasoline, checking fluid levels, attended car washing service, and automobile maintenance or repair. Codes 8380 and 8392 must not be assigned to the same employer unless the operations described by these classifications are conducted as separate and distinct businesses. Automobile body repair is to be separately rated to Code 8393. Towing for others and roadside assistance are to be separately rated.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 5D—RD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 5—AUTOMOBILE BODY REPAIR  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, DC, GA, IA, ID, IL, IN, KS, KY, MD, ME, MS, MT, NE, NH,  
NM, NV, SC, SD, TN, UT, VT, WV)

**8393 AUTOMOBILE—BODY REPAIR & DRIVERS**

Applies to the repair of metal, fiberglass, carbon fiber, and plastic automobile bodies and includes upholstery and painting. Includes estimators. Automobile mechanical service and repair work are to be separately rated to Code 8380. Codes ~~8393~~, ~~3808~~, ~~3822~~, ~~3824~~, ~~3808~~, and ~~8380~~ 8393 must not be assigned to the same employer unless the operations described by these classifications are conducted as separate and distinct businesses. Towing for others and roadside assistance are to be separately rated.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 6****CLASSIFICATIONS TO BE REFORMATTED****PURPOSE**

The purpose of the proposed changes is to reformat certain classifications in Part Two—Classifications of NCCI's *Basic Manual*. Reformatting will simplify the display of the classifications in the manual for improved online search results on [ncci.com](http://ncci.com).

**BACKGROUND**

In Part Two—Classifications of NCCI's *Basic Manual*, there are situations where certain classifications have a common phraseology note for multiple phraseologies. To improve the online search results in these situations, the classifications must be reformatted so that the phraseology note is separately displayed with each phraseology. Some phraseology notes will need to be revised to maintain the proper context of the information when displayed on a separate Web page. Additionally, some wording will be revised to incorporate plain language and some redundant classification references will be eliminated. Reformatting will not result in the reclassification of any employers.

**PROPOSAL**

This item proposes to reformat the following NCCI *Basic Manual* national classifications:

1. Christmas Tree (Code 0106)
2. Cloth Printing (Codes 2413, 2417, 2501)
3. Construction—Elevator or Hod Hoist Installation, Repair, or Removal & Drivers (Codes 3507, 5022, 5057, 5213, 5403, 6003)
4. Fireworks (Code 9180)
5. Fish Curing (Code 2095)
6. Florist (Code 8001)
7. Golf (Code 4902)
8. Refrigeration (Codes 3724, 5183, 5190, 9519)
9. Refrigerator Mfg.—Metal—Domestic or Commercial (Codes 3076, 3179)

**IMPACT**

There will be no statewide premium impact and no changes are proposed to the loss costs/rates for any of the classifications being reformatted in this item.

**ADDITIONAL STATE-SPECIFIC PROPOSALS AND IMPACTS**

All state exceptions will continue to apply unless otherwise noted in the state-specific exhibits (Exhibit 8).

**Florida Proposal:**

NCCI proposes to:

- Eliminate the Florida special classifications for Construction Elevator or Hod Hoist Installation, Repair, or Removal & Drivers (Codes 3507, 5022, 5057, 5213, 5403) and adopt the national treatments which are consistent with the Florida treatments
- Reformat the Florida special classifications for Nursing Home (Codes 8841, 9047) for improved online search results

Language will be added to the phraseology note of Code 8841 referring all other employees to Code 9047, and language will also be added to the phraseology note of Code 9047 referring professional employees to Code 8841.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT FACT SHEET 6 (CONT'D)**

NCCI proposes that Florida adopt the national proposals in Exhibits 6A, 6B, 6D, 6E, 6F, 6G, 6H, 6I, 6J, and 6K.

**Florida Impact:**

There will be no statewide premium impact in Florida as a result of the national and state-specific proposals.

**Oregon Proposal:**

NCCI proposes that the Oregon special logging classifications, Codes 2702, 2703, 2704, 2725, 5506, 5511, and 9310, be reformatted for improved online search results.

NCCI proposes that Oregon adopt the national proposals in Exhibits 6A, 6B, 6C, 6D, 6F, 6G, 6H, 6I, and 6K.

**Oregon Impact:**

There will be no statewide premium impact in Oregon as a result of the national and state-specific proposals.

**Texas Proposal:**

The national proposals referenced above do not apply in Texas. NCCI proposes that Texas reformat the following special classifications for improved online search results:

- Building Raising or Moving (Codes 5022, 5057, 5213, 5403)
- Farm (Codes 0005, 0008, 0011, 0016, 0035, 0037, 0079, 0083, 0113)
- Wrecking or Demolition—Not Marine (Codes 5022, 5057, 5213, 5403, 6003)

NCCI proposes the elimination of the state special Farm note because it is properly included in the Texas exception to NCCI's *Basic Manual* Rule 1-D-3-e—Farm Operations.

**Texas Impact:**

There will be no statewide premium impact in Texas as a result of this state-specific proposal.

**Virginia Proposal:**

NCCI proposes that Virginia adopt the proposed national treatments.

Accordingly, the Virginia Special Classifications in NCCI's *Basic Manual* will be reformatted and updated for Codes 2095, 2413, 2417, 4902, 5022, 5057, 5213, 5403, 6003, 8001, 9180.

There are no changes to the Virginia Special Classifications for Codes 0106, 2501, 3507, 3724, 5183, 5190, 9519, 3076, 3179.

**Virginia Impact:**

The proposed updates to the Virginia Special Classifications in NCCI's *Basic Manual* descriptions will not have a premium impact.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 6A—FD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,  
MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

**CHRISTMAS TREE**

- 0406**      **Harvesting Exclusively & Drivers**  
             **Planting, Cultivating and Harvesting-** See **Farms-**
- 0106**      **CHRISTMAS TREE HARVESTING EXCLUSIVELY & DRIVERS**



ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 6B—FD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

**2417**      ~~CLOTH PRINTING-~~

~~Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 2417 are conducted as a separate and distinct business-~~

~~**Silk Screen Process-**~~

**2504**      ~~Hand Printing-~~ Includes Drying-

**2443**      ~~Machinery Operations-~~ Applies to operations preliminary to or following the hand printing process-

2417      CLOTH PRINTING

Not applicable to an employer performing operations described by another classification unless the operations subject to Code 2417 are conducted as a separate and distinct business.

2501      CLOTH PRINTING—SILK SCREEN PROCESS—HAND PRINTING

Includes drying.

2413      CLOTH PRINTING—SILK SCREEN PROCESS—MACHINERY OPERATIONS

Applies to operations before or after the hand printing process.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 6C—FD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,  
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

**CONSTRUCTION**

~~Elevator or Hod Hoist Installation, Repair, or Removal & Drivers.~~ The following operations  
will be classified as:

- ~~5243~~● ~~Concrete or Concrete-Encased Buildings or Structures~~
- ~~5057~~● ~~Iron or Steel Buildings or Structures~~
- ~~5022~~● ~~Masonry Buildings or Structures~~
- ~~6003~~● ~~Piers or Wharves~~
- ~~5403~~● ~~Wooden Buildings or Structures Including Those Designed for Dwelling Occupancy~~
- ~~3507~~● ~~Machinery, Dredge, or Steam Shovel Mfg. NOG~~
- 6003● CONSTRUCTION—ELEVATOR OR HOD HOIST INSTALLATION, REPAIR, OR REMOVAL &  
DRIVERS—PIERS OR WHARVES

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 6D—FD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,  
MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

- 5213• CONSTRUCTION—ELEVATOR OR HOD HOIST INSTALLATION, REPAIR, OR REMOVAL & DRIVERS—CONCRETE OR CONCRETE-ENCASED BUILDINGS OR STRUCTURES
- 5022• CONSTRUCTION—ELEVATOR OR HOD HOIST INSTALLATION, REPAIR, OR REMOVAL & DRIVERS—MASONRY BUILDINGS OR STRUCTURES
- 5403• CONSTRUCTION—ELEVATOR OR HOD HOIST INSTALLATION, REPAIR, OR REMOVAL & DRIVERS—WOODEN BUILDINGS OR STRUCTURES INCLUDING THOSE DESIGNED FOR DWELLING OCCUPANCY
- 3507 CONSTRUCTION—MACHINERY, DREDGE, OR STEAM SHOVEL MFG. NOC

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 6E—FD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,  
MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VT, WV)

**5057 • CONSTRUCTION—ELEVATOR OR HOD HOIST INSTALLATION, REPAIR, OR REMOVAL &  
DRIVERS—IRON OR STEEL BUILDINGS OR STRUCTURES**

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 6F—FD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,  
MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

**FIREWORKS**

**9480**      **Exhibition & Drivers**  
             **Mfg- See Explosives.**

**9180**      **FIREWORKS EXHIBITION & DRIVERS**

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 6G—FD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED  
PART TWO—CLASSIFICATIONS

(Applies in: AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,  
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

**FISH**

**2095**      ~~Curing-~~ Applies to shore or dock work only.  
             ~~Hatcheries-~~ See **Farms**.

**2095**      FISH CURING  
             Applies to shore or dock work only.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 6H—FD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

**FLORIST-**

See ~~Farm-~~

**8004**◆ ~~Store & Drivers-~~ Includes service away from store premises. Cultivating or gardening to be separately rated as Code 0035—~~Farm—florist-~~

**8001**◆ FLORIST—STORE & DRIVERS

Includes service away from store premises. Cultivating or gardening are to be separately rated to Code 0035.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 6I—FD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,  
MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

**GOLF**

- 4902**      ~~Clubs—Mfg. or Assembling~~  
              ~~Course, Not Miniature—Public or Private. See Club—Country, Golf, etc.~~
- 4902**      GOLF CLUBS—MFG. OR ASSEMBLING



**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT 6J—FD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED  
PART TWO—CLASSIFICATIONS**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VT, WV)

**~~REFRIGERATION-~~**

~~A refrigeration system is defined as “domestic” whether located in a residential or commercial setting provided it is a “reach-in” refrigeration system having not more than 1/3 h.p. motor or more than 20 cubic feet capacity. All other types of refrigeration shall be considered as commercial.~~

**~~Commercial-~~**

- ~~5490•           Cleaning, Oiling, or Adjusting & Drivers~~**
- ~~3724•           Installation or Repair of Compressors, Motors, or Other Machinery & Drivers~~**
- ~~5483•           Pipe Fitting Including the Installation of Tubing & Drivers~~**

**~~Domestic-~~**

- ~~9549           Cleaning, Oiling, or Adjusting & Drivers~~**
- ~~9549           Installation, Service, or Repair & Drivers~~**
- ~~5483•           Pipe Fitting Including the Installation of Tubing & Drivers~~**

**5190•           REFRIGERATION—COMMERCIAL—CLEANING, OILING, OR ADJUSTING & DRIVERS**

A refrigeration system is defined as “domestic” whether located in a residential or commercial setting provided it is a “reach-in” refrigeration system having not more than a 1/3 h.p. motor or more than a 20-cubic-foot capacity. All other types of refrigeration are considered commercial.

**3724•           REFRIGERATION—COMMERCIAL—INSTALLATION OR REPAIR OF COMPRESSORS, MOTORS, OR OTHER MACHINERY & DRIVERS**

A refrigeration system is defined as “domestic” whether located in a residential or commercial setting provided it is a “reach-in” refrigeration system having not more than a 1/3 h.p. motor or more than a 20-cubic-foot capacity. All other types of refrigeration are considered commercial.

**5183•           REFRIGERATION—COMMERCIAL—PIPE FITTING INCLUDING THE INSTALLATION OF TUBING & DRIVERS**

A refrigeration system is defined as “domestic” whether located in a residential or commercial setting provided it is a “reach-in” refrigeration system having not more than a 1/3 h.p. motor or more than a 20-cubic-foot capacity. All other types of refrigeration are considered commercial.

**9519           REFRIGERATION—DOMESTIC—CLEANING, OILING, OR ADJUSTING & DRIVERS**

A refrigeration system is defined as “domestic” whether located in a residential or commercial setting provided it is a “reach-in” refrigeration system having not more than a 1/3 h.p. motor or more than a 20-cubic-foot capacity. All other types of refrigeration are considered commercial.

**9519           REFRIGERATION—DOMESTIC—INSTALLATION, SERVICE, OR REPAIR & DRIVERS**

A refrigeration system is defined as “domestic” whether located in a residential or commercial setting provided it is a “reach-in” refrigeration system having not more than a 1/3 h.p. motor or more than a 20-cubic-foot capacity. All other types of refrigeration are considered commercial.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 6J—FD (CONT'D)  
BASIC MANUAL—2001 EDITION  
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,  
MS, MT, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VT, WV)

**5183●**     REFRIGERATION—DOMESTIC—PIPE FITTING INCLUDING THE INSTALLATION OF  
TUBING & DRIVERS

A refrigeration system is defined as “domestic” whether located in a residential or commercial setting provided it is a “reach-in” refrigeration system having not more than a 1/3 h.p. motor or more than a 20-cubic-foot capacity. All other types of refrigeration are considered commercial.

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

---

EXHIBIT 6K—FD  
BASIC MANUAL—2001 EDITION  
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED  
PART TWO—CLASSIFICATIONS

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,  
MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

~~REFRIGERATOR MFG.—METAL—DOMESTIC OR COMMERCIAL~~

~~3179 Manufacturing or Assembling the Refrigerating Unit~~

~~3076 All Other Operations~~

3179 REFRIGERATOR MFG.—METAL—DOMESTIC OR COMMERCIAL—MANUFACTURING OR  
ASSEMBLING THE REFRIGERATING UNIT

3076 REFRIGERATOR MFG.—METAL—DOMESTIC OR COMMERCIAL—ALL OTHER  
OPERATIONS

ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 7—RD

BASIC MANUAL—2001 EDITION

APPENDIX E

CLASSIFICATIONS BY HAZARD GROUP

TABLE OF CLASSIFICATIONS BY HAZARD GROUP

Class Code	Applies In: <sup>±</sup>	Discontinued In: <sup>±</sup>	Hazard Group A–G
8015	National, IN <del>10/1/07: WV</del> <del>7/1/19: TX</del>		C
8720	National, IN <del>10/1/07: WV</del> <del>7/1/19: TX</del>		E
8824	National, IN <del>10/1/07: WV</del> <del>7/1/19: TX</del>		B
8825	<del>National, IN</del> <del>10/1/07: WV</del> <del>FL</del>	<u>10/1/19: KY</u> <u>11/1/19: DC, WV</u> <u>12/1/19: UT</u> <u>1/1/20: AK, AZ, CO, CT, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/20: NE</u> <u>3/1/20: AL, GA, MS, NV, TN</u> <u>4/1/20: ME, SC, VA, VT</u> <u>5/1/20: LA</u> <u>7/1/20: AR, MT, SD</u> <u>8/1/20: RI</u>	A
8826	National, IN <del>10/1/07: WV</del> <del>7/1/19: TX</del>		C
8829	<del>AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MD, MS, MO, NE, NV, NH, NM, OK, SC, SD, TN, UT, VA, VT</del> <del>10/1/07: WV</del> <del>6/1/14: TX</del>	<u>7/1/19: TX</u> <u>10/1/19: KY</u> <u>11/1/19: DC, WV</u> <u>12/1/19: UT</u> <u>1/1/20: AK, AZ, CO, CT, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK</u> <u>2/1/20: NE</u> <u>3/1/20: AL, GA, MS, NV, TN</u> <u>4/1/20: ME, SC, VA, VT</u> <u>5/1/20: LA</u> <u>7/1/20: AR, SD</u>	C

<sup>±</sup> Upon approval of this item, each state will have its state-specific effective date indicated.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**EXHIBIT 9—RD—STATE-SPECIFIC TRANSITION PROGRAM**

**TWO-PHASE TRANSITION PROGRAM RULES**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WV)

The following details the two-phase transition program implementing the loss costs/rates and rating values for the code being discontinued and the acquiring code. NCCI will administer this program through each state’s specific loss cost/rate classification experience filing revision process.

Phase 1 of the transition program will be made effective with each state’s approved loss cost/rate filing effective on and after October 1, 2018 unless otherwise noted. For example, Phase 1 will become effective January 1, 2019 for approved loss cost/rate filings that have a January 1, 2019 effective date. If there is no loss cost/rate filing for a state in a given approved implementation year, Phase 1 will take effect on that state’s regular loss cost/rate effective date. The regular loss cost/rate effective date is the anniversary date of the state’s previous years’ loss cost/rate effective date. The same rule would apply to Phase 2 in the following year.

The table below demonstrates the implementation of the transition program using a January 1 effective date:

Effective 1/1/2019	Effective 1/1/2020
Code 8825—Retirement Living Centers—Food Service Employees	Code 8826—Retirement Living Centers—All Other Employees & Salespersons, Drivers
Code 8826—Retirement Living Centers—All Other Employees, Salespersons & Drivers	
Code 8824—Retirement Living Centers—Healthcare Employees	Code 8824—Retirement Living Centers—Healthcare Employees
Code 8829—Convalescent or Nursing Home—All Employees	

The following details the steps needed to implement the loss costs/rates and rating values for the code being discontinued and the acquiring code, within each of the classification’s loss cost/rate filings. An example of the two-phase transition program calculation, including the weight value calculation, is shown in subsequent pages of this exhibit. Rating values, which will be based on the final NCCI proposed loss costs/rates, will be calculated according to the standard procedure.

- A. Employers will continue to be classified to either the code being discontinued or the acquiring code as appropriate until the second phase of the transition program.
- B. As part of Phase 1 of the two-phase transition program, the payroll-weighted loss cost/rate of the code being discontinued and the acquiring code will be calculated using the latest available year’s payroll and the standard calculated loss cost/rate of the two individual codes. If the payroll-weighted loss cost/rate is within the swing limits determined for the code being discontinued and the acquiring code, then each of these codes will take on the payroll-weighted loss cost/rate.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

---

**EXHIBIT 9—RD—STATE-SPECIFIC TRANSITION PROGRAM (CONT'D)**

If the payroll-weighted loss cost/rate is outside of the filing's swing limits for any of the codes, then the loss cost/rate for each of the codes will be determined by a methodology weighting together (1) the payroll-weighted loss cost/rate and (2) the standard calculated loss cost/rate for each code. The ratio used in this methodology will be first determined by calculating the maximum weighting value given to the payroll-weighted loss cost/rate in order to keep the loss costs/rates for the code being discontinued and the acquiring code within the swing limits of the filing. However, a 50% minimum weighting value must be used regardless of the swing limits to execute the transition program within two years.

- C. As part of Phase 2 of the two-phase transition program, the applicable code will be discontinued. All insured operations previously assigned to the code being discontinued will be assigned to the acquiring code. The loss cost/rate for the acquiring code will be the payroll-weighted loss cost/rate of the code being discontinued and the acquiring code, using the latest available year's payroll and the standard calculated loss cost/rate of the two individual codes.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**EXHIBIT 9—RD—STATE-SPECIFIC TRANSITION PROGRAM (CONT'D)**

**EXAMPLE OF TWO-PHASE TRANSITION PROGRAM CALCULATION**

**Note:** The loss costs/rates used in the following example are for illustration purposes only and are not the actual loss costs/rates in use, nor do they represent expected actual loss costs/rates for the codes indicated.

In the following example, the “Payroll-Weighted Loss Cost/Rate” for each year can be calculated by using the “NCCI Initially Calculated Loss Cost/Rate” and the payroll for the latest available year.

The following assumptions are made for this example:

	Code XXX1	Code XXX2	Code XXX3
<b>Payroll \$</b>	400,000	700,000	3,000,000
<b>Phase 1 Loss Cost/Rate</b>	21.00	10.50	11.81
<b>Phase 2 Loss Cost/Rate</b>	19.78	12.25	11.57

(Payroll is assumed to remain constant throughout the transition period.)

The “Payroll-Weighted Loss Cost/Rate” is calculated as follows:

$$\frac{[(400,000 \times 21.00) + (700,000 \times 10.50) + (3,000,000 \times 11.81)]}{(400,000 + 700,000 + 3,000,000)} = 12.48$$

Additionally, the swing limits are assumed to be plus or minus 25%. **Note:** The weight value used represents the largest possible value keeping the loss cost/rate changes within the swing limits. The weight value below is subject to a minimum of 0.50 for Phase 1 and 1.00 for Phase 2 without regard to swing limits in order to transition the loss costs/rates within two years.

EXAMPLE—FOR ILLUSTRATIVE PURPOSES ONLY							
	Weight Value	Class Code	Payroll-Weighted Loss Cost/Rate		NCCI Initially Calculated Loss Cost/Rate		Final NCCI Loss Cost/Rate
Filing Effective in Phase 1	0.57*	XXX1	(0.57 x 12.48)	+	(0.43 x 21.00)	=	16.14
		XXX2	(0.57 x 12.48)	+	(0.43 x 10.50)	=	11.63
		XXX3	(0.57 x 12.48)	+	(0.43 x 11.81)	=	12.19
Filing Effective in Phase 2	1.00	XXX1	(1.00 x 12.49)	+	(0.00 x 19.78)	=	12.49
		XXX2	(1.00 x 12.49)	+	(0.00 x 12.25)	=	12.49
		XXX3	(1.00 x 12.49)	+	(0.00 x 11.57)	=	12.49

\* Refer to “Example of Two Phase Weight Value Calculation” on the following page.

**ITEM B-1436—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**EXHIBIT 9—RD—STATE-SPECIFIC TRANSITION PROGRAM (CONT'D)**

**EXAMPLE OF TWO-PHASE WEIGHT VALUE CALCULATION**

**Note:** The weight value calculation in the following example is for illustration purposes only and is not the actual weight value calculation in use, nor does it represent the expected actual weight value calculation for the codes indicated.

In the following example, the loss costs/rates are calculated for each class code by utilizing successively higher weight values until the largest weight value is found that keeps the loss costs/rates within swing limits. However, depending on which phase of the transition the filing is effective, this weight value is subject to minimums **without regard to swing limits**. These minimums are 0.50 for Phase 1 and 1.00 for Phase 2. For the purposes of illustration, the codes are represented as XXX1, XXX2, and XXX3.

**The following assumptions are made for this example:**

1. The swing limits are plus or minus 25%.
2. The loss costs/rates are as follows:

	Loss Cost/Rate for Code XXX1	Loss Cost/Rate for Code XXX2	Loss Cost/Rate for Code XXX3
<b>Last Approved Filing</b>	21.49	11.32	11.05
<b>Phase 1</b>	16.14	11.63	12.19

<b>Weight Calculation Table</b>						
<b>Phase 1</b>	<b>Code XXX1</b>		<b>Code XXX2</b>		<b>Code XXX3</b>	
<b>Weight Value</b>	<b>Calculated Loss Cost/Rate Given Weight Value</b>	<b>Loss Cost/Rate Change %</b>	<b>Calculated Loss Cost/Rate Given Weight Value</b>	<b>Loss Cost/Rate Change %</b>	<b>Calculated Loss Cost/Rate Given Weight Value</b>	<b>Loss Cost/Rate Change %</b>
0.50	16.74	-22.1%	11.49	1.5%	12.15	10.0%
0.51	16.65	-22.5%	11.51	1.7%	12.15	10.0%
0.52	16.57	-22.9%	11.53	1.9%	12.16	10.0%
0.53	16.48	-23.3%	11.55	2.0%	12.17	10.1%
0.54	16.40	-23.7%	11.57	2.2%	12.17	10.1%
0.55	16.31	-24.1%	11.59	2.4%	12.18	10.2%
0.56	16.23	-24.5%	11.61	2.6%	12.19	10.3%
<b>0.57</b>	<b>16.14</b>	<b>-24.9%</b>	11.63	2.7%	12.19	10.3%
0.58	16.06	-25.3%	11.65	2.9%	12.20	10.4%
0.59	15.97	-25.7%	11.67	3.1%	12.21	10.5%
0.60	15.89	-26.1%	11.69	3.3%	12.21	10.5%
0.61	15.80	-26.5%	11.71	3.4%	12.22	10.6%
continues						