



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

April 10, 2019

ALL ASSOCIATION MEMBERS

Circular No. 19-1747

RE: NCCI Item B – 1437 – Revisions to Basic Manual Classifications and Appendix E – Classifications by Hazard Group, Including Aircraft Maintenance

The Minnesota Department of Commerce has approved the above filing to become effective for new and renewal policies effective on and after 12:01 a.m. on January 1, 2020.

The purpose of this item is to revise, establish, and eliminate certain national classifications based on NCCI's low credibility study. This filing also revises the classification treatment of the aircraft maintenance and repair industry.

Many of NCCI's exhibits included in this filing address NCCI state special classifications and are not applicable in Minnesota. An overview of proposed changes and staff recommendations to the *Minnesota Basic Manual* are outlined below.

NCCI's Exhibit 1

NCCI has identified a number of national classifications with low credibility to be eliminated from the classification system. The exposure included in the codes being eliminated will be reassigned to other classifications as outlined below.

Rate Impact

MWCIA believes there is very little adverse rate impact with these changes.

- **Exhibit 1A**

Proposes to eliminate Code 2286 – Wool Spinning And Weaving and reassign that exposure to Code 2220. Proposes to add a reference for Code 2220 - Wool Spinning and Weaving.

MWCIA staff recommends to adopt the proposed change(s).

- **Exhibit 1B**

Proposes to eliminate Code 2286 – Yarn Mfg. – Wool and reassign that exposure to Code 2220. Proposes to add a reference for Code 2220 – Yarn Mfg. – Wool.

MWCIA staff recommends to adopt the proposed change(s).

- **Exhibit 1C**

Proposes to eliminate Code 2670 – Glove Mfg. – Leather Or Textile and reassign that exposure to Code 2688. Proposes to add a reference for Code 2688 – Glove Mfg. – Leather Or Textile.

MWCIA staff recommends to adopt the proposed change(s).

- **Exhibits 1D - 1F**

Proposes to eliminate codes that are not applicable in Minnesota.

MWCIA staff does not recommend to adopt the proposed change(s) illustrated in these exhibits as they are not applicable in Minnesota.

- **Exhibit 1G**

Proposes to eliminate Code 4670 – Cottonseed Oil Mfg. – Mechanical & Drivers.

MWCIA staff recommends to adopt the proposed change(s).

- **Exhibit 1H**

Proposes to eliminate Code 4670 – Cottonseed Oil Mfg. – Solvent & Drivers. Proposes to update language for Code 4686 – Oil Mfg. – Vegetable – Solvent Extraction Process and to delete reference to Code 4670, updating the reference to Code 4683.

MWCIA staff recommends to adopt the proposed change(s).

- **Exhibit 1I**

Proposes to update language for Code 4683 – Cottonseed Oil Mfg. – Mechanical and Code 4683 - Cottonseed Oil Mfg. – Solvent.

MWCIA staff recommends to adopt the proposed change(s).

- **Exhibit 1J**

Proposes to update language for Code 4683 – Cottonseed Oil Refining to delete reference to Code 4670.

MWCIA staff recommends to adopt the proposed change(s).

- **Exhibit 1K**

Proposes to eliminate Code 5508 – Street Or Road Construction – Rock Excavation & Drivers and reassign that exposure to Code 5507. Proposes to add a reference to Code 5507 – Street Or Road Construction – Rock Excavation & Drivers and amend phraseology under Code 5507 – Street Or Road Construction – Subsurface Work & Drivers.

- **Exhibit 1K – A**

Deleting references to Code 5508 in the ***Minnesota Basic Manual*** Classification Interpretations section.

MWCIA recommends to adopt the proposed change(s)

NCCI's Exhibits 2 & 3

These exhibits propose to eliminate state special classifications with low credibility that are not applicable in Minnesota.

MWCIA staff does not recommend to adopt the proposed change(s) illustrated in these exhibits as they are not applicable in Minnesota.

NCCI's Exhibit 4

Proposes to revise the classification treatment for aircraft maintenance and repair operations. Proposes to eliminate, revise and establish new phraseology as outlined in the following exhibits.

Impact

The proposed changes revise the classification treatment for aircraft maintenance and repair operations. It is possible that some payroll may transfer between the codes included in the proposal. The amount of payroll transferred cannot be identified using current industry data sources. The impact to individual employers will depend on the amount of payroll (if any) that transfers from code to code as well as their associated loss cost/rates.

- **Exhibit 4A**

Proposes to add clarifying language to Code 3826 – Aircraft Engine Mfg. and Code 3830 – Airplane Mfg. Also proposes to eliminate reference to Code 3826 – Engine Mfg. – Aircraft.

MWCIA staff recommends to adopt the proposed change(s).

- **Exhibit 4B**

Proposes to add clarifying language under Code 5037 – Painting – Metal Structures – Over Two Stories In Height & Drivers and add reference to Code 5474.

MWCIA staff recommends to adopt the proposed change(s).

- **Exhibit 4C**

Proposes to add clarifying language under Code 5474 – Painting Aircraft & Shop Operations, Drivers.

MWCIA staff recommends to adopt the proposed change(s).

- **Exhibit 4D**

Proposes to add clarifying language under Code 7403 – Aviation – Ramp Operations & Drivers and add reference to Code 5474.

MWCIA staff recommends to adopt the proposed change(s).

- **Exhibit 4E**

Proposes to add clarifying language under Code 9516 – Aircraft Avionics And Instrumentation Installation, Service, Or Repair – Shop And Outside & Drivers and add reference to Code 7403.

MWCIA staff recommends to adopt the proposed change(s).

NCCI's Exhibit 5

Proposes to remove eliminated Codes - 2286, 2670, 4670 and 5508 from Appendix D - Table of Classifications by Hazard Group.

MWCIA staff recommends to adopt the proposed change(s).

NCCI's Exhibits 6 thru 11

Proposed changes in these exhibits are not applicable in Minnesota.

MWCIA staff does not recommend to adopt the proposed change(s) illustrated in these exhibits as they are not applicable in Minnesota.

The attached exhibits illustrate necessary changes to the ***Minnesota Basic Manual***. As in past filings, strikethroughs indicate deleted text while underlining indicates new or added text. A copy of National Council's original filing memorandum is also included to provide additional background information regarding Item B-1437.

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.

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.

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO - CLASSIFICATIONS

Exhibit 1A

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
2286 - WOOL SPINNING AND WEAVING	<u>2220 - WOOL SPINNING AND WEAVING</u>	Deleted class code 2286. Exposure is reassigned to class code 2220

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO – CLASSIFICATIONS

Exhibit 1B

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
<p>2286 YARN MFG.—WOOL. Codes 2286 and 2220— Yarn or thread mfg.— cotton shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses</p>	<p><u>2220 - YARN MFG. - WOOL</u></p>	<p>Deleted class code 2286. Exposure is reassigned to class code 2220.</p>

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO - CLASSIFICATIONS

Exhibit 1C

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
2670 - GLOVE MFG.—LEATHER OR TEXTILE. Tanning of leather or mfg. of textile fabric to be separately rated	<u>2688 - GLOVE MFG.—LEATHER OR TEXTILE. Tanning of leather or mfg. of textile fabric to be separately rated.</u>	Deleted class code 2670. Exposure is reassigned to class code 2688.

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO - CLASSIFICATIONS

Exhibit 1G

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
4670 - COTTONSEED OIL Mfg. — Mechanical & Drivers. Applies during both active and dormant seasons. Includes installation or repair of equipment, yard workers, weighers, seed or fuel haulers.	<u>None</u>	Deletes class code 4670

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO - CLASSIFICATIONS

Exhibit 1H

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
<p>4670 — COTTONSEED OIL Mfg. — Solvent & Drivers. Applies during both active and dormant seasons. Includes installation or repair of equipment, yard workers, weighers, seed or fuel haulers.</p>	<p><u>None</u></p>	<p>Deletes class code 4670</p>
<p>4686 – OIL MFG. – VEGETABLE – SOLVENT EXTRACTION PROCESS. Mfg. of cottonseed oil to be separately rated as Code 4670</p>	<p>4686 – OIL MFG. – VEGETABLE – SOLVENT EXTRACTION PROCESS. Mfg. of cottonseed oil <u>is</u> separately rated <u>to</u> Code <u>4683</u>.</p>	<p>Updates language for code 4686 and to delete reference to code 4670, updating the reference to code 4683</p>

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO - CLASSIFICATIONS

Exhibit 1I

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
None	<u>4683—COTTONSEED OIL MFG.— MECHANICAL. Applies during both active and dormant seasons. Includes installation or repair of equipment, yard workers, and weighers.</u>	Updates language for class code 4683
None	<u>4683 - COTTONSEED OIL MFG. – SOLVENT. Applies during both active and dormant seasons. Includes installation or repair of equipment, yard workers, and weighers.</u>	Updates language for class code 4683

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO - CLASSIFICATIONS

Exhibit 1J

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
4683 - COTTONSEED OIL REFINING. Cottonseed oil mfg. to be separately rated as Code 4670	4683 – COTTONSEED OIL REFINING	Updates language for class code 4683 and deletes reference to class code 4670.

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO - CLASSIFICATIONS

Exhibit 1K

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
<p>5508 - STREET OR ROAD CONSTRUCTION - Rock Excavation & Drivers. Includes incidental quarrying or stone crushing. No tunneling.</p>	<p><u>5507 - STREET OR ROAD CONSTRUCTION - ROCK EXCAVATION & DRIVERS. Includes incidental quarrying or stone crushing. No tunneling.</u></p>	<p>Deletes class code 5508. Exposure is reassigned to class code 5507.</p>
<p>5507 - STREET OR ROAD CONSTRUCTION - SUBSURFACE WORK & DRIVERS. Applies to clearing of right-of-way, earth excavation, filling or grading. Separately rate: rock excavation, tunneling, bridge or culvert building where clearance is more than 10 feet at any point or the entire distance between terminal abutments exceeds 20 feet quarrying, and stone crushing.</p>	<p>5507 - STREET OR ROAD CONSTRUCTION - SUBSURFACE WORK & DRIVERS. Applies to clearing of right-of-way, earth excavation, filling or grading. Separately rate: <u>tunneling, and</u> bridge or culvert building where clearance is more than 10 feet at any point or the entire distance between terminal abutments exceeds 20 feet.</p>	<p>Amends language for class code 5507 to remove reference to Rock Excavation</p>

Effective January 1, 2020

MINNESOTA BASIC MANUAL

CLASSIFICATION INTERPRETATIONS

Exhibit 1K - A

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
Street and Road Construction and Paving. Classification Code 5506 is intended to cover all contracts involving paving or repaving, surfacing or resurfacing—all kinds. This classification is also intended to cover incidental fire grade work but to exclude all other grading. Code 5506 shall not include the grading payroll of combined grading and paving contracts nor gravel contracts.	Same	
For Classification Code 5507, the phrase “excluding rock excavation” shall be interpreted as excluding “Ledge” rock excavation. This classification is intended to cover clearing of right-of-way, earth excavation, filling and grading, but where ledge rock is encountered the payroll expended in the excavation of such ledge rock shall be segregated and assigned to Classification Code 5508.	None	

Effective January 1, 2020

MINNESOTA BASIC MANUAL

CLASSIFICATION INTERPRETATIONS

Exhibit 1K - A (Cont)

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
Classification Code 5508 is intended to apply to the payroll of a road contractor excavating ledge rock.	Classification Code <u>5507</u> is intended to apply to the payroll of a road contractor excavating ledge rock.	Deletes reference to class code 5508

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO - CLASSIFICATIONS

Exhibit 4A

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
3826 - AIRCRAFT ENGINE MFG.	3826 – AIRCRAFT ENGINE MFG. <u>Aircraft engine repair work, including rebuilding, when performed by a manufacturer, fixed-base operator, or contractor at an airport or off-site facility, away from airport ramp or flight line areas, is assigned to code 3826. Refer to Code 7403 for ground support services performed at airports.</u>	Amends language for class code 3826
3830 - AIRPLANE MFG.	3830 - AIRPLANE MFG. <u>Includes airplane modification, repair, or maintenance work performed by a manufacturer, fixed base operator, or contractor. These operations may be performed at an airport or off-site facility, away from airport ramp or flight line areas. Refer to code 7403 for ground support services performed at airports.</u>	Amends language for class code 3830

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO - CLASSIFICATIONS

Exhibit 4A – (Cont)

3826—Engine Mfg.—Aircraft	<u>NONE</u>	Remove reference to code 3826 – Engine Mfg. - Aircraft
--------------------------------------	-------------	---

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO - CLASSIFICATIONS

Exhibit 4B

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
<p>5037 - PAINTING Metal Structures - Over Two Stories in Height & Drivers. Includes shop operations. The painting of metal storage tanks, fire escapes, staircases, balconies, shutters, window frames, or sash to be separately rated as to Code 5474. Painting or paperhanging NOC.</p>	<p>5037 - PAINTING Metal Structures - Over Two Stories in Height & Drivers. Includes shop operations. The painting of <u>aircraft of all sizes and types</u>, metal storage tanks, fire escapes, staircases, balconies, shutters, window frames, or sash <u>es is</u> separately rated <u>to</u> Code 5474.</p>	<p>Amends language for class code 5037</p>

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO - CLASSIFICATIONS

Exhibit 4C

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
None	<u>5474 - PAINTING AIRCRAFT & SHOP OPERATIONS, DRIVERS.</u> <u>Includes the painting of all sizes and types of fixed-and rotary-wing aircraft by contractor or fixed-base operator.</u>	Establishes new phraseology for class code 5474

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO - CLASSIFICATIONS

Exhibit 4D

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
NONE	<p><u>7403 - AVIATION—RAMP OPERATIONS & DRIVERS</u> <u>Applies to operations located at airports. Includes all types of fixed- and rotary-wing aircraft. Ramp operations are defined as work performed on the aircraft at the ramp or on the flight line. Operations include, but are not limited to, normal aircraft turnaround operations, luggage service operations, interior and exterior cleaning of aircraft, fluid checking and filling, tire changing, deicing, lightbulb replacement, stocking of supplies (including food) in the aircraft, and ramp fueling and de-fueling of the aircraft. Independent service contractors and fixed-base operators performing these services are assigned to Code 7403.</u></p> <p><u>Painting of aircraft is separately rated to Code 5474. Members of flying crews are separately rated to the appropriate aviation classification.</u></p>	Establishes new phraseology for class code 7403 and adds reference to code 5474

Effective January 1, 2020

MINNESOTA BASIC MANUAL

PART TWO - CLASSIFICATIONS

Exhibit 4E

CURRENT PHRASEOLOGY	PROPOSED PHRASEOLOGY	NOTES
NONE	<p><u>9516 - AIRCRAFT AVIONICS AND INSTRUMENTATION INSTALLATION, SERVICE, OR REPAIR—SHOP AND OUTSIDE & DRIVERS</u></p> <p><u>Includes the installation, service, or repair of aircraft avionics and instrumentation on all types of fixed- and rotary-wing aircraft. These operations may be performed at a plant or shop facility away from an airport, or may be performed within a hangar or similar structure at an airport.</u></p> <p><u>Independent service contractors and fixed-base operators performing these services are assigned to Code 9516.</u></p> <p><u>Refer to Code 7403 for ground support services performed at airports.</u></p>	Establishes new phraseology for class code 9516 and adds reference to code 7403

Effective January 1, 2020

MINNESOTA BASIC MANUAL

APPENDIX D – CLASSIFICATIONS BY HAZARD GROUP

Exhibit 5

CURRENT PHRASEOLOGY	HAZARD GROUP	PROPOSED PHRASEOLOGY	HAZARD GROUP
2286	B	NONE	NONE
2670	A	NONE	NONE
4670	E	NONE	NONE
5508	E	NONE	NONE



Michelle Smith

Regulatory Services Division

(P) 561-893-3016

Email: Michelle_Smith@ncci.com

September 27, 2018

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

Re: ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

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 2018 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 me 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 cursive script that reads "Michelle Smith".

Michelle Smith
Regulatory Consultant

c: Kathleen Peterson, MWCIA

FILING MEMORANDUM

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

PURPOSE

The item:

- Eliminates national and state special classifications with low credibility
- Revises the classification treatment of the aircraft maintenance and repair industry
- Revises and eliminates certain classifications in NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)* and *Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)*
- Revises audit and/or loss prevention survey tables for certain states in NCCI's *Assigned Carrier Performance Standards*

BACKGROUND

An analysis of NCCI's classification system identified certain classifications with low credibility that are recommended to be eliminated and reassigned to other national or state special classifications with similar operations. NCCI uses the term "low credibility" to identify classifications that are too small to develop meaningful data for ratemaking purposes.

Finally, this item revises the classification treatment of the aircraft maintenance and repair industry.

This item also includes proposals for the individual classifications identified in each exhibit, including **format changes and consistency-only changes**, where applicable.

Classifications With Low Credibility to Be Eliminated

The workers compensation classification system groups employers with similar operations by classification so that loss costs and rates may be calculated to reflect overall employee exposure to injury. NCCI periodically reviews individual classifications, on a statewide and national basis, to determine which, if any, should be considered for elimination because of low credibility.

Credibility is the degree of reliance assigned to a certain body of data, expressed as a weight ranging from 0 to 1. NCCI applies credibility in its classification ratemaking methodology. A classification with low credibility has limited premium volume; therefore, it is too small to develop meaningful data for ratemaking purposes, even with the use of national experience in the ratemaking process. Because of the limited premium volume, a large loss in a classification with low credibility adversely affects the volatility of the loss cost or rate for the classification. Classifications with a high degree of credibility are more stable from a ratemaking perspective.

NCCI reviewed the credibility for all classifications based on the latest policy periods used for ratemaking in NCCI's 2017 loss cost and rate filing cycle. As a result of this review, NCCI identified a number of classifications that have state credibility of 25% or less in a majority of NCCI states. NCCI considers these classifications to have low credibility.

When determining whether a classification with low credibility should be eliminated and reassigned to another classification with similar operations, NCCI considered:

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-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

- The amount of payroll in the classifications.
- The swing limits used for classification ratemaking within a particular state. (The swing limit constrains the percentage change, up or down, that the loss cost or rate for a classification may vary from the existing loss cost or rate for that classification. The purpose of the swing limit is to avoid extreme fluctuations in loss costs or rates from year to year.)

In general, the use and length of a transition program is determined in such a manner as to avoid having the rates/loss costs for codes exceed state swing limits to the extent possible while ensuring that the rates/loss costs are fully transitioned within a maximum of three phases.

NCCI categorized the classifications with low credibility into the following groups, as provided in each fact sheet:

Fact Sheet 1: National classifications where most states have little to no payroll in the classifications. For states with payroll in the classifications, some states require either a two- or three-phase transition program.

Fact Sheet 2: Connecticut special classification with low credibility, to be eliminated without a transition program.

Fact Sheet 3: Oregon special classification with low credibility, to be eliminated with a three-phase transition program.

Low-credibility classifications are recommended for elimination because very few employers are assigned to the code. In all cases, alternate codes in the classification system include the same or similar exposure as the classification being eliminated.

Classifications that are proposed for elimination are not unique to a single industry group. These classifications represent varied groups including, but not limited to, construction, farming, and manufacturing. The decline in payroll and credibility in these classifications may be due to a number of economic factors. For example, in the manufacturing industry, some products may have simply diminished in popularity, technology has changed over the years, or production has moved overseas—resulting in classifications that are unstable for ratemaking purposes.

Eliminated classifications may have a small amount of remaining exposure or the possibility of generating exposure in the future. Anticipating these situations, NCCI has assigned alternate classifications to ensure the proper transition from the eliminated code to an existing code. This is referred to as code mapping.

Below are the guidelines used by NCCI when determining code mapping:

- The proposed classification to be eliminated has an identical match to an existing classification. The only difference is the code number under which the data will be reported.
- In cases where the proposed classification to be eliminated does not map directly to an existing classification, NCCI has identified an alternate classification that most closely describes the business.

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-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

Fact Sheets 1, 2, and 3, related to low-credibility code elimination, include a table that displays the code mapping. These tables are provided for informational purposes only. The corresponding exhibits display the classification proposed for each state.

Aircraft Maintenance and Repair

Aircraft maintenance and repair operations are critical to the safe operation of all types of aircraft. These services include, but are not limited to, engine inspections, parts replacement, avionics repair, and painting. NCCI's current classification treatment for the aircraft maintenance and repair industry assigns several codes. The primary codes used are:

- Code 3826—Aircraft Engine Mfg.
- Code 3830—Airplane Mfg.
- Code 7403—Aviation—All Other Employees & Drivers

Codes 3826 and 3830 are silent regarding whether work performed on airport property is included, and whether services performed by contractors are included. Code 7403 does not define the types of maintenance or service that are included, nor does it address whether contractors performing services at the airport are included. NCCI's analysis of the aircraft maintenance and repair industry has determined that the classification treatment of these activities needs to be addressed.

Fact Sheet 4: Aircraft Maintenance and Repair explains the establishment of and revisions to classifications that address the various types of services performed and the locations at which they are performed.

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.

IMPACT

The fact sheet for each exhibit details the potential impacts specific to each of the proposed changes. NCCI recognizes that some recommendations, such as moving a specific operation from one classification to another, may have a premium impact for particular employers. Additionally, some of the changes proposed may have a loss cost/rate impact.

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-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

IMPLEMENTATION

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, 2019, unless otherwise noted. For example, this item will become effective January 1, 2020, for approved loss cost/rate filings that have a January 1, 2020 effective date. If there is no loss cost/rate filing for a state in 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.

Transition Programs

Some proposals related to Fact Sheet 1, National Classifications With Low Credibility to Be Eliminated, include a transition program, subject to a maximum of three phases. The details corresponding to the initiation and final implementation dates of the transition programs are provided in Exhibits 8-Rule and 9-Rule for the following states:

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, VA, VT, WV

For state special classifications with low credibility to be eliminated:

- No transition program is proposed for Fact Sheet 2
- A three-phase transition program is proposed for Fact Sheet 3

Anticipated Effective Dates by State

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

State	Anticipated* Effective Date
Alabama	March 1, 2020
Alaska	January 1, 2020
Arizona	January 1, 2020
Arkansas	July 1, 2020
Colorado	January 1, 2020
Connecticut	January 1, 2020
District of Columbia	November 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-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
 E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

Florida	The effective date of this item depends on the date that regulatory approval is granted. If the item is approved on or before July 1, 2019, it will become effective on January 1, 2020. If it is approved after July 1, 2019, it will become effective on January 1, 2021.
Georgia	March 1, 2020
Hawaii	This item will be implemented in Hawaii's loss cost filing proposed to be effective on January 1, 2020. The effective date will be determined upon regulatory approval of the individual carrier's election to adopt this change.
Idaho	January 1, 2020
Illinois	January 1, 2020
Indiana	January 1, 2020
Iowa	January 1, 2020
Kansas	January 1, 2020
Kentucky	October 1, 2019
Louisiana	May 1, 2020
Maine	April 1, 2020
Maryland	January 1, 2020
Mississippi	March 1, 2020
Missouri	January 1, 2020
Montana	July 1, 2020
Nebraska	February 1, 2020
Nevada	March 1, 2020
New Hampshire	January 1, 2020
New Mexico	January 1, 2020
Oklahoma	January 1, 2020
Oregon	January 1, 2020
Rhode Island	August 1, 2020
South Carolina	April 1, 2020

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-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

South Dakota	July 1, 2020
Tennessee	March 1, 2020
Texas	July 1, 2020
Utah	January 1, 2020
Vermont	April 1, 2020
Virginia	April 1, 2020
West Virginia	November 1, 2019

* 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.

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

Exhibits		Fact Sheet	Exhibit #	Proposal Applicable in:
NCCI's Basic Manual	National Classifications With Low Credibility to Be Eliminated	1	1A-Rule	All States Except VA
			1B-Rule	All States Except TX, VA
			1C-Rule	All States Except VA
			1D-Rule	All States Except FL, TX, VA
			1E-Rule	All States except FL, HI, ME, MT, NV, TX, VA
			1F-Rule	All States Except HI, MT, NV, VA
			1G-Rule	All States Except TX, VA
			1H-Rule	All States Except LA, TX, VA
			1I-Rule	All States Except VA
			1J-Rule	All States Except TX, 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-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
 E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

Exhibits		Fact Sheet	Exhibit #	Proposal Applicable in:	
			1K-Rule	All States Except AK, TX, UT, VA	
			7-Rule	FL, HI, LA, ME, MO, MT, NV, TX, VA	
NCCI's Basic Manual	Connecticut Special Classification With Low Credibility to Be Eliminated—No Transition Program	2	2A-Rule	CT	
			2B-Rule	CT	
	Oregon Special Classification With Low Credibility to Be Eliminated—Three-Phase Transition Program	3	3A-Rule	OR	
			3B-Rule	OR	
	Aircraft Maintenance and Repair		4	4A-Rule	All States Except AK, TX, VA
				4B-Rule	All States Except OR, TX, VA
				4C-Rule	All States Except TX, VA
				4D-Rule	All States Except AK, TX, VA
				4E-Rule	All States Except AK, SC, TX, VA
			7-Rule	AK, SC, TX, VA	
Appendix E—Table of Classifications by Hazard Group	1, 2, 3	5-Rule	All States		
CCPAP Exhibits	1	6-Rule	CT, FL, HI, IL, MD, MO, MT, NE, NM, OK, OR, VA		
Two-Phase Transition Program Details	1	8-Rule	All States		
Three-Phase Transition Program Details	1, 3	9-Rule	OK, OR, SC		

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-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
 E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

Exhibits		Fact Sheet	Exhibit #	Proposal Applicable in:
<i>NCCI's Assigned Carrier Performance Standards</i>		1	10-Rule	AK, AR, GA, IN, KS, MS, NH, OR, SD, VT
<i>NCCI's Forms Manual</i>	Contracting Classification Premium Adjustment Program (CCPAP) Workers Compensation Premium Credit Application	1	11-Form	FL, VA

Note: Form and rule filings must be filed separately in several states. For filing purposes, this memorandum and applicable fact sheets are being provided for both the rule and form exhibits. The rule exhibits are filed with the regulatory authority as Item B-1437-R. The form exhibit is filed with the regulatory authority as Item B-1437-F.

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-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 1—FACT SHEET

NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED

PURPOSE

The purpose of the proposed changes for this industry is to eliminate certain national classifications that have low credibility.

BACKGROUND

NCCI has identified a number of national classifications that have low credibility. Low credibility refers to classifications with insufficient premium to develop meaningful data for ratemaking purposes.

These national classifications must be eliminated and reassigned to other classifications with similar operations. The reassignment of these classifications to existing, analogous classifications will result in the use of more credible data from which to calculate loss costs and rates.

The national classifications to be eliminated are listed in the Proposal section of this fact sheet. For those states where the difference between the loss costs or rates for the eliminated classification and the proposed classification exceeds the swing limits used for ratemaking within the state, a transition program, subject to a three-phase maximum, is proposed. States with a transition program are indicated in the following table. Details of the transition programs are provided in Exhibits 8-Rule and 9-Rule.

PROPOSAL

This item proposes to:

1. Eliminate and revise national classifications as indicated in the following table and exhibits. Refer to the following table and Exhibits 7-Rule, 8-Rule, and 9-Rule for state-specific information.
2. Revise Appendix E—Table of Classifications by Hazard Group for applicable states to update the codes being eliminated or established. Refer to Exhibit 5-Rule.
3. Revise state-specific contracting classification credit programs for Connecticut, Florida, Hawaii, Illinois, Maryland, Missouri, Montana, Nebraska, New Mexico, Oklahoma, Oregon, and Virginia to remove the classifications being eliminated. Refer to Exhibit 6-Rule.
4. Revise **Assigned Carrier Performance Standards** to remove the being eliminated. Refer to Exhibit 10-Rule.

National Classification to Be Eliminated	Proposed National Classification (Unless Otherwise Noted)	States With Two-Phase Transition Program*	States With Three-Phase Transition Program**
2286—Wool Spinning and Weaving 2286—Yarn Mfg.—Wool	2220—Wool Spinning and Weaving 2220—Yarn Mfg.—Wool	All States	None
2670—Glove Mfg.—Leather or Textile	2688—Glove Mfg.—Leather or Textile	All States	None

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 1—FACT SHEET (CONT'D)

National Classification to Be Eliminated	Proposed National Classification (Unless Otherwise Noted)	States With Two-Phase Transition Program*	States With Three-Phase Transition Program**
4360—Motion Picture—Development of Negatives, Printing, and All Subsequent Operations 4360—Duplication and Replication Service of Prerecorded Audio, Video or Data	7610—Motion Picture—Production—In Studios or Outside—All Operations & Clerical, Drivers 7610—Duplication and Replication Service of Prerecorded Audio, Video or Data	NM, TX	None
4670—Cottonseed Oil Mfg.—Mechanical & Drivers 4670—Cottonseed Oil Mfg.—Solvent & Drivers	4683—Cottonseed Oil Mfg.—Mechanical 4683—Cottonseed Oil Mfg.—Solvent 7380—Drivers, Chauffeurs, Messengers, and Their Helpers NOC—Commercial***	None	OK, SC
5508—Street or Road Construction—Rock Excavation & Drivers	5507—Street or Road Construction—Rock Excavation & Drivers	None	None

* The listed states have a two-phase transition program; refer to Exhibit 8-Rule for details.

** The listed states have a three-phase transition program; refer to Exhibit 9-Rule for details.

***The proposed national phraseology currently applies in all states, except AZ and NV because drivers are a general inclusion. Therefore, no national exhibit is proposed for approval in AZ and NV.

IMPACT

NCCI conducted a review of the latest policy periods used for ratemaking in NCCI's 2017 loss cost and rate filing cycle to determine if a transition program was needed to minimize the impact of these proposed changes. Based on the results of this review:

- Code 5508 does not need a transition program
- Codes 2286 and 2670 have a two-phase transition program in all states
- Codes 4360 and 4670 have a two-phase or three-phase transition program in some states

Where applicable, using a transition program will help minimize the impact to individual employer premium charges. Historical experience from the discontinued national codes will be reassigned to the corresponding national codes when the eliminated code maps primarily to one corresponding national code. The loss costs/rates and rating values for the national codes will be based on the combined historical data of the discontinued codes and the corresponding national codes.

Negligible impact to overall statewide premium is expected as a result of these changes.

STATE-SPECIFIC PROPOSALS AND IMPACTS

Alaska Proposal:

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 1—FACT SHEET (CONT'D)

NCCI is proposing all exhibits in Alaska except Exhibit 1K-Rule. Exhibit 1K-Rule is not being proposed because Codes 5507 and 5508 do not apply in Alaska.

Alaska Impact:

Because NCCI is proposing all exhibits in Alaska except Exhibit 1K-Rule, the national impact detailed above applies in Alaska.

Florida Proposal:

NCCI is proposing all exhibits in Florida except Exhibits 1D-Rule and 1E-Rule. Exhibit 1D-Rule is not being proposed because Code 4360 does not apply in Florida. Exhibit 1E-Rule is not being proposed because the current national phraseology does not apply in Florida.

NCCI is proposing that Florida adopt the national treatments for Code 7610 and, as a result, eliminate the state exception phraseologies for Code 7610. Refer to Exhibit 7-Rule.

NCCI proposes to revise state special Code 5509 to eliminate a reference to Code 5508. Refer to Exhibit 7-Rule.

NCCI also proposes to revise Florida's exception to **Basic Manual** Rule 3-A-7-a(3) to change a Code 5508 reference to Code 5507. Refer to Exhibit 7-Rule.

In addition, Form 04-4E—Florida Contracting Classification Premium Adjustment Program Workers Compensation Premium Credit Application (Exhibit 11-Form) must be updated to reflect the elimination of Code 5508 (Exhibit 6-Rule).

Florida Impact:

Because NCCI is proposing all exhibits in Florida except Exhibits 1D-Rule and 1E-Rule, the national impact detailed above applies in Florida.

Hawaii Proposal:

NCCI is proposing all exhibits in Hawaii except Exhibits 1E-Rule and 1F-Rule. Exhibits 1E-Rule and 1F-Rule are not being proposed because the phraseology for Code 7610 is not applicable in Hawaii. Hawaii has state special Code 9610 which will remain unchanged. The current national treatments for Code 4360 will become state specials for Hawaii. Refer to Exhibit 7-Rule.

Hawaii Impact:

Because NCCI is proposing all exhibits in Hawaii except Exhibits 1E-Rule and 1F-Rule, the national impact detailed above applies in Hawaii.

Louisiana Proposal:

NCCI is proposing all exhibits in Louisiana except Exhibit 1H-Rule. Exhibit 1H-Rule is not being proposed because the national phraseology of Code 4670—Cottonseed Oil Mfg.—Solvent & Drivers does not apply in Louisiana.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 1—FACT SHEET (CONT'D)

NCCI is proposing that Louisiana adopt the national treatments for Code 4683 (Exhibit 1I-Rule) and, as a result, eliminate the state exception phraseology of Code 4670—Cottonseed Oil Mfg. & Drivers (Exhibit 7-Rule).

Louisiana Impact:

Because NCCI is proposing all exhibits in Louisiana except Exhibit 1H-Rule, the national impact detailed above applies in Louisiana.

Maine Proposal:

NCCI is proposing all exhibits in Maine except Exhibit 1E-Rule, because Maine has a state exception to Code 7610. Refer to Exhibit 7-Rule.

Maine Impact:

Because NCCI is proposing all exhibits in Maine except Exhibit 1E-Rule, the national impact detailed above applies in Maine.

Missouri Proposal:

NCCI is proposing all exhibits in Missouri. In addition, NCCI proposes to revise state special Codes 5505 and 5213 to eliminate references to Code 5508. Refer to Exhibit 7-Rule.

Missouri Impact:

The national impact detailed above applies in Missouri.

Montana Proposal:

NCCI is proposing all exhibits in Montana except Exhibits 1E-Rule and 1F-Rule. Exhibits 1E-Rule and 1F-Rule are not being proposed because the phraseology for Code 7610 is not applicable in Montana. Montana has state special Code 9610 which will remain unchanged. The current national treatments for Code 4360 will become state specials for Montana. Refer to Exhibit 7-Rule.

Montana Impact:

Because NCCI is proposing all exhibits in Montana except Exhibits 1E-Rule and 1F-Rule, the national impact detailed above applies in Montana.

Nevada Proposal:

NCCI is proposing all exhibits in Nevada except Exhibits 1E-Rule and 1F-Rule. Exhibits 1E-Rule and 1F-Rule are not being proposed because Code 7610 is not applicable in Nevada. Nevada has a state special Code 9609 which will be revised. Refer to Exhibit 7-Rule.

Nevada Impact:

Because NCCI is proposing all exhibits in Nevada except Exhibits 1E-Rule and 1F-Rule, the national impact detailed above applies in Nevada.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 1—FACT SHEET (CONT'D)

Texas Proposal:

NCCI is proposing all exhibits in Texas except Exhibits 1B-Rule, 1D-Rule, 1E-Rule, 1G-Rule, and 1H-Rule. These five exhibits are not being proposed because the national phraseologies do not apply in Texas. However, NCCI is still proposing to eliminate Codes 2286, 4360 and 4670 in Texas. Refer to Exhibit 7-Rule.

NCCI is also not proposing Exhibit 1K-Rule in Texas because Codes 5507 and 5508 do not apply in Texas.

NCCI is proposing that Texas adopt the national treatments for Code 7610 and, as a result, eliminate the state exception phraseology for Code 4360. The national Code 7610 also includes clerical employees. Refer to Exhibit 7-Rule.

NCCI is proposing that Texas adopt the national treatment for Code 4683 and, as a result, eliminate the state exception phraseologies for Code 4670. The national Code 4683 does not include drivers. Refer to Exhibit 7-Rule.

Texas Impact:

Because NCCI is proposing all exhibits in Texas except Exhibits 1B-Rule, 1D-Rule, 1E-Rule, 1G-Rule, 1H-Rule, and 1K-Rule, the national impact detailed above applies in Texas.

Utah Proposal:

NCCI is proposing all exhibits in Utah except Exhibit 1K-Rule. Exhibit 1K-Rule is not being proposed because Codes 5507 and 5508 do not apply in Utah.

Utah Impact:

Because NCCI is proposing all exhibits in Utah except Exhibit 1K-Rule, the national impact detailed above applies in Utah.

Virginia Proposal:

NCCI proposes that Virginia adopt the treatments detailed in Exhibit 7-Rule. Refer to the table shown in the Proposal section of Fact Sheet 1 for a list of the classifications revised in Exhibit 7-Rule.

The following codes must also be revised in Exhibit 7-Rule because they refer to the codes shown in the table in the proposal section of Fact Sheet 1:

- 2362—Knit Goods Mfg. NOC
- 4431—Magnetic and Optical Recording Media Mfg.
- 4452—Plastics Mfg.—Fabricated Products NOC
- 4484—Plastics Manufacturing—Molded Products NOC
- 4686—Oil Mfg.—Vegetable—Solvent Extraction Process
- 4902—Sporting Goods Mfg. NOC
- 4923—Photographic Supplies Mfg.
- 6217—Excavation & Drivers

Accordingly, the Virginia Special Classifications in NCCI's *Basic Manual* must be updated to reflect the approved revisions.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 1—FACT SHEET (CONT'D)

In addition, Form 45-3E—Virginia Contracting Classification Premium Adjustment Program (CCPAP) Workers Compensation Premium Credit Application (Exhibit 11-Form) must be updated to reflect the elimination of Code 5508 (Exhibit 6-Rule).

Virginia Impact:

The national impact detailed above applies in Virginia. 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-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 1A-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
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)

2286 **WOOL SPINNING AND WEAVING**

2220 **WOOL SPINNING AND WEAVING**

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 1B-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
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)**

2286 YARN MFG.—WOOL.

Codes 2286 and 2220—Yarn or thread mfg.—cotton shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses.

2220 YARN MFG.—WOOL

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 1C-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
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)

- 2670** ~~GLOVE MFG.—LEATHER OR TEXTILE-~~
~~Tanning of leather or mfg. of textile fabric to be separately rated.~~
- 2688** GLOVE MFG.—LEATHER OR TEXTILE
Tanning of leather or mfg. of textile fabric to be separately rated.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 1D-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
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)**

**4360 MOTION PICTURE—DEVELOPMENT OF NEGATIVES, PRINTING, AND ALL SUBSEQUENT
OPERATIONS**

Digital media processing and editing, as well as marketing through film exchanges, are included under Code 4360, whether performed by a contractor or the production company.

4360 DUPLICATION AND REPLICATION SERVICE OF PREREGORDED AUDIO, VIDEO OR DATA

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 1E-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
PART TWO—CLASSIFICATIONS
(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, IA, ID, IL, IN, KS, KY, LA, MD, MO, MS, NE, NH,
NM, OK, OR, RI, SC, SD, TN, UT, VT, WV)**

**7610 MOTION PICTURE—PRODUCTION—IN STUDIOS OR OUTSIDE—ALL OPERATIONS UP TO
THE DEVELOPMENT OF NEGATIVES & CLERICAL, DRIVERS**
Digital media processing and editing, as well as marketing through film exchanges, are included
in Code 7610, whether performed by a contractor or the production company.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 1F-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
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,
NE, NH, NM, OK, OR, RI, SC, SD, TN, TX, UT, VT, WV)**

7610 DUPLICATION AND REPLICATION SERVICE OF PRERECORDED AUDIO, VIDEO OR DATA

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 1G-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
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)**

4670 COTTONSEED OIL MFG.—MECHANICAL & DRIVERS

Applies during both active and dormant seasons. Includes installation or repair of equipment,
yard workers, weighers, seed or fuel haulers.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 1H-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
PART TWO—CLASSIFICATIONS
(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, MD, ME, MO, MS,
MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)**

4670 COTTONSEED OIL MFG.—SOLVENT & DRIVERS

Applies during both active and dormant seasons. Includes installation or repair of equipment, yard workers, weighers, seed or fuel haulers.

4686 OIL MFG.—VEGETABLE—SOLVENT EXTRACTION PROCESS

Mfg. of cottonseed oil to be is separately rated as to Code 4670 4683.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 1I-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
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)**

4683 COTTONSEED OIL MFG.—MECHANICAL

Applies during both active and dormant seasons. Includes installation or repair of equipment,
yard workers, and weighers.

4683 COTTONSEED OIL MFG.—SOLVENT

Applies during both active and dormant seasons. Includes installation or repair of equipment,
yard workers, and weighers.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 1J-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
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)**

4683 COTTONSEED OIL REFINING
Cottonseed oil mfg- to be separately rated as Code 4670-

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 1K-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
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, VT, WV)

5508• ~~STREET OR ROAD CONSTRUCTION—ROCK EXCAVATION & DRIVERS~~

~~Includes incidental quarrying or stone crushing. No tunneling.~~

5507• STREET OR ROAD CONSTRUCTION—ROCK EXCAVATION & DRIVERS

Includes incidental quarrying or stone crushing. No tunneling.

5507• STREET OR ROAD CONSTRUCTION—SUBSURFACE WORK & DRIVERS

Applies to clearing of right-of-way, earth excavation, filling or grading. Separately rate ~~rock excavation, tunneling, and~~ bridge or culvert building where clearance is more than 10 feet at any point or the entire distance between terminal abutments exceeds 20 feet; ~~quarrying, and stone crushing.~~

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 2—FACT SHEET

CONNECTICUT SPECIAL CLASSIFICATION WITH LOW CREDIBILITY TO BE ELIMINATED—NO TRANSITION PROGRAM

PURPOSE

The purpose of the proposed change is to eliminate a Connecticut special classification that has low credibility.

BACKGROUND

NCCI has identified a Connecticut special classification that has low credibility. Low credibility refers to a classification with insufficient premium to develop meaningful data for ratemaking purposes.

This Connecticut special classification must be eliminated and reassigned to another classification with similar operations. The reassignment of the classification to an existing, analogous classification will result in the use of more credible data from which to calculate loss costs and rates.

The Connecticut special classification to be eliminated is listed in the Proposal section of this fact sheet.

PROPOSAL

This item proposes to:

1. Eliminate a Connecticut special classification and assign the operations to a national classification as indicated in the following table and exhibits.

State	Connecticut Special Classification to Be Eliminated	Proposed National Classification (Unless Otherwise Noted)
CT	7097—Oyster Boats—Program II—State Act Benefits	7024—Oyster Boats—Coverage Under Admiralty Law—Program II—State Act Benefits

2. Revise Appendix E—Table of Classifications by Hazard Group for Codes 7024 and 7097 as appropriate. Refer to Exhibit 5-Rule.

IMPACT

NCCI conducted a review using the latest approved loss cost experience filing to determine the need for a transition program to minimize the impact of the proposed change. Based on the result of this review, no transition is being proposed. Historical experience from the discontinued Connecticut special code will be reassigned to the corresponding national code.

The loss cost and rating values for the national code will be based on the combined historical data of the Connecticut discontinued code and the corresponding national code. Negligible impact to overall statewide premium is expected as a result of the change.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 2A-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 2—CONNECTICUT SPECIAL CLASSIFICATION WITH LOW CREDIBILITY TO BE
ELIMINATED—NO TRANSITION PROGRAM
NATIONAL CLASSIFICATION TO BE APPLICABLE
(Applies in: CT)**

**7024 OYSTER BOATS—COVERAGE UNDER ADMIRALTY LAW—PROGRAM II—STATE ACT
BENEFITS**
Includes planting, harvesting, and operation of boats.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 2B-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 2—CONNECTICUT SPECIAL CLASSIFICATION WITH LOW CREDIBILITY TO BE
ELIMINATED—NO TRANSITION PROGRAM
SPECIAL CLASSIFICATIONS
(Applies in: CT)**

7097 OYSTER BOATS—PROGRAM II—STATE AGT BENEFITS
This classification includes planting, harvesting and operation of boats.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 3—FACT SHEET

OREGON SPECIAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED—THREE-PHASE TRANSITION PROGRAM

PURPOSE

The purpose of the proposed change is to eliminate an Oregon special classification that has low credibility.

BACKGROUND

NCCI has identified an Oregon special classification that has low credibility. Low credibility refers to a classification with insufficient premium to develop meaningful data for ratemaking purposes.

The Oregon special classification must be eliminated and reassigned to another classification with similar operations. The reassignment of the classification to an existing, analogous classification will result in the use of more credible data from which to calculate loss costs and rates.

The Oregon special classification to be eliminated is listed in the Proposal section of this fact sheet. Because the difference between the loss costs or rates for the eliminated classification and the proposed classification exceeds the swing limits used for ratemaking within the states, a three-phase transition program is being proposed. Details of the transition program are provided in Exhibit 9-Rule

PROPOSAL

This item proposes to:

1. Eliminate a state special classification and assign the operations to a national classification as indicated in the following table and exhibits. Refer to Exhibit 9-Rule for details on the three-phase transition program.

State	State Special Classifications to Be Eliminated Following a Three-Phase Transition Program	Proposed National Classifications (Unless Otherwise Noted)
OR	0169—Farm—Goat or Sheep Raising & Drivers 0169—Farm—Sheep or Goat Raising & Drivers	0083—Farm—Goat or Sheep Raising & Drivers 0083—Farm—Sheep or Goat Raising & Drivers

2. Revise Appendix E—Table of Classifications by Hazard Group for Codes 0083 and 0169 as appropriate. Refer to Exhibit 5-Rule.

IMPACT

NCCI conducted a review using the latest approved loss cost experience filing to determine the need for a transition program to minimize the impact of the proposed change. Based on the result of this review, a three-phase transition is being proposed. Using a transition program will help minimize the impact to individual employer premium charges.

The loss costs and rating values for the national code will be based on the combined historical data of the Oregon discontinued code and the corresponding national code. Negligible impact to overall statewide premium is expected as a result of the change.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 3A-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 3—OREGON SPECIAL CLASSIFICATION WITH LOW CREDIBILITY TO BE
ELIMIINATED—THREE-PHASE TRANSITION PROGRAM
NATIONAL CLASSIFICATIONS TO BE APPLICABLE
(Applies in: OR)

0083■ FARM—GOAT OR SHEEP RAISING & DRIVERS

0083■ FARM—SHEEP OR GOAT RAISING & DRIVERS

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 3B-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 3—OREGON SPECIAL CLASSIFICATION WITH LOW CREDIBILITY TO BE
ELIMINATED—THREE-PHASE TRANSITION PROGRAM
SPECIAL CLASSIFICATIONS
(Applies in: OR)

0469 ■ FARM—GOAT OR SHEEP RAISING & DRIVERS

The following is a representative list of animals contemplated by Code 0469:

- Sheep
- Non-dairy goats
- Llama

0469 ■ FARM—SHEEP OR GOAT RAISING & DRIVERS

The following is a representative list of animals contemplated by Code 0469:

- Sheep
- Non-dairy goats
- Llama

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 4—FACT SHEET

AIRCRAFT MAINTENANCE AND REPAIR

PURPOSE

The purpose of the proposed changes for this industry is to revise the classification treatment for aircraft maintenance and repair operations.

BACKGROUND

Aircraft maintenance and repair operations are critical to the safe operation of all types of aircraft. Some maintenance and repair services include:

- Diagnosing mechanical and electrical problems
- Routine engine inspections
- Testing electronic instruments
- Inspecting or repairing aircraft systems such as wings, brakes, electrical, power plant, life support, and other aircraft systems
- Routine parts replacement
- Corrosion prevention
- Avionics installation, maintenance, and repair
- Airworthiness inspections
- Cleaning an aircraft's interior
- Painting

These operations may be performed by airline employees, airport employees, or contracted firms. Contractors may operate as a fixed-base operator in which they are permitted to operate on airport grounds, or they may be based elsewhere and visit the airport on an as-needed basis.

Due to the size and nature of aircraft, most maintenance and repair is conducted on airport grounds or property located adjacent to an airport. However, some aircraft parts may be removed from the aircraft and taken to an independent facility located away from the airport.

Currently, there are no classifications specifically assigned to aircraft maintenance when performed by contractors. There are several classifications that may apply, and the most commonly used codes are listed below:

- 3826—Aircraft Engine Mfg.
- 3830—Airplane Mfg.
- 7403—Aviation—All Other Employees & Drivers

Codes 3826 and 3830 do not address work associated with these codes that is performed on airport property or if services performed by contractors are included. Code 7403 does not define the types of maintenance or service that are included, nor does it address whether contractors performing services at the airport are included.

PROPOSAL

This item proposes to:

1. Revise the following classifications with the addition of a phraseology note that addresses operations performed by manufacturers, fixed-base operators, or contractors at an airport or off-site facility (Exhibit 4A-Rule):
 - Code 3826—Aircraft Engine Mfg.
 - Code 3830—Airplane Mfg.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 4—FACT SHEET (CONT'D)

2. Eliminate the phraseology for Code 3826—Engine Mfg.—Aircraft because it is redundant with the above-mentioned phraseology Code 3826—Aircraft Engine Mfg. (Exhibit 4A-Rule)
3. Revise the phraseology note of Code 5037—Painting—Metal Structures—Over Two Stories in Height & Drivers to indicate the painting of aircraft of all sizes and types is not assigned to Code 5474 (Exhibit 4B-Rule)
4. Establish a new phraseology Code 5474—Painting Aircraft & Shop Operations, Drivers (Exhibit 4C-Rule)
5. Establish a new phraseology Code 7403—Aviation—Ramp Operations & Drivers to be assigned to work performed on the aircraft at the ramp or on the flight line (Exhibit 4D-Rule)
6. Establish a new phraseology Code 9516—Aircraft Avionics and Instrumentation Installation, Service, or Repair—Shop and Outside & Drivers to be assigned to the performance of these services on all types of fixed- and rotary-wing aircraft (Exhibit 4E-Rule)

IMPACT

The proposed changes revise the classification treatment for aircraft maintenance and repair operations. It is possible that some payroll may transfer between the codes included in the proposal. The amount of payroll transferred cannot be identified using current industry data sources. The impact to individual employers will depend on the amount of payroll (if any) that transfers from code to code as well as their associated loss cost/rates.

Negligible impact to overall statewide premium is expected as a result of these changes.

STATE-SPECIFIC PROPOSALS AND IMPACTS

Alaska Proposal:

NCCI is proposing all exhibits in Alaska except for Exhibits 4A-Rule, 4D-Rule, and 4E-Rule.

NCCI proposes that Alaska adopt the state special phraseology Code 7414—Aviation—Ramp Operations & Drivers because Code 7403 (Exhibit 4A-Rule) is not applicable in Alaska. Refer to Exhibit 7-Rule.

NCCI proposes that Alaska adopt the following state special phraseologies, which will contain references to Code 7414 (Exhibit 7-Rule) instead of Code 7403 (Exhibit 4D-Rule):

- Code 3826—Aircraft Engine Mfg.
- Code 3830—Airplane Mfg.
- Code 9516—Aircraft Avionics and Instrumentation Installation, Service, or Repair—Shop and Outside & Drivers

Alaska Impact:

The premium impact in Alaska is expected to be the same as the proposed national treatment.

Oregon Proposal:

NCCI is proposing all exhibits in Oregon except for Exhibit 4B-Rule because Code 5037 is not applicable in Oregon.

Oregon Impact:

The premium impact in Oregon is expected to be the same as the proposed national treatment.

South Carolina Proposal:

NCCI is proposing all exhibits in South Carolina except for Exhibit 4E-Rule.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 4—FACT SHEET (CONT'D)

NCCI proposes that South Carolina adopt the state special phraseology Code 9519—Aircraft Avionics and Instrumentation Installation, Service, or Repair—Shop and Outside & Drivers because Code 9516 (Exhibit 4E-Rule) is not applicable in South Carolina. Refer to Exhibit 7-Rule.

South Carolina Impact:

The premium impact in South Carolina is expected to be the same as the proposed national treatment.

Texas Proposal:

NCCI is not proposing the national Exhibits 4A-Rule thru 4E-Rule in Texas. Refer to Exhibit 7-Rule for the state exceptions.

- NCCI proposes that Texas revise the note of the following state special phraseologies for Code 3805 because Code 3826 (Exhibit 4A-Rule) is not applicable in Texas:
 - Aircraft Engine Mfg.
 - Aircraft Propeller Repair Shop—No Aircraft Exposure
 - Engine Mfg.—Aircraft or Automobile
 - Propeller Repair—Aircraft
- NCCI is not proposing Exhibit 4B-Rule because Code 5037 is not applicable in Texas.
- NCCI is not proposing Exhibit 4C-Rule because painting of aircraft is assigned to Code 8391—Aircraft Painting & Drivers in Texas.
- NCCI proposes that Texas adopt the state special phraseology Code 7423—Aviation—Ramp Operations & Drivers because Code 7403 (Exhibit 4D-Rule) is not applicable in Texas.
- NCCI is not proposing Exhibit 4E-Rule because Code 9516 is not applicable in Texas. The installation, service, or repair of aircraft avionics and instrumentation is included in Code 3830—Airplane Mfg.

Texas Impact:

The premium impact in Texas is expected to be the same as the proposed national treatment.

Virginia Proposal:

NCCI proposes that Virginia adopt the proposed national treatment for Codes 3826, 3830, 5037, 5474, 7403, and 9516. Refer to Exhibit 7-Rule. Accordingly, the Virginia Special Classifications in NCCI's **Basic Manual** will be reformatted and updated for the following codes:

- 3826—Aircraft Engine Mfg.
- 3830—Airplane Mfg.
- 5037—Painting—Metal Structures—Over Two Stories in Height—& Drivers
- 5474—Painting Aircraft & Shop Operations, Drivers
- 7403—Aviation—Ramp Operations & Drivers
- 9516—Aircraft Avionics and Instrumentation Installation, Service, or Repair—Shop and Outside & Drivers

Virginia Impact:

The premium impact in Virginia is equivalent to the impact determined by the proposed national treatment for Codes 3826, 3830, 5037, 5474, 7403, and 9516. 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-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 4A-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
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)**

3826 AIRCRAFT ENGINE MFG.

Aircraft engine repair work, including rebuilding, when performed by a manufacturer, fixed-base operator, or contractor at an airport or off-site facility, away from airport ramp or flight line areas, is assigned to Code 3826. Refer to Code 7403 for ground support services performed at airports.

3830 AIRPLANE MFG.

Includes airplane modification, repair, or maintenance work performed by a manufacturer, fixed-base operator, or contractor. These operations may be performed at an airport or off-site facility, away from airport ramp or flight line areas. Refer to Code 7403 for ground support services performed at airports.

3826 ENGINE MFG.—AIRCRAFT

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 4B-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
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)**

- 5037• PAINTING—METAL STRUCTURES—OVER TWO STORIES IN HEIGHT & DRIVERS**
Includes shop operations. The painting of aircraft of all sizes and types, metal storage tanks, fire escapes, staircases, balconies, shutters, window frames, or sashes is to be separately rated as to Code 5474.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 4C-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
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)**

5474• PAINTING AIRCRAFT & SHOP OPERATIONS, DRIVERS

Includes the painting of all sizes and types of fixed- and rotary-wing aircraft by contractor or fixed-base operator.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 4D-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
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)**

7403 AVIATION—RAMP OPERATIONS & DRIVERS

Applies to operations located at airports. Includes all types of fixed- and rotary-wing aircraft. Ramp operations are defined as work performed on the aircraft at the ramp or on the flight line. Operations include, but are not limited to, normal aircraft turnaround operations, luggage service operations, interior and exterior cleaning of aircraft, fluid checking and filling, tire changing, deicing, lightbulb replacement, stocking of supplies (including food) in the aircraft, and ramp fueling and de-fueling of the aircraft. Independent service contractors and fixed-base operators performing these services are assigned to Code 7403.

Painting of aircraft is separately rated to Code 5474. Members of flying crews are separately rated to the appropriate aviation classification.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 4E-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
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, SD, TN, UT, VT, WV)**

**9516 AIRCRAFT AVIONICS AND INSTRUMENTATION INSTALLATION, SERVICE, OR
REPAIR—SHOP AND OUTSIDE & DRIVERS**

Includes the installation, service, or repair of aircraft avionics and instrumentation on all types of fixed- and rotary-wing aircraft. These operations may be performed at a plant or shop facility away from an airport, or may be performed within a hangar or similar structure at an airport. Independent service contractors and fixed-base operators performing these services are assigned to Code 9516.

Refer to Code 7403 for ground support services performed at airports.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 5-RULE
BASIC MANUAL—2001 EDITION
APPENDIX E
CLASSIFICATIONS BY HAZARD GROUP

TABLE OF CLASSIFICATIONS BY HAZARD GROUP

Class Code	Applies In: [±]	Discontinued In: [±]	Hazard Group A–G
0169	OR 3/1/09: NV	12/1/16: UT 1/1/17: NM <u>1/1/22: OR</u>	C
2286	National, IN 10/1/07: WV 6/1/14: TX	<u>10/1/20: KY</u> <u>11/1/20: DC, WV</u> <u>1/1/21: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR, UT</u> <u>2/1/21: NE</u> <u>3/1/21: AL, GA, MS, NV, TN</u> <u>4/1/21: ME, SC, VA, VT</u> <u>5/1/21: LA</u> <u>7/1/21: AR, MT, SD, TX</u> <u>8/1/21: RI</u>	B
2670	National, IN 10/1/07: WV 6/1/14: TX	<u>10/1/20: KY</u> <u>11/1/20: DC, WV</u> <u>1/1/21: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR, UT</u> <u>2/1/21: NE</u> <u>3/1/21: AL, GA, MS, NV, TN</u> <u>4/1/21: ME, SC, VA, VT</u> <u>5/1/21: LA</u> <u>7/1/21: AR, MT, SD, TX</u> <u>8/1/21: RI</u>	A

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 5-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A-G
4360	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 40/4/07: WV 6/1/14: TX	<u>1/1/10:</u> FL <u>10/1/19:</u> KY <u>11/1/19:</u> DC, WV <u>12/1/19:</u> UT <u>1/1/20:</u> AK, AZ, CO, CT, HI, IA, ID, IL, IN, KS, MD, MO, NH, OK, OR <u>2/1/20:</u> NE <u>3/1/20:</u> AL, GA, MS, NV, TN <u>4/1/20:</u> ME, SC, VA, VT <u>5/1/20:</u> LA <u>7/1/20:</u> AR, MT, SD <u>8/1/20:</u> RI <u>1/1/21:</u> NM <u>7/1/21:</u> TX	B
4670	National, IN 40/4/07: WV 6/1/14: TX	<u>10/1/19:</u> KY <u>11/1/19:</u> DC, WV <u>12/1/19:</u> UT <u>1/1/20:</u> AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OR <u>2/1/20:</u> NE <u>3/1/20:</u> AL, GA, MS, NV, TN <u>4/1/20:</u> ME, VA, VT <u>5/1/20:</u> LA <u>7/1/20:</u> AR, MT, SD, TX <u>8/1/20:</u> RI <u>1/1/22:</u> OK <u>4/1/22:</u> SC	E
5508	AL, AZ, AR, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, OK, OR, RI, SC, SD, TN, VA, VT 40/4/07: WV 6/1/14: TX	<u>10/1/19:</u> KY <u>11/1/19:</u> DC, WV <u>1/1/20:</u> AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR <u>2/1/20:</u> NE <u>3/1/20:</u> AL, GA, MS, NV, TN <u>4/1/20:</u> ME, SC, VA, VT <u>5/1/20:</u> LA <u>7/1/20:</u> AR, MT, SD <u>8/1/20:</u> RI	E
7097	GT	<u>1/1/20:</u> CT	G

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

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 6-RULE

BASIC MANUAL—2001 EDITION

CONNECTICUT MISCELLANEOUS RULES

CONNECTICUT CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM¹

Applicable Contracting Classifications

“Contracting Classifications” are those classifications subject to the following code numbers:

5508

¹The content in this exhibit proposes to remove Code 5508 from the Contracting Classification Premium Adjustment Program Table. The content is not a complete replacement of the existing Contracting Classification Premium Adjustment Program Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 6-RULE

BASIC MANUAL—2001 EDITION

FLORIDA MISCELLANEOUS RULES

FLORIDA CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM¹

Applicable Contracting Classifications

Carriers are required to use the approved form to notify all of their employers that have 1 or more contracting classifications on their policy that they may be eligible for a premium adjustment credit.

“Contracting Classifications” are those classifications subject to the following code numbers:

~~5508~~

¹ The content in this exhibit proposes to remove Code 5508 from the Contracting Classification Premium Adjustment Program Table. The content is not a complete replacement of the existing Contracting Classification Premium Adjustment Program Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 6-RULE

BASIC MANUAL—2001 EDITION

HAWAII MISCELLANEOUS RULES

HAWAII CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM¹

Applicable Contracting Classifications

“Contracting Classifications” are those classifications subject to the following code numbers:

5508

¹The content in this exhibit proposes to remove Code 5508 from the Contracting Classification Premium Adjustment Program Table. The content is not a complete replacement of the existing Contracting Classification Premium Adjustment Program Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 6-RULE

BASIC MANUAL—2001 EDITION

ILLINOIS MISCELLANEOUS RULES

ILLINOIS CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM¹

“Contracting Classifications” are those classifications subject to the following code numbers:

5508

¹The content in this exhibit proposes to remove Code 5508 from the Contracting Classification Premium Adjustment Program Table. The content is not a complete replacement of the existing Contracting Classification Premium Adjustment Program Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 6-RULE

BASIC MANUAL—2001 EDITION

MARYLAND MISCELLANEOUS RULES

MARYLAND CONSTRUCTION CLASSIFICATION PREMIUM REDUCTION PROGRAM¹

Applicable Contracting Classifications

“Contracting Classifications” are those classifications subject to the following code numbers:

5508

¹The content in this exhibit proposes to remove Code 5508 from the Construction Classification Premium Reduction Program Table. The content is not a complete replacement of the existing Construction Classification Premium Reduction Program Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 6-RULE

BASIC MANUAL—2001 EDITION

MISSOURI MISCELLANEOUS RULES

MISSOURI CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM¹

“Contracting Classifications” are those classifications subject to the following code numbers:

5508

¹The content in this exhibit proposes to remove Code 5508 from the Contracting Classification Premium Adjustment Program Table. The content is not a complete replacement of the existing Contracting Classification Premium Adjustment Program Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 6-RULE

BASIC MANUAL—2001 EDITION

MONTANA MISCELLANEOUS RULES

MONTANA CONSTRUCTION PREMIUM CREDIT PROGRAM¹

Applicable Contracting Classifications

“Contracting Classifications” are those classifications subject to the following code numbers:

5508

¹ The content in this exhibit proposes to remove Code 5508 from the Construction Premium Credit Program Table. The content is not a complete replacement of the existing Construction Premium Credit Program Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 6-RULE

BASIC MANUAL—2001 EDITION

NEBRASKA MISCELLANEOUS RULES

NEBRASKA CONTRACTING CLASSIFICATION PREMIUM CREDIT ADJUSTMENT PROGRAM¹

Applicable Contracting Classifications

“Contracting Classifications” are those classifications subject to the following code numbers:

5508

¹The content in this exhibit proposes to remove Code 5508 from the Contracting Classification Premium Credit Adjustment Program Table. The content is not a complete replacement of the existing Contracting Classification Premium Credit Adjustment Program Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 6-RULE

BASIC MANUAL—2001 EDITION

NEW MEXICO MISCELLANEOUS RULES

**NEW MEXICO WORKERS COMPENSATION PREMIUM ADJUSTMENT PROGRAM
FOR QUALIFYING CLASSIFICATIONS¹**

Applicable Contracting Classifications

5508

¹The content in this exhibit proposes to remove Code 5508 from the Workers Compensation Premium Adjustment Program for Qualifying Classifications Table. The content is not a complete replacement of the existing Workers Compensation Premium Adjustment Program for Qualifying Classifications Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 6-RULE

BASIC MANUAL—2001 EDITION

OKLAHOMA MISCELLANEOUS RULES

OKLAHOMA CONTRACTING CLASSIFICATION PREMIUM CREDIT ADJUSTMENT PROGRAM¹

Applicable Contracting Classifications

“Contracting Classifications” are those classifications subject to the following code numbers:

5508

¹The content in this exhibit proposes to remove Code 5508 from the Contracting Classification Premium Credit Adjustment Program Table. The content is not a complete replacement of the existing Contracting Classification Premium Credit Adjustment Program Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 6-RULE

BASIC MANUAL—2001 EDITION

OREGON MISCELLANEOUS RULES

OREGON CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM¹

Applicable Contracting Classifications

“Contracting Classifications” are those classifications subject to the following code numbers:

5508

¹The content in this exhibit proposes to remove Code 5508 from the Contracting Classification Premium Adjustment Program Table. The content is not a complete replacement of the existing Contracting Classification Premium Adjustment Program Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 6-RULE

BASIC MANUAL—2001 EDITION

VIRGINIA MISCELLANEOUS RULES

VIRGINIA CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM¹

Applicable Contracting Classifications

“Contracting Classifications” are those classifications subject to the following code numbers:

5508

¹The content in this exhibit proposes to remove Code 5508 from the Contracting Classification Premium Adjustment Program Table. The content is not a complete replacement of the existing Contracting Classification Premium Adjustment Program Table content previously approved.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET4—AIRCRAFT MAINTENANCE AND REPAIR
NATIONAL CLASSIFICATIONS TO BE ELIMINATED IN ALASKA
(Applies in: AK)

~~3826~~ AIRCRAFT ENGINE MFG.
~~3830~~ AIRPLANE MFG.
~~3826~~ ENGINE MFG.—AIRCRAFT

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
SPECIAL CLASSIFICATIONS
(Applies in: AK)**

- 9516** **AIRCRAFT AVIONICS AND INSTRUMENTATION INSTALLATION, SERVICE, OR REPAIR—SHOP AND OUTSIDE & DRIVERS**
Includes the installation, service, or repair of aircraft avionics and instrumentation on all types of fixed- and rotary-wing aircraft. These operations may be performed at a plant or shop facility away from an airport, or may be performed within a hangar or similar structure at an airport. Independent service contractors and fixed-base operators performing these services are assigned to Code 9516.
Refer to Code 7414 for ground support services performed at airports.
- 3826** **AIRCRAFT ENGINE MFG.**
Aircraft engine repair work, including rebuilding, when performed by a manufacturer, fixed-base operator, or contractor at an airport or off-site facility, away from airport ramp or flight line areas, is included in Code 3826. Refer to Code 7414 for ground support services performed at airports.
- 3830** **AIRPLANE MFG.**
Includes airplane modification, repair, or maintenance work performed by a manufacturer, fixed-base operator, or contractor. These operations may be performed at an airport or off-site facility, away from airport ramp or flight line areas. Refer to Code 7414 for ground support services performed at airports.
- 7414** **AVIATION—RAMP OPERATIONS & DRIVERS**
Applies to operations located at airports. Includes all types of fixed- and rotary-wing aircraft. Ramp operations are defined as work performed on the aircraft at the ramp or on the flight line. Operations include, but are not limited to, normal aircraft turnaround operations, luggage service operations, interior and exterior cleaning of aircraft, fluid checking and filling, tire changing, deicing, lightbulb replacement, stocking of supplies (including food) in the aircraft, and ramp fueling and de-fueling of the aircraft. Independent service contractors and fixed-base operators performing these services are included in Code 7414.

Painting of aircraft is separately rated to Code 5474. Members of flying crews are separately rated to the appropriate aviation classification.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
FLORIDA RULE EXCEPTIONS
RULE 3—RATING DEFINITIONS AND APPLICATION OF PREMIUM ELEMENTS
A. EXPLANATION AND APPLICATION
(Applies in: FL)**

7. Disease Loading

Change Rule 3-A-7-a(2) as follows:

- (2) Supplemental disease loading may be added to a manual rate applicable to an individual risk, provided approval for such loading has been obtained by the carrier from the Florida Office of Insurance Regulation. The supplemental disease loading proposed must be based on the carrier's judgment after an evaluation of the operations. If the carrier applies the disease loading from a comparable classification, no approval from the Florida Office of Insurance Regulation is required.

Atomic Energy Radiation Exposure NOC may be subject to a supplemental disease loading and is applicable for operations that involve exposure to radioactive materials that are not performed for, or under the direction of, the Nuclear Regulatory Commission or any governmental agency. Statistical Code 9985—Atomic Energy—Radiation Exposure NOC is used for reporting the radiation exposure.

(3) Specific Disease Loading

Add the following to Rule 3-A-7-a(3):

- (a) For Code ~~5508~~ 5507—Street or Road Construction, the specific disease loading applies only to the payroll of employees engaged in rock drilling.
- (b) For Code 1803—Stone Cutting or Polishing, the specific disease loading may be reduced 50% when materials containing more than 5% free silica are restricted to sludge used for cutting or polishing. The entire specific disease loading must be removed for risks that handle marble exclusively and where silica sludge is the only silica hazard present.
- (c) For Codes 6251—Tunneling and 6252—Shaft Sinking, the specific disease loading applies only to the payroll of employees engaged in rock drilling and to any others who are exposed to silica dust.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
NATIONAL CLASSIFICATION TO BE APPLICABLE
(Applies in: FL)**

**7610 MOTION PICTURE—PRODUCTION—IN STUDIOS OR OUTSIDE—ALL OPERATIONS &
CLERICAL, DRIVERS**

Digital media processing and editing, as well as marketing through film exchanges, are included in Code 7610, whether performed by a contractor or the production company.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: FL)**

7640 DUPLICATION AND REPLICATION SERVICE OF PREREGORDED AUDIO, VIDEO OR DATA

**7640 MOTION PICTURE—PRODUCTION—IN STUDIOS OR OUTSIDE—ALL OPERATIONS
INCLUDING THE DEVELOPMENT OF NEGATIVES, PRINTING, AND ALL SUBSEQUENT
OPERATIONS & CLERICAL, DRIVERS**

Digital media processing and editing, as well as marketing through film exchanges, are included whether performed by a contractor or the production company.

5509● Street or Road Maintenance or Beautification & Drivers

No construction. Applicable to any or all of the following operations:

Laying out of grounds preliminary to planting, including incidental leveling or grading

Erection or removal of road markers, signs or guardrails

Road marking

Planting on right-of-way

Dust laying

Weed or grass cutting

Brush removal

Repair or maintenance of culverts

Not applicable to projects that involve clearing of the right-of-way; excavation, filling or grading for roadbed; the construction or reconstruction of the roadbed or the base or foundation of the roadway; the widening or relocation of the roadbed; paving or repaving; surfacing, resurfacing or scraping of streets or roads. Such operations must be assigned to Code 5506, or 5507 or 5508—Street or road construction.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: HI)**

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

4360 MOTION PICTURE—DEVELOPMENT OF NEGATIVES, PRINTING, AND ALL SUBSEQUENT OPERATIONS

Digital media processing and editing, as well as marketing through film exchanges, are included in Code 4360, whether performed by a contractor or the production company.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: LA)**

4670 COTTONSEED OIL MFG. & DRIVERS

Applies during both active and dormant seasons and includes installation or repair of equipment,
yard workers, seed or fuel haulers, and weighers.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: ME)**

**7610 MOTION PICTURE PRODUCTION—IN STUDIOS OR OUTSIDE—ALL OPERATIONS UP TO
THE DEVELOPMENT OF NEGATIVES & CLERICAL, DRIVERS**

Digital media processing and editing, as well as marketing through film exchanges, are included in Code 7610, whether performed by a contractor or the production company. The entire remuneration shall payroll must be included in computing premium, subject, however, to the maximum average weekly wage per employee shown in the state rate pages under Miscellaneous Values as "Maximum Payroll."

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: MO)**

5213• CONCRETE CONSTRUCTION NOC

Includes foundations or the making, setting up or taking down forms, scaffolds, falsework, or concrete distributing apparatus.

Codes 5222, 5505, 5506, or 5507, ~~or 5508~~ must not be assigned at the same job or location to which Code 5213 applies. Excavation, pile driving, all work in sewers, tunnels, subways, caissons, or cofferdams to be separately rated.

5505• PAVING OR ROAD SURFACING OR SCRAPING NOC & YARDS, DRIVERS

Codes 5506, and 5507, ~~and 5508~~ must not be assigned at the same job or location to which Code 5505 applies. Not applicable to contracts that involved the construction or reconstruction of the base or foundation of the roadway; the widening or relocation of the roadbed; or the laying of concrete roads or pavements. Contracts that involve the foregoing operations, as well as paving, must be classified as Codes 5506, or 5507, ~~and 5508~~.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: MT)**

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

**4360 MOTION PICTURE—DEVELOPMENT OF NEGATIVES, PRINTING, AND ALL SUBSEQUENT
OPERATIONS**

Digital media processing and editing, as well as marketing through film exchanges, are included
in Code 4360, whether performed by a contractor or the production company.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: NV)**

9609 DUPLICATION AND REPLICATION SERVICE OF PRERECORDED AUDIO, VIDEO OR DATA

**9609 MOTION PICTURE PRODUCTION—IN STUDIOS OR OUTSIDE—ALL OPERATIONS UP TO
THE DEVELOPMENT OF NEGATIVES & DRIVERS**

Digital media processing and editing, as well as marketing through film exchanges, are assigned to in Code 9609, whether performed by a contractor or the production company.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
SPECIAL CLASSIFICATIONS
(Applies in: SC)**

**9519 AIRCRAFT AVIONICS AND INSTRUMENTATION INSTALLATION, SERVICE, OR
REPAIR—SHOP AND OUTSIDE & DRIVERS**

Includes the installation, service, or repair of aircraft avionics and instrumentation on all types of fixed- and rotary-wing aircraft. These operations may be performed at a plant or shop facility away from an airport, or may be performed within a hangar or similar structure at an airport. Independent service contractors and fixed-base operators performing these services are included in Code 9519.

Refer to Code 7403 for work performed on the airport ramp or flight line.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
NATIONAL CLASSIFICATIONS TO BE APPLICABLE
(Applies in: TX)**

4683 **COTTONSEED OIL REFINING**

7610 **MOTION PICTURE—PRODUCTION—IN STUDIOS OR OUTSIDE—ALL OPERATIONS &
CLERICAL, DRIVERS**

Digital media processing and editing, as well as marketing through film exchanges, are included in Code 7610, whether performed by a contractor or the production company.

4686 **OIL MFG.—VEGETABLE—SOLVENT EXTRACTION PROCESS**

Mfg. of cottonseed oil is separately rated to Code 4683.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: TX)**

4670 ~~Cottonseed Oil Mfg. & Drivers~~

4670 ~~Cottonseed Oil Refining & Drivers~~

**4360 ~~Motion Picture—Production—In Studios or Outside—All Operations—Includes the
Development of Negatives & Drivers~~**

~~Marketing of the product through film exchanges at locations other than the studio to be separately rated to Code 4362—Motion picture—film exchange and projection rooms. The entire payroll of all employees must be included in calculating premium, subject, however, to the maximum weekly payroll per employee shown under Miscellaneous Values as "Maximum Weekly Payroll."~~

4670 ~~Oil Mfg.—Cottonseed & Drivers~~

4670 ~~Oil Mfg.—Vegetable & Drivers~~

NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

B-1437
PAGE 68

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
NATIONAL CLASSIFICATIONS TO BE ELIMINATED IN TEXAS
(Applies in: TX)

3830 AIRPLANE MFG.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
SPECIAL CLASSIFICATIONS
(Applies in: TX)**

3805 Aircraft Engine Mfg.

Aircraft engine repair work, including rebuilding, when performed by a manufacturer, fixed-base operator, or contractor at an airport or off-site facility, away from airport ramp or flight line areas, is included in Code 3805. Refer to Code 7423 for ground support services performed at airports.

3805 Aircraft Propeller Repair Shop—No Aircraft Exposure

Aircraft propeller repair work, when performed by a manufacturer, fixed-base operator, or contractor at an airport or off-site facility, away from airport ramp or flight line areas, is included in Code 3805. Refer to Code 7423 for ground support services performed at airports.

3830 Airplane Mfg.

Includes airplane modification, repair, or maintenance work performed by a manufacturer, fixed-base operator, or contractor. These operations may be performed at an airport or off-site facility, away from airport ramp or flight line areas. Refer to Code 7423 for ground support services performed at airports.

7423 Aviation—Ramp Operations & Drivers

Applies to operations located at airports. Includes all types of fixed- and rotary-wing aircraft. Ramp operations are defined as work performed on the aircraft at the ramp or on the flight line. Operations include, but are not limited to, normal aircraft turnaround operations, luggage service operations, interior and exterior cleaning of aircraft, fluid checking and filling, tire changing, deicing, lightbulb replacement, stocking of supplies (including food) in the aircraft, and ramp fueling and de-fueling of the aircraft. Independent service contractors and fixed-base operators performing these services are included in Code 7423.

Painting of aircraft is separately rated to Code 8391. Members of flying crews are separately rated to the appropriate aviation classification.

3805 Engine Mfg.—Aircraft or Automobile

Aircraft engine repair work, including rebuilding, when performed by a manufacturer, fixed-base operator, or contractor at an airport or off-site facility, is included in Code 3805. Refer to Code 7423 for ground support services performed at airports.

3805 Propeller Repair—Aircraft

No aircraft exposure. Aircraft propeller repair work, when performed by a manufacturer, fixed-base operator, or contractor at an airport or off-site facility, is included in Code 3805. Refer to Code 7423 for ground support services performed at airports.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

2220

Established: Date Unavailable	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 06, Group 060

PHRASEOLOGY

YARN OR THREAD MFG.—COTTON

GROSS REF. *Carpet or Rug Mfg.—Jute or Hemp; Cordage, Rope or Twine Mfg. NOG (N/A MO, OK); Cord or Twine Mfg.—Cotton; Cotton Spinning and Weaving; Flax Spinning and Weaving; Hemp Spinning and Weaving (N/A MA); Jute Spinning and Weaving (N/A MA); Linen Cloth Mfg.; Rope Mfg. NOG (N/A MA, MO, OK); Rug Mfg.—Jute or Hemp (N/A MA); Thread Mfg.—Cotton (N/A MA); Twine Mfg.—Cotton (N/A MA); Twine Mfg. NOG (N/A MA, MO, OK).*

State Special: Massachusetts—Chenille Products Mfg.; Chenille Cloth Mfg.;

Massachusetts—Hemp or Jute Spinning and Weaving;

Massachusetts—Linen Thread Mfg.;

Massachusetts—Mop Head Mfg.—From Cotton Waste;

Minnesota—Thread or Yarn Mfg.—Cotton;

Minnesota—Plush Mfg.;

Minnesota—Velvet Mfg.

Description:

Yarn or Thread Mfg.—Cotton—operations involve bale opening, picking and blending staple fiber, carding, combing, twisting, spinning and winding. Raw materials generally consist of loose yarn or raw cotton. Rayon staple fiber may be used; in such instances the rayon carding is substantially the same as cotton fiber carding.

Cotton Spinning and Weaving—operations contemplate include bale breaking, picking, lapping, carding, drawing and spinning cotton yarn. Loom weaving, inspection and dyeing follows. The finished cloth is generally used by manufacturers of clothing, drapes, seat covers, etc. Bleaching and dyeing operations are normal and incidental when performed in connection with the insured's employer's own product.

Jute, Hemp or Flax Spinning and Weaving and Jute or Hemp Carpet or Rug Mfg.—applies to the processing of new or used fibers which are spun or twisted and then woven into such products as webbing, bagging, rugs, carpet linings, plumbers oakum (packing), etc. The treating and twisting of animal hair for upholsterers' use is also covered by this class.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

Cord or Twine Mfg.—Cotton—covers the manufacture of cotton cord, twine or string made by a twisting or braiding process to produce fish lines, shade and awning cords and venetian blind cords.

Cordage, Rope or Twine Mfg. NOC—soft or hard fibers (manila, sisal, flax, jute, hemp) are processed on openers, pickers, breakers, draw frames and twisters. The braiding of yarn into rope-like strands and the treatment of rope (bought or manufactured) to prevent deterioration also fall within this class.

The manufacture of linen cloth is additionally assigned to Code 2220.

~~A risk need not engage in~~ An employer does not need to perform both spinning and weaving operations to qualify for this classification. This classification ~~contemplates risks~~ includes employers that ~~engage in perform~~ weaving of goods from premanufactured fibers (such as those described above), even though the ~~risk~~ employer does not ~~engage in perform~~ any spinning operations.

CROSS-REF.

CARPET OR RUG MFG.—JUTE OR HEMP

CROSS-REF.

CORDAGE, ROPE OR TWINE MFG. NOC

CROSS-REF.

CORD OR TWINE MFG.—COTTON

CROSS-REF.

COTTON SPINNING AND WEAVING

CROSS-REF.

FLAX SPINNING AND WEAVING

CROSS-REF.

HEMP SPINNING AND WEAVING

CROSS-REF.

JUTE SPINNING AND WEAVING

CROSS-REF.

LINEN CLOTH MFG.

CROSS-REF.

ROPE MFG.—JUTE OR HEMP

CROSS-REF.

ROPE MFG. NOC

CROSS-REF.

RUG MFG.—JUTE OR HEMP

CROSS-REF.

THREAD MFG.—COTTON

CROSS-REF.

TWINE MFG.—COTTON

CROSS-REF.

TWINE MFG. NOC

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

CROSS-REF.

WOOL SPINNING AND WEAVING

CROSS-REF.

YARN MFG.—WOOL

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

2286
N/A—GA

PHRASEOLOGY

WOOL SPINNING AND WEAVING

GROSS-REF. *Yarn Mfg.—Wool—Codes 2286 and 2220—Yarn or Thread Mfg.—Cotton—shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses.*

SCOPE

This class applies to a risk which spins filament into yarn and further weaves this yarn into cloth. In the spinning phase, the wool must be sorted and blended and then processed through cards to produce the loose wool-roping that is placed in the spinning mules and spun into yarn. The yarn is twisted on a yarn twisting machine or it may be used single spun. In some cases the yarn may be combined with cotton or rayon stock. The yarn is wound onto beams or bobbins. The yarn then goes to the looms for weaving. The resultant cloth is dyed, run through a fulling process, washed and sheared. Wool yarn manufacturing covers a risk that processes raw wool into yarn. Wool is cleaned to remove grease and dirt by washing, scouring and picking. This is followed by the carding operation to straighten out tangled fibers. A combing operation separates long fibers from shorter ones and the fibers are then made into a strand called a “sliver,” about one-half inch thick. The sliver goes to the drawhead, which will pull and twist it slightly and after this operation the fiber is ready for spinning into wool yarn.

A risk need not engage in both spinning and weaving operations to qualify for this classification. This classification contemplates risks that engage in weaving goods contemplated by this scope from premanufactured fibers, even though the risk does not engage in any spinning operations.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

2362

Established: Date Unknown	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 10, Group 010

PHRASEOLOGY

KNIT GOODS MFG. NOC.

Yarn mfg. to be separately rated.

~~GROSS-REF. Glove or Mitten Mfg.—Knit—same footnote as Knit Goods Mfg. NOC.~~

Description:

Code 2362 is applied ~~Applies~~ to employers engaged in the that perform fabrication of knit cloth and the subsequent manufacture of wearing apparel from this cloth. The classification also ~~covers~~ applies to employers engaged in the that manufacture of knitted gloves and mittens. Cotton, wool, silk or synthetic yarn or thread, buttons or other fasteners are received from outside sources. The knit cloth is produced on looms that are either mechanically or electronically controlled. Also, circular or flat knitting machines are utilized used. The finished knitted cloth comes off the loom in large bolts, which are inspected. Some bolts may be shipped to customers. Others, along with fabric from the knitting machines, are cut to pattern and sewn into knit wearing apparel, which is inspected and packaged for shipment. To produce gloves or mittens, yarns are knit on special automatic machines to basic shapes. Tips of fingers are sewn closed and the product is turned right side out and final shape is given on steam or electrically heated forms. The gloves and mittens are then inspected, paired and packed for shipment.

Certain Code 2362 operations are designated as “not otherwise classified” (NOC). These NOC operations apply to an employer only when no other classification more specifically describes the employer’s operations. The following is a representative list of classifications somewhat related in nature to Code 2362 operations that are not assigned to Code 2362:

- 2402 Carpet or Rug Mfg. NOC
- 2501 Cloth, Canvas and Related Products Mfg.
- 2388 Embroidery Mfg.
- 2361 Hosiery Mfg.
- 2305 Textile Fiber Mfg.—Synthetic
- 22862220 Wool Spinning and Weaving

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

CROSS-REF

GLOVE OR MITTEN MFG.—KNIT

Yarn mfg. to be separately rated.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

2670
N/A—GA, MA

PHRASEOLOGY

GLOVE MFG.—LEATHER OR TEXTILE—

Tanning of leather or manufacturing of textile fabric to be separately rated.

SCOPE

Code 2670 is applied to the manufacture of leather or textile gloves, mittens or linings for these products. The operations involve the cutting of the leather or fabric to pattern and stitching parts and linings together. In addition to traditional gloves one wears to keep one's hands warm or as accessories for evening wear, Code 2670 encompasses the manufacture of gloves used to participate in sports such as baseball, boxing and hockey.

Refer to Code 2362 for the manufacture of knit gloves or mittens. Refer to Code 4410 for the manufacture of rubber latex gloves.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

2688

Established: Date Unavailable	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 09, Group 091

PHRASEOLOGY

LEATHER GOODS MFG. NOC

Description

Code 2688 ~~is applied~~ applies to the manufacture of pocketbooks, wallets, key cases, toiletry cases and similar products from leather, imitation leather, or vinyl sheets. Additionally, Code 2688 ~~encompasses~~ includes the manufacture of footballs, soccer balls, volleyballs and basketballs. Bladder manufacturing for this equipment is to be separately rated based on the material and process used to manufacture the bladder. (Refer to Code 4410—~~Rubber Goods Mfg.~~ as one possible code for bladder manufacturing.)

Code 2688 manufacturing operations involve skiving (the cutting of leather into thin layers or pieces) or splitting leather to the desired thickness. The product is then formed by folding, cementing, gluing, punching, eye-letting, riveting and sewing, if required. With vinyl products, heat sealing may be used in place of cementing or sewing.

The manufacture of welting is also assigned to Code 2688. Welting is strips of leather or other materials that are used to reinforce or trim goods.

Certain Code 2688 operations are designated as “not otherwise classified” (NOC). These NOC operations apply to an employer only when no other classification more specifically describes the employer’s operations. The following is a representative list of operations somewhat related in nature to Code 2688 operations that are not assigned to Code 2688:

2660 Boot or Shoe Mfg.—NOC

2670 Glove Mfg.—Leather or Textile

4493 Leather Mfg.—Imitation

2683 Luggage Mfg.

2651 Shoe Findings Mfg.

2623 Leather Mfg.—Including Tanning, Leather Embossing, and Wool Pulling

CROSS-REF.

GLOVE MFG.—LEATHER OR TEXTILE

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

Tanning of leather or mfg. of textile fabric to be separately rated.

CROSS-REF.

LEATHER BELTING MFG.

CROSS-REF.

POCKETBOOK MFG.

Applies to the manufacture of leather or fabric pocketbooks.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
SPECIAL CLASSIFICATIONS
(Applies in: VA)

3826

Established: December 1943	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 18, Group 180

PHRASEOLOGY

AIRCRAFT ENGINE MFG.

Note: Aircraft engine repair work, including rebuilding, when performed by a manufacturer, fixed-base operator or contractor at an airport or off-site facility, away from airport ramp or flight line areas, is assigned to Code 3826. Refer to Code 7403 for ground support services performed at airports.

Description:

This classification applies to the production of aircraft engines or to the rebuilding of complete aircraft engines on an assembly line basis. The classification ~~contemplates~~ includes a considerable amount of precision machine work, inspection work and intricate bench assembly work. The basic materials include aluminum, magnesium and iron castings and steel forgings. In addition there are such parts as the clutch, carburetors, generators, ignition units, starters, transmissions, bearings, belts, chains, fans, gears, pistons, rings and general hardware.

Castings and forgings are snagged, drilled, milled, planed, shaped, tapped or turned by machine, plated, ground, honed or hand-lapped to complete cylinder block, head, cam and crankshaft. Cam, crankshaft, bearings, fans, gears, pistons and rings are assembled into block by hand and power tools. Subassemblies are installed by hand tools after which the engine is inspected, tested, packed and shipped. The equipment involves the use of lathes, millers, planers, shapers, boring mills, gear cutters, honers and lappers.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
SPECIAL CLASSIFICATIONS
(Applies in: VA)

3830

Established: December, 1915	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 20, Group 200

PHRASEOLOGY

AIRPLANE MFG.

Note: Includes airplane modification, repair, or maintenance work performed by a manufacturer, fixed-base operator, or contractor. These operations may be performed at an airport or off-site facility, away from airport ramp or flight line areas. Refer to Code 7403 for ground support services performed at airports.

GROSS-REF. State Special: California

~~Airplane Mfg.—including foundry operations. Aircraft operation or demonstration shall be separately classified.~~

Description:

Code 3830 is applied to insureds engaged in the manufacture of airplanes. The classification Code 3830 includes the manufacture of airplane engines or airplane subassemblies such as cowlings, wing tabs, ailerons, panels, doors, struts, tail assemblies, exhaust manifolds, etc., when these aircraft components are manufactured by an airplane manufacturer or an insured employer who manufactures and assembles or only assembles complete wings or fuselages. Specialists who manufacture the described components and are do not engaged in perform airplane manufacturing or manufacture or assembly of complete wings or fuselages are not contemplated by included in Code 3830. Refer to Code 3826 for specialists who manufacture aircraft engines. Wing or fuselage production ordinarily involves considerable wiring or installation of equipment received from others. The production of the complete airplane would involve the installation of all instruments, navigation and control equipment, engines, connecting of fuel and electrical systems, assembling wings and tail assemblies to the fuselage, attaching landing gears and connecting of the brake system. Employees of any airplane manufacturing plant engaged in that performs contract airplane modification, repair or maintenance work away from the plant are assigned to this classification Code 3830.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

4360

Established: Date Unknown	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 25, Group 250

PHRASEOLOGY

MOTION PICTURE: DEVELOPMENT OF NEGATIVES, PRINTING AND ALL SUBSEQUENT OPERATIONS

Note: Digital media processing and editing, as well as marketing through film exchanges, are included under Code 4360, whether performed by a contractor or the production company.

Description:

Code 4360 applies to processing motion picture and/or animated film. Operations covered by this classification include developing negatives and cutting, editing, and splicing film. Also covered are duplicating, packaging, and shipping the final product. Digital media processing and editing are assigned to Code 4360.

Equipment and Materials:

- Computers and computer-based editing stations
- Film copiers
- Editing equipment (rewinders, splicers, titlers, viewers, etc.)
- Video recorders

Additional Applications and Information:

- Risks that duplicate and replicate prerecorded audio, video, or data onto magnetic, optical, or any other type of recording media are assigned to Code 4360.
- Film Exchanges at locations other than a film production studio are assigned to Code 4360.

Special Conditions:

A division of payroll is permitted between Code 4360 and Code 7610 operations provided proper payroll records are maintained.

Related Operations Not Classified to Code 4360:

- Refer to Code 7610 for insureds that perform motion picture production up to the development of negatives.
- Refer to Code 4361 for risks that develop and print non-motion picture film.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

~~CROSS-REF.~~

~~DUPLICATION AND REPLICATION SERVICE OF PRERECORDED AUDIO, VIDEO OR DATA~~

~~Description:~~

~~This classification is applicable to the mass reproduction of prerecorded audio, video, or data. This duplication and replication process can be performed on cassettes, videotapes, CDs, DVDs, computer disks, and other recording media.~~

~~Equipment and Materials:~~

- ~~• Computers~~
- ~~• Copiers~~
- ~~• Videocassette recorders (VCRs)~~

~~Related Operations Not Classified to Code 4360:~~

- ~~• Refer to Code 4431 for the manufacture or assembly of cassettes, videotapes, CDs, DVDs, computer disks, and other recording media.~~

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

4431

Established: Date Unknown	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 10, Group 101

PHRASEOLOGY

MAGNETIC AND OPTICAL RECORDING MEDIA MFG.

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

Description:

Code 4431 is applied to insureds engaged in the applies to employers that manufacture or assembly of assemble cassettes, videotapes, CDs, DVDs, and other recording media. This classification is also applicable applies to the manufacture of phonograph records. Cassettes and videotapes are manufactured through a process of polymerization in a clean-room environment. The tape is coated with a ferromagnetic material and then wound in a protective plastic shell. CDs and DVDs are manufactured from a polycarbonate material using an injection mold and vacuum evaporation process.

Analogy Assignments:

- Insureds engaged in the Employers that manufacture or assembly of assemble cassettes, with magnetic recording tapes received from others, have also been assigned by analogy to this classification.

Equipment and Materials:

- Polymer
- Ferromagnetic material (ferric oxide powder)
- Die-casting cylinders
- Heaters and rollers
- Presses and cutting machines
- Computers

Related Operations Not Classified to Code 4431:

- Refer to Code ~~4360~~ 7610 for insureds engaged in the employers that perform duplication and replication of digital media, prerecorded cassette tapes, motion pictures, videotapes, or computer disks.

CROSS-REF.

PHONOGRAPH RECORD MFG.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

Description:

To make records, raw materials such as polymer, shellac, or vinyl are ground, mixed, melted, and worked into a plastic consistency on hot rolls. The resultant sheets or strips are placed in heated presses, and master discs are compressed against both sides of the heated material. After cooling and hardening, the records are inspected, tested, labeled, packaged, and shipped.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

4452

Established: Date Unknown	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 10, Group 010

PHRASEOLOGY

PLASTICS MFG.: FABRICATED PRODUCTS NOC.

Applicable to the manufacturing of plastic goods by such operations as machining, bending, buffing or polishing using raw materials in the form of sheets, rods or tubes. Also applicable to the manufacturing of plastic goods by a dipping process. Not applicable to any operations properly assignable to chemical Codes 4828 or 4829.

GROSS-REF. *Bone or Ivory Goods Mfg.; Horn Goods Mfg.; Fabricated Products Mfg.*—applies to the manufacturing of horn goods by such operations as machining, bending, buffing or polishing.

State Special: Massachusetts—Plastics Mfg.: Fabricated Products NOC—applicable to the mfg. Of plastic goods by such operations as machining, bending, buffing, or polishing, using raw materials in the form of sheets, rods or tubes. Also applicable to the mfg. Of plastic goods by a dipping process;

Massachusetts—Shoe Form or Last Mfg.: Fabricated;

New Jersey—Plastics Mfg.—Fabricated Products NOC—applicable to the mfg. Of plastic goods by such operations as machining, bending, buffing or polishing, using raw materials in the form of sheets, rods or tubes. Also applicable to the mfg. Of plastic goods by a dipping process. Not applicable to any operations properly assignable to the chemical and dyestuff rating plan;

New York—Plastics Mfg.—applicable to the mfg. Of plastic goods by such operations as machining, bending, buffing or polishing, using raw materials in the form of sheets, rods or tubes. Also applicable to the mfg. Of plastic goods by a dipping process. Not applicable to any operations properly assignable to Code 4828—Chemical Blending or Mixing NOC—All Operations—& Drivers or Code 4829—Chemical Mfg. NOC—All Operations—& Drivers.

Description:

Code 4452 is applied applies to insureds engaged in the employers that manufacture of plastic products which that are not otherwise classified. These products are manufactured from raw materials in the form of sheets, rods or tubes. The operations involve machining, bending, buffing or polishing. Code 4452 contemplates includes the vacuum forming of sheet, rod or tube stock. The stock is fed into automatic machinery which that heats and vacuum-pulls it down against a dozen or more cavities; the formed cavities are cut off automatically. The product is inspected, trimmed if required, and packaged.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE****EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

Code 4452 also ~~is applied~~ applies to ~~insureds~~ employers that manufacture plastic goods by the use of a dipping process using liquid plastic. A mold is dipped once or several times into the liquid, forming a deposit in the shape of the mold. The deposit is then blown from the mold, cut to size and finished. As evidenced by this classification's cross-reference phraseologies, bone, ivory and horn goods manufacturing are assigned to this classification. The operations involve forming by machining, buffing or polishing.

It is important to reiterate that Codes 4452 or Code 4484 ~~are~~ is applicable only when products being manufactured are specifically referenced in these scopes or the manufacture of a plastic product cannot be assigned to another classification either by specific reference or by analogy. In prioritizing classification procedures for manufacturers of plastic products, the classifier ~~should~~ must first determine if a specific product manufacturing class is applicable to the operation. An example of a product class is Gear Mfg. In the event that one does not find a specific product class, an industry class such as Sporting Goods Mfg. should be considered. In the event that a product or industry class does not specifically describe the product being manufactured, or the product being manufactured cannot be assigned by analogy to either the industry or product group, either Codes 4452 or Code 4484, the “not otherwise classified” plastic manufacturing codes, ~~should~~ must be assigned to the manufacture of a plastic product.

Certain Code 4452 operations are designated as “not otherwise classified” (NOC). These NOC operations ~~shall~~ apply to an ~~insured~~ employer only when no other classification more specifically describes the ~~insured's~~ employer's operations. The following is a representative list of operations somewhat related in nature to Code 4452 operations that are not assigned to Code 4452:

2688	Leather Goods Mfg. NOC
9501	Painting—Shop (Plastic Signs Mfg.—Computerized)
4273	Plastic Bag Mfg.
4484	Plastics Mfg.: Molded Products NOC
4459	Plastics Mfg.: Sheets, Rods, Tubes
4299	Printing (Plastic Sign Mfg.—Computerized)
2683	Vinyl Bag Mfg.
2670 2688	Vinyl Glove Mfg.
2660	Vinyl Shoe Mfg.

CROSS-REF.BONE OR IVORY GOODS MFG.**CROSS-REF.**HORN GOODS MFG.**CROSS-REF.**FABRICATED PRODUCTS NOCApplies to the manufacturing of horn goods by such operations as machining, bending, buffing or polishing.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

4484

Established: Date Unknown	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 10, Group 010

PHRASEOLOGY

PLASTICS MANUFACTURING: MOLDED PRODUCTS NOC.

Applicable to the manufacturing of plastic goods by injection or compression molding. Includes die making and all machining, finishing, assembling and forming operations in connection with the molded products. Not applicable to any operations properly assignable to chemical Codes 4828 or 4829.

GROSS-REF. ~~Button Mfg. NOC; Doll or Doll Parts Mfg. or Assembly—mfg. of glass, metal or cloth parts, cloth dolls, doll clothing or dressing of dolls to be separately rated.~~

Description:

Code 4484 ~~is applied~~ applies to ~~insureds~~ employers that manufacture molded plastic products provided that the manufacture of the plastic product is not otherwise classified. The manufacturing process will require the use of low- or high-pressure devices and may involve compression or injection molding. Raw materials used may be in the form of pellets, granules, powders, or ~~and~~ liquid dispersions.

Compression molding involves the placement of raw materials directly into a mold cavity and subjecting the material to a variable hydraulic pressure. The pressure is dependent ~~upon~~ the type of raw material and the article being molded.

Injection molding involves loading the raw material into a hopper which feeds into a cylinder. The raw material is then forced by a hydraulic ram into a heating chamber under pressure. After being plasticized, the material is forced into a cold mold to solidify the article. After solidification, the article is ejected from the mold.

The classification includes die making and all subsequent machining, finishing, assembling and forming operations necessary to complete the molded products.

Code 4484 ~~also is applied~~ applies to ~~insureds~~ employers that laminate plastic products by use of heat and pressure. Layers of cloth or paper are impregnated with liquid plastic, dried, cut to size, stacked and inserted into a laminating press. Heat is applied and steel sheets within the press impart a finish similar to the finish in compression molding. After removal from the press, the laminated material may be machined, buffed or polished.

The manufacture or assembly of plastic dolls or doll parts is assigned to Code 4484. The manufacture of nonplastic parts, doll clothing or the dressing of the dolls is separately classified.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE****EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

Examples of the manufacture of fiberglass or plastic products assigned to Code 4484 include bottles, chair frames, cleats, doors, dune buggy bodies, fish tanks, satellite dishes, swimming or wading pools and tubs (bath or hot).

Code 4484 ~~contemplates insureds~~ includes employers that manufacture various plastic products using a brush to place or gun to spray layers of fiberglass and fillers over or into molds or forms. Once the desired thickness has been attained, the material is left to set for a period of time and then is removed from the mold. ~~Insureds engaged in~~ Employers that perform metal parts manufacturing from powdered metals, and ~~insureds engaged in laminating~~ employers that laminate liquid plastic impregnated fibers by use of brush or spray, either in or over a mold or form, are assigned by analogy to Code 4484, provided the products being produced are not otherwise classified.

Code 4484 ~~is also applied~~ applies to ~~insureds engaged in the~~ employers that manufacture ~~of~~ all types of buttons made from raw materials such as sheets or rods of plastic, glass or other synthetics, mussel or clam shells, vegetable ivory and wood blocks. The manufacture of buttons from metal or exclusively from fabric is separately classified. The raw material is automatically sliced into blanks or discs. The blanks are classified and churned to remove rough edges. Some blanks are soaked to soften while others may be soaked to harden. The blanks are then dried and machined into various shapes and patterns. The eyes are drilled and the buttons are tumbled, polished and inspected. They are then sorted into various grades and counted. Some are boxed while others are sewn onto cards by machine and packaged.

It is important to reiterate that Codes 4452 or Code 4484 ~~are~~ is applicable only when products being manufactured are specifically referenced in these scopes or the manufacture of a plastic product cannot be assigned to another classification either by specific reference or by analogy. In prioritizing classification procedures for manufacturers of plastic products, the classifier ~~should~~ must first determine if a specific product manufacturing class is applicable to the operation. An example of a product class is Gear Mfg. In the event that one does not find a specific product class, an industry class such as Sporting Goods Mfg. should be considered. In the event that a product or industry class does not specifically describe the product being manufactured, or the product being manufactured cannot be assigned by analogy to either the industry or product group, either Codes 4452 or Code 4484, the “not otherwise classified” plastics manufacturing codes, ~~should~~ must be assigned to the manufacture of a plastic product.

Certain Code 4484 operations are designated as “not otherwise classified” (NOC). These NOC operations ~~shall~~ apply to an ~~insured employer~~ employer only when no other classification more specifically describes the ~~insured's~~ employer's operations. In addition to the above references, the following is a representative list of operations somewhat related in nature to Code 4484 operations that are not assigned to Code 4484:

2688	Leather Goods Mfg. NOC
9501	Painting—Shop (Plastic Sign Mfg.—Computerized)
4273	Plastic Bag Manufacturing
4452	Plastics Mfg.: Fabricated Products NOC
4459	Plastics Mfg.: Sheets, Rods, Tubes
4299	Printing (Plastic Sign Mfg.—Computerized)
2683	Vinyl Bag Mfg.
2670 2688	Vinyl Glove Mfg.
2660	Vinyl Shoe Mfg.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

CROSS-REF.

BUTTON MFG. NOC

CROSS-REF.

DOLL OR DOLL PARTS MFG. OR ASSEMBLY

Mfg. of glass, metal or cloth parts, cloth dolls, doll clothing or dressing of dolls to be separately rated.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE****EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)****4670****N/A—GA, NJ, NY****PHRASEOLOGY****COTTONSEED OIL MFG.—MECHANICAL & DRIVERS.**

Applies during both active and dormant seasons. Includes installation or repair of equipment, yard workers, weighers, seed or fuel haulers.

GROSS-REF. *Cottonseed Oil Mfg.—Solvent & Drivers*—this cross-reference has the same footnote as Cottonseed Oil Mfg.—Mechanical & Drivers (N/A LA, MA, OK).

State Special: Louisiana—Cottonseed Oil Mfg. & Drivers—this cross-reference has the same footnote as Cottonseed Oil Mfg.—Mechanical & Drivers.

SCOPE

This classification covers all employees connected with the manufacture of cottonseed oil by a mechanical extraction process during both the active season and the dormant season. The principal products of the cottonseed oil mills are oil, seed meal, seed hulls and cotton lint. The sale of feed from seed meal in its raw state or mixed with ingredients in accordance with some feed formula is contemplated within this classification. Cottonseed delinting operations, when performed by a mechanical extraction process with stationary or portable machinery, are also assigned by analogy to Code 4670. The classification also covers the storage of cottonseed and the finished products at the mill location or warehouses away from the manufacturing premises.

Code 4670 also is applied to insureds engaged in the manufacture of cottonseed oil utilizing the solvent extraction process. Cottonseeds and hexane or similar solvents are received from others. Cottonseed storage, cleaning, delinting, cracking, heating and flaking of the seeds preparatory to the extraction process are contemplated within the scope of this classification.

In most plants these processes are carried on in separate buildings removed from the extraction unit. The flakes are mixed with hexane in an agitated extractor. The miscella, or mixture of the solvent and extracted oil, comes from the filter and the solids which build up are subjected to three countercurrent washes, two with weak miscella and one with fresh hexane. The wash richest in oil recycles back to the extractor. The wash cake or meal is removed and sent to a disolventizer and then to storage. The miscella is pumped through a preheater into an evaporator where the hexane flashes off. The oil then flows to an oil stripper where under vacuum it is stripped of the remaining solvent with steam. The crude cottonseed oil is then pumped to an oil cooler prior to being filled into storage tanks. Code 4670 does not contemplate the refining of cottonseed oil but it does contemplate the mixing of seed meal for livestock feed.

State Addendum**Massachusetts**

Refer to Code 4673 for insureds engaged in the manufacture of cottonseed oil by the solvent extraction process.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

4683

Established: Date Unavailable	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 24, Group 244

PHRASEOLOGY

OIL MFG.—VEGETABLE—NOC

GROSS-REF. *Cottonseed Oil Refining*—Cottonseed Oil Mfg. To be separately rated as Code 4670 *Lard Refining*—Codes 4683 and 2089—Packinghouse shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses (N/A IL, IN, MA, MO).

State Special: California—Cottonseed Oil Mfg. Or Refining—during both active and dormant seasons—including installation or repair of equipment; yard employees; seed or fuel haulers;

California—Oil Mfg. Or Refining—Vegetable—NOC;

Massachusetts—Cottonseed Oil Refining—Cottonseed oil mfg. To be separately rated as Code 4670 or Code 4673

Minnesota—Butter Substitute Mfg.—this cross reference has the same footnote as Lard Refining.

Description

Code 4683 is applied to insureds engaged in applies to employers that the manufacture of vegetable oils by hydraulic pressing or rotary screw pressing methods. Soybeans, flaxseed (the source of linseed oil), peanuts, corn germ, rice bran, sunflower seed, castor beans, cocoa beans and olive pomace are received from others. The mechanical hydraulic or screw pressing operations involve milling of the seeds or beans, steam cooking of the ingredients and then the pressing of the cooked seeds or beans to expel the oils. This classification covers the incidental refining of these vegetable oils and the mixing of the seed or bean meals for livestock feed.

Code 4683 also is applied to insureds engaged in also applies to employers that perform the refining of cottonseed oil and the incidental processing of the refined cottonseed oil into a lard substitute. Crude cottonseed oil, caustic soda and bleaching clays are received from others. In some plants the operations are confined to separating the impurities from the crude cottonseed oil using a boiling and filtering process.

The clarified or refined oil is then filled into tank cars, cans or bottles prior to shipment. In other plants the crude cottonseed oil is refined and the refined oil or other refined vegetable oils are mixed with caustic soda and filtered to remove soap stock. The processes include deodorizing and bleaching of the remaining filtered fluid, which is then cooled and hardened over refrigerated rolls. The lard substitutes are then scraped from the rolls and filled into drums, tubs or cans.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE****EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

This classification ~~also is applied to insureds engaged in~~ also applies to employers that refine the refining of lard. Animal oils or grease and fullers earth are received from others. Ordinarily the lard oil is treated with fullers earth to bleach it after which it is deodorized. The remaining operations of heating, filtering, cooling, hardening and filling into containers are similar to the operations performed in the processing of lard substitutes.

Certain Code 4683 operations are designated as “not otherwise classified” (NOC). These NOC operations ~~shall apply to an insured employer only when no other classification more specifically describes the insured's employer's operations.~~ The following is a representative list of classifications somewhat related in nature to Code 4683 operations that are not assigned to Code 4683:

4717 Butter Substitute Mfg.

4703 Corn Products Mfg.

~~4670 Cottonseed Oil Mfg.—Mechanical~~

4686 Oil Mfg.—Vegetable—Solvent Extraction Process

~~In addition to this representative list, one should review sources such as the alphabetical index in this manual to determine whether a classification other than Code 4683 or a classification other than one on the above list is applicable to the operations being reviewed for classification purposes.~~

State Addendum

~~Massachusetts~~ Refer to Code 4716 for insureds engaged in the refining of lard.

CROSS-REF.

COTTONSEED OIL MFG.—MECHANICAL

Applies during both active and dormant seasons. Includes installation or repair of equipment, yard workers, weighers, seed or fuel haulers.

CROSS-REF.

COTTONSEED OIL MFG.—SOLVENT

Applies during both active and dormant seasons. Includes installation or repair of equipment, yard workers, weighers, seed or fuel haulers.

CROSS-REF.

COTTONSEED OIL REFINING

CROSS-REF.

LARD REFINING

Codes 4683 and 2089—Packinghouse shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

4686

Established: August 1951	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 24, Group 244

PHRASEOLOGY

OIL MFG.—VEGETABLE—SOLVENT EXTRACTION PROCESS.

Manufacturing of cottonseed oil ~~to be~~ is separately rated as ~~to~~ Code ~~4670~~ 4683.

GROSS-REF. State Special: Massachusetts—amend footnote as follows: Manufacturing of cottonseed oil ~~to be~~ separately rated as Code ~~4670~~ or Code ~~4673~~.

Description:

Code ~~4686~~ is assigned to ~~insureds engaged in the~~ Applies to employers that manufacture of vegetable oil by the solvent extraction process. The solvent extraction process involves placing a chemical (the solvent) in contact with a substance to separate various components of that substance. The substance ~~contemplated~~ is vegetable (plant-like) in nature and the component intended for separation is that vegetable's oil. The process may require that the vegetative material be prepared by cracking, steaming, heating and flaking prior to being placed in contact with the solvent. The process then involves placing the solvent in contact with the vegetative material, resulting in a mixture of oil and solvent. The oil is then separated from this mixture and further processed as necessary to prepare the oil for storage or shipment.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

**EXHIBIT 7—RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

4902

Established: Date Unavailable	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 25, Group 253

PHRASEOLOGY

SPORTING GOODS MFG. NOC

Description:

Applies to the manufacture of various types of sporting goods that are not otherwise classified. The manufacture of the following goods is specifically included in Code 4902: baseballs; golf clubs (other than wood); body protection equipment such as baseball masks; ear pads; helmets (including those used by cyclists); archery equipment; golf balls; tennis balls; tennis rackets; snowshoes; skis (other than wood); life jackets; clay targets used in skeet shooting; fish landing nets; and fishing lines.

The manufacture of gymnasium appliances or equipment is additionally assigned to Code 4902 provided that no other classification more accurately describes their manufacturing process. For example, the manufacture or assembly of devices such as motorized treadmills or weightlifting apparatus that is fabricated from metal bars, chains, and pulleys must be classified to the appropriate machinery manufacturing class based on the process used to manufacture these types of devices.

Code 4902 is also assigned to the manufacture or assembly of kites, table tennis sets, and model airplane or glider and boat kits. These kits are of a toy-like quality with easy assembly. Refer to Code 2790 for employers that manufacture high-grade model kits.

The manufacture of the following sporting equipment is assigned to the classifications indicated:

- 2688 Football, Soccer, Volleyball or Basketball Mfg. (bladder manufacturing to be separately rated)
- ~~2670~~2688 Glove Mfg.—including baseball, boxing, handball and punching bag gloves
- 2841 Wooden Baseball Bat Mfg., Wooden Golf Club Mfg., Wooden Ski Mfg.

CROSS-REF.

FISHING ROD AND TACKLE MFG.

CROSS-REF.

GOLF—CLUBS—MFG. OR ASSEMBLING

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7—RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

Note: Golf course operations are to be separately rated to Code 9060. Miniature golf courses are to be separately rated to Code 9016.

CROSS-REF.

HARNESS OR SADDLE MFG.

CROSS-REF.

WHIP MFG.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

4923

Established: Date Unknown	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 25, Group 250

PHRASEOLOGY

PHOTOGRAPHIC SUPPLIES MFG.

Note: Chemical manufacturing plants or manufacturers of nonsafety film to be separately rated.

Description:

This classification applies to the manufacture and assembly of supplies and items for the photographic industry. The manufacturing processes may involve light punch pressing, machining, buffing, polishing, coating, plating, etc. Items manufactured include cameras of various types such as handheld still or video cameras for home or commercial use, photostat cameras, automatic photographic machines (photomats), motion picture projection machines, stereopticon projectors, and film-developing machines.

Analogy Assignments:

- Code 4923 ~~is also applied~~ applies to insureds employers that produce coated photographic film or paper, blueprint paper, photographic postcards, tintype positives and other forms of photographic recording media.
- Code 4923 includes the metal coating of plastic film. This operation may entail spray coating a thin layer of aluminum onto plastic film sheets since these plastic sheets pass through a vacuum chamber.

Equipment and Materials:

- Light machining equipment
- Painting and electroplating equipment
- Computers

Related Operations Not Classified to Code 4923:

- Refer to Code 4431 for ~~insureds employers~~ that manufacture or assemble cassettes, videotapes, CDs, DVDs, and other recording media
- Refer to Code ~~4360~~ 7610 for the duplication and replication of prerecorded audio, video, or data

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

5037•

Established: July 1959	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 27, Group 270

PHRASEOLOGY

PAINTING—METAL STRUCTURES—OVER TWO STORIES IN HEIGHT—& DRIVERS

Note: Includes shop operations. The painting of aircraft of all sizes and types, metal storage tanks, fire escapes, staircases, balconies, shutters, window frames or sashes ~~is to be~~ separately rated as to 5474.

Description:

Code 5037 ~~is applied~~ applies to ~~insureds engaged in the~~ employers that perform painting of metal structures ~~which~~ that exceed two stories in height. For commercial structures, a “story” is defined as being ~~fifteen~~ (15) feet in height.

The painting of metal structures falling within the scope of Code 5037 includes metal skeleton frameworks of buildings exceeding two stories; smokestacks; cross-country power line towers; radio towers; television towers; aircraft; aircraft beacon towers; and observation towers. Code 5037 ~~contemplates~~ includes both the installation of scaffolding and the preparation of surfaces to be painted when these operations are performed by an ~~insured employer~~ in conjunction with an insured’s employer’s painting operations at a particular job site. This classification additionally includes shop operations.

Code 5037 ~~is~~ does not intended to apply to painting the interior or exterior of buildings or other structures ~~which~~ that are made of wood, concrete, stone or a combination thereof. Additionally, this code does not ~~contemplate~~ include the painting of the metal structures enumerated in this classification’s footnote.

Code 5037 ~~is also applied~~ applies to contractors ~~engaged in~~ that perform the painting of metal bridges of all types regardless of height. The classification encompasses the painting of viaducts, railroad overpasses, trestles and elevated highways.

Code 5037’s ~~footnote~~ indicates that painting of metal storage tanks is assigned to Code 5474. The fact that a metal tank is supported by a tower or other supporting device ~~which~~ that makes the combined height of the tank and supporting devices exceed two stories in height would not preclude the assignment of painting these storage tanks to Code 5474. Oil or gasoline storage tanks, gas holders and silos typify those types of tanks, the painting of which is ~~contemplated by~~ included in Code 5474.

Please refer to Code 5403 for extra-territorial premium determination guidelines that may ~~be applicable~~ apply to ~~insureds~~ employers that have operations outside their headquarters’ state.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
SPECIAL CLASSIFICATIONS
(Applies in: VA)

CROSS-REF.

PAINTING: METAL BRIDGES & SHOP OPERATIONS, DRIVERS.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
SPECIAL CLASSIFICATIONS
(Applies in: VA)

5474•

Established: Not Available	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 27, Group 275

PHRASEOLOGY

PAINTING NOC & SHOP OPERATIONS, DRIVERS.

Note: Includes the painting of metal storage tanks, fire escapes, staircases, balconies, shutters, window frames or sash. Painting ship hulls, metal structures over two stories in height or bridges to be separately rated.

Description:

Code 5474 ~~is applied~~ applies to painting contractors ~~engaged in that perform~~ painting provided such work is not otherwise classified in the manual. Code 5474 includes shop operations performed by an ~~insured employer that is also engaged in performs~~ exterior painting activities.

This classification ~~is the general painting classification. It contemplates~~ includes exterior and interior painting of residential or commercial structures that are constructed of wood, concrete, stone or a combination thereof regardless of height. Commercial structures include but are not limited to houses of worship, office buildings, stores, theaters and auditoriums.

Code 5474 ~~contemplates~~ includes surface preparation and other work incidental to the painting process as well as the installation and dismantling of scaffolding or other equipment used to facilitate the painting and the preparation of surfaces to be painted when these operations are performed in conjunction with an ~~insured's employer's~~ painting operations at a particular job site.

Painting specialists may perform incidental finishing operations such as taping, filling, and sanding of joints and nail holes on wallboards installed by others. These operations include only minor patch work or minor repair work to wallboard and wallboard joints previously installed, taped, filled, and sanded by others. Refer to Code 5445 for other than incidental operations involving wallboard installation and/or taping, filling, and sanding of wallboard joints.

Specialist contractors ~~engaged in that perform~~ waterproofing operations by application of the waterproofing material using a brush or a hand pressured caulking gun are assigned to Code 5474.

Code 5474 ~~contemplates~~ includes painting of metal structures enumerated in the footnote of this classification. It does not ~~contemplate~~ include the painting of any ship hulls (see Code 6874F), or any bridges (see Code 5037), or other metal structures that are over two stories in height (see Code 5037). For commercial structures, a "story" is defined as being ~~fifteen~~ (15) feet in height. "Structures" include metal skeleton frame

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

or skeleton frame and metal sidings of barns; warehouses; aircraft hangars; Quonset huts; garages; lunch stands; gasoline filling stations; and analogous metal structures not over two stories in height.

Code 5474 ~~contemplates~~ includes aircraft painting when this work is performed by specialist contractors ~~engaged in that perform~~ this activity. Aircraft painting performed by aircraft manufacturers that paint aircraft as part of their aircraft manufacturing process is assigned to Code 3830.

Code 5474 applies ~~by analogy~~ to “brush-on” or “spray-on” methods of applying liquid tint to windows. The application of plastic film to windows in conjunction with the above operations is also classified to Code 5474. Plastic film, when applied as a separate tinting operation not in conjunction with liquid tinting operations, is assigned to Code 5491. Auto service station operations ~~engaged in that perform~~ auto window tinting are assigned to the appropriate garage classification.

Codes 5474 and 9501 ~~contemplate include~~ electrostatic painting. The process involves painting a surface using a “painting gun.” An electrostatic field is created between the gun and the surface, which draws the paint to the surface to be painted. If an ~~insured engages in employer performs~~ both shop and exterior electrostatic painting operations, assign Code 5474 to the entire operation. Code 9501 is assigned to an ~~insured employer that engages exclusively in exclusively performs~~ electrostatic painting in the ~~insured's employer's~~ shop.

Additional operations assigned to Code 5474 include painting stripes on parking lots by hand or machine (see Code 5221 for painting stripes by paving company; see Code 5506 for painting stripes on streets or roads); painting for camouflage purposes (except camouflaged metal structures over two stories in height); cleaning building interiors, or machinery and equipment using spray apparatus; and artists painting murals on walls.

Code 5474 is a “not otherwise classified” (NOC) classification. This means that Code 5474 ~~shall apply applies~~ to an ~~insured's employer's~~ operation(s) only when no other classification more specifically describes the ~~insured's employer's~~ operation(s). The following is a representative list of operations somewhat related in nature to Code 5474 operations that are not assigned to Code 5474.

- 9505 Painting: Automobile or Carriage Bodies
- 5037 Painting: Metal Structures—Over Two Stories in Height
- 6884 Painting: Ship Hulls
- 9501 Painting: Shop Only
- 5491 Paperhanging & Drivers

Please refer to Code 5403 for extra-territorial premium determination guidelines that may be applicable to ~~insureds employers~~ that have operations outside their headquarters' state.

CROSS-REF.**PAINTING AIRCRAFT & SHOP OPERATIONS, DRIVERS**

Includes the painting of all sizes and types of fixed- or rotary-wing aircraft by contractor or fixed-base operator.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

5507•

Established: April 1931	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 26, Group 261

PHRASEOLOGY

STREET OR ROAD CONSTRUCTION—SUBSURFACE WORK & DRIVERS

Note: Applies to clearing of right-of-way, earth excavation, filling or grading. Separately rate: ~~rock excavation, tunneling, and bridge or culvert building where clearance is more than 10 feet at any point or the entire distance between terminal abutments exceeds 20 feet; quarrying and stone crushing.~~

Description:

Code 5507 ~~is applied~~ applies to ~~insureds engaged in~~ employers that perform street or road construction involving subsurface work. ~~It contemplates~~ includes the clearing of the right-of-way, earth excavating, and filling and grading when performed by the principal street or road contractor or other insured street or road subcontractors. In connection with earth excavation, it is not uncommon that some detached rock or small boulders may be removed and broken up; ~~however, all mass rock excavation must be separately classified. Mass rock operations generally involve placing explosive charges into holes that have been drilled into rock formations. After the explosives are set off, jackhammers or steel balls are used to break the fragmented rocks into still smaller pieces, which can then be removed from a site. The process is described in greater detail in Code 6247.~~

Code 5507 applies to employers that perform street or road construction involving the preliminary excavating of mass rock from the right-of-way. Such operations may involve blasting to remove the rock on the side of a mountain. Code 5507 includes incidental quarrying and crushing of the rock that will be used in construction of the subsurface of the streets or roads. Street or road construction contractors that, at times, work in areas where no mass rock excavation is required, but operate a temporary quarry and crusher to supply rock for road builders, also fall within the scope of Code 5507.

This classification also includes sand and gravel digging when performed by contractors as a part of and incidental to its earth excavating and filling operations to place the roadbed at the proper grade. Additionally, it is customary for contractors ~~that~~ who cut and fill the final grade of the earth foundation to put in small bridges or culverts, provided the clearance is not more than 10 feet at any point or the distance between terminal abutments does not exceed 20 feet. Street or road contractors ~~engaged in~~ who perform widening or changing of the line or grade of the subsurface roadbed of existing streets or roads are also classified under Code 5507. This classification also ~~is applied~~ applies to street or road construction contractors or specialist contractors

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

~~engaged in that perform~~ excavating, grading, laying the crushed stone base and installing concrete drains in connection with the installation of artificial turf for baseball and football stadiums.

Special Conditions:

Extra-Territorial Classification Guidelines:

The following material was developed by NCCI to be used as a guide by auditors and underwriters in the determination of premium for contracting (construction or erection ~~risks employers~~) with extra-territorial employments where no company guidelines have been established for this purpose. Construction or erection classifications are indicated by the addition of a construction code symbol (*) next to the classification code number.

1. Payroll of employees of contractors who have their place of business in a given state and also operate ~~also~~ in adjoining states and who are constantly crossing state lines, but usually return to their homes each night, should be assigned to their headquarters' state. Example: Contractors such as electricians, plumbers, carpet layers, etc.
2. The payroll for executive supervisors who may visit a job but who are not in direct charge of a job ~~should~~ must be assigned to the state in which their headquarters are located.
3. There are contractors who maintain a permanent staff of employees and superintendents. If any of these employees or superintendents are assigned to a job that is located in a state other than their headquarters' state, either for the duration of the job or any portion thereof, their payroll ~~should~~ must be assigned to the highest rated of either the state in which the job is located or the headquarters' state.
4. The payroll of employees who are hired for a specific job project should be assigned to the state in which the job is located.

When a portion of the operations of a ~~risk~~ an employer are insured in a monopolistic state fund, consideration must be given to the special rules and requirements that may exist in such cases.

CROSS-REF.

STREET OR ROAD CONSTRUCTION—ROCK EXCAVATION & DRIVERS

Includes incidental quarrying or stone crushing. No tunneling.

CROSS-REF.

STUMP REMOVAL OPERATIONS—BY SPECIALIST CONTRACTOR & DRIVERS

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

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

5508•

N/A—AK, CA, MO, NJ, UT

PHRASEOLOGY

STREET OR ROAD CONSTRUCTION: ROCK EXCAVATION & DRIVERS:

~~Includes incidental quarrying or stone crushing. No tunneling.~~

GROSS-REF. State Special: Massachusetts—Municipal, Township, County or State Employee NOC—Major Governmental Occupations Assigned to Classifications Other Than Code 9410: Street or Road Construction: Rock Excavation—Quarrying & Drivers;

Massachusetts—Stone Crushing—By Road Building Contractors as a Part of Road Project & Drivers;

New York—Excavation—Rock—& Drivers—includes incidental quarrying or stone crushing. No tunneling;

New York—Geophysical Exploration—Seismic—& Drivers;

New York—Oil or Gas Well: Perforating of Casings & Drivers;

New York—Oil or Gas Well: Shooting & Drivers.

SCOPE

Code 5508 is applied to insureds engaged in street or road construction involving the preliminary excavating of mass rock from the right of way. Such operations may involve blasting to remove the rock as on the side of a mountain. Tunneling is not contemplated within the scope of this classification. It does include incidental quarrying and crushing of the rock that will be used in construction of the subsurface of the streets or roads. Street or road construction contractors who, at times, work in areas where no mass rock excavation is required, but operate a temporary quarry and crusher to supply rock for road builders, also fall within the scope of Code 5508.

Please refer to Code 5403 for extra-territorial premium determination guidelines that may be applicable to insureds that have operations outside their headquarters' state.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

6217•

States Not Applicable: Not Applicable	Replaced By: Not Applicable
Established: June 1935	Retained: Not Applicable
Discontinued: Not Applicable	NCCI Schedule and Group: Schedule 26, Group 264

PHRASEOLOGY

EXCAVATION & DRIVERS

Note: Includes borrowing, filling or backfilling. Grading or excavation in connection with street or road construction, dam or lock construction, pile driving, shaft sinking, caisson or cofferdam work to be separately rated.

Description:

Code 6217 ~~is applied~~ applies to specialist contractors who perform general excavation including ditch digging, burrowing, and filling or backfilling, provided that such operations are not otherwise classified in the manual. The operations involve the removal of earth, small boulders and rocks by power shovels, trench diggers or bulldozers and piling it at the job site for backfill. The material may also be removed by dump trucks for fill in some other area.

Code 6217 includes excavation in connection with building foundations, swimming pools, landscape gardening and waterproofing operations. It does not include excavation in connection with street or road construction, dam or lock construction, pile driving, shaft sinking, and caisson or cofferdam work.

This classification ~~is applied~~ applies to specialist contractors who perform grading land and landfilling, provided that these operations are not otherwise classified in the manual. The classification includes ditch digging, burrowing, filling or backfilling, and operations such as scraping, cutting, piling or pushing the earth to rearrange the terrain. These operations ~~utilize~~ use equipment such as bulldozers, motor graders and carryalls. The classification includes grading involved in airport construction, grading of land preparatory to construction or planting, grading of parking lots, etc. It does not include grading in connection with street or road construction, dam or lock construction, pile driving, shaft sinking, and caisson or cofferdam work.

Building raising or moving operations ~~should~~ must be ~~assigned~~ classified in the following manner, provided that payroll separation is maintained:

- 5403•—carpentry operations on commercial structures
- 5645•—carpentry operations on residential structures
- 5213•—concrete operations on commercial sites
- 5221•—concrete operations on residential structures

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE****EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

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

6217•—excavation operations

5057•—iron or steel operations

5022•—masonry operations

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

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

5703•—pilot car duties that remove or move obstacles

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

Analogy Assignments:

Specialist contractors who remove trees using mechanical equipment are assigned by analogy to Code 6217 since this work essentially involves digging or excavation operations. Tree removal operations assigned to Code 6217 include the removal of one or a few trees on developed sites, not tree removal operations involving large numbers of trees in order to clear a right-of-way.

Special Conditions:

Extra-Territorial Classification Guidelines:

The following material was developed by NCCI to be used as a guide by auditors and underwriters in the determination of premium for contracting (construction or erection employers) with extra-territorial employments where no company guidelines have been established for this purpose. Construction or erection classifications are indicated by the addition of a construction code symbol (•) next to the classification code number.

1. Payroll of employees of contractors who have their place of business in a given state and also operate ~~also~~ in adjoining states and who are constantly crossing state lines, but usually return to their homes each night, ~~should~~ must be assigned to their headquarters' state. Example: Contractors such as electricians, plumbers, carpet layers, etc.
2. The payroll for executive supervisors who may visit a job but who are not in direct charge of a job ~~should~~ must be assigned to the state in which their headquarters are located.
3. There are contractors who maintain a permanent staff of employees and superintendents. If any of these employees or superintendents are assigned to a job that is located in a state other than their headquarters' state, either for the duration of the job or any portion thereof, their payroll ~~should~~ must be assigned to the highest rated of either the state in which the job is located or the headquarters' state.
4. The payroll of employees who are hired for a specific job project ~~should~~ must be assigned to the state in which the job is located.

When a portion of the operations of an employer are insured in a monopolistic state fund, consideration must be given to the special rules and requirements that may exist in such cases.

Related Operations Not Classified to Code 6217:

- Tree removal involving the clearing of right-of-ways is classified to Code 2702—~~Logging or Lumbering~~.
- Tree removal performed by an employer that also performs tree surgeon activities such as pruning or spraying is classified to Code 0106.

Certain Code 6217 operations are designated as "not otherwise classified" (NOC). These NOC operations apply to an employer only when no other classification more specifically describes the employer's operations.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE****EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

The following is a representative list of classifications somewhat related in nature to Code 6217 operations that are not assigned to Code 6217:

- 6018—Dam or Lock Construction—Earthmoving or Placing—All Operations & Drivers
- 6204—Drilling NOC & Drivers
- 6045—Levee Construction—All Operations to Completion & Drivers
- 1654—Quarry—Cement Rock—Surface—& Drivers
- 1642—Quarry—Limestone—Surface—& Drivers
- 1624—Quarry NOC & Drivers
- 4000—Sand or Gravel Digging & Drivers
- ~~5508~~5507—Street or Road Construction—Rock Excavation & Drivers
- 5507—Street or Road Construction—Subsurface Work & Drivers

CROSS-REF.

AIRPORT CONSTRUCTION & DRIVERS—GRADING

CROSS-REF.

BLASTING ROCK & DRIVERS

Description:

Code 6217 is applied to specialist contractors who blast or remove mass rock of any type. The rock may be blasted by loading previously drilled holes with dynamite, water gels, caps, etc., and blasting or setting off the explosives. When these holes are drilled by the blasting contractor, Code 6217 is assigned to the drilling. When these holes are drilled by a specialist drilling contractor, Code 6204—Drilling NOC & Drivers is assigned to the drilling operation. Jackhammers or steel balls may be used to break up the rock sections, which are then loaded into dump trucks for removal or storage.

Code 6217 is assigned to blasting operations when these operations are conducted by an employer assigned to Code 4777—Explosives Distributors & Drivers.

CROSS-REF.

CLEARING OF RIGHT-OF-WAY—ELECTRIC, POWER, TELEPHONE, BURGLAR, OR FIRE ALARM LINES—BRUSH CLEARING OR REMOVAL—NEW OR EXISTING RIGHT-OF-WAY & DRIVERS

Note: Applies to the clearing or removal of brush using mechanical equipment.

Description:

Clearing right-of-ways for electric or power lines, telephone or telegraph lines, or burglar or fire alarm lines may involve tree removal, tree pruning or tree stump removal. The following classification assignments apply to work involving trees for those employers contracting exclusively for clearing right-of-ways.

Code 2702—tree removal of standing timber using hand or power tools for the purpose of clearing right-of-ways on an undeveloped or developed site.

Code 6217—clearing or removal of brush using mechanical equipment such as bulldozers, hydroaxes, etc., or the purpose of clearing right-of-ways on an undeveloped or developed site.

Code 0106—tree pruning, spraying and repairing for the purpose of maintaining right-of-ways or clearing right-of-ways on a developed site. Incidental tree removal of one or a few trees on a developed site

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

conducted in connection with tree pruning, spraying, and repairing operations is also assigned to Code 0106

Related Operations Not Classified to Code 6217:

- An employer that clears right-of-ways and also performs power line construction and service or repair operations is assigned to the proper power line construction or erection classification.
- Refer to Code 7538 or Code 7601 for these operations.

CROSS-REF.

EXCAVATION & DRIVERS NOC

CROSS-REF.

GRADING OF LAND NOC & DRIVERS

Note: Includes borrowing, filling or backfilling. Separately rate: mass rock excavation, grading or excavation in connection with street or road construction, pile driving, shaft sinking, caisson or cofferdam work.

CROSS-REF.

ROCK EXCAVATION & DRIVERS

Note: Not tunneling or street or road construction.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

**EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

7403

Established: January 1927	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 37, Group 373

PHRASEOLOGY

AVIATION—ALL OTHER EMPLOYEES & DRIVERS

Note: Applies to ground personnel such as, but not limited to, maintenance and service personnel, cargo and baggage handlers, ticket sellers or information clerks at airports, and security personnel. The personnel may be employed by scheduled air carriers, commuter air carriers, supplemental air carriers, or any other commercial aviation operators, including helicopter services. Ticket sellers and information clerks away from airport locations to be separately rated as Code 8810—Clerical. Members of flying crews to be separately rated under the appropriate aviation classification.

Description:

Code 7403 applies to ground personnel such as, but not limited to, maintenance and service personnel, cargo and baggage handlers, ticket sellers or information clerks at airports, and security personnel. The personnel may be employed by scheduled air carriers, commuter air carriers, supplemental air carriers, or any other commercial aviation operators, including helicopter services.

Equipment and Materials:

- Ground service vehicles and fuel trucks
- Fuel storage tank and jet fuel
- Repair supplies, tools, and equipment
- Hangar facilities
- Baggage handling systems
- Buses, golf carts, tractors (tugs)

Related Operations Not Classified to Code 7403:

- Ticket sellers or information clerks away from airport locations are to be separately rated as to Code 8810—Clerical.
- Air traffic controllers under contract with the FAA to be separately rated as to Code 7402—Aviation—Air Traffic Controllers Under Contract with the FAA.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

CROSS-REF.

AVIATION—AIRPORT OR HELIPORT OPERATOR—ALL EMPLOYEES & DRIVERS

Note: Applies to ground personnel such as, but not limited to, maintenance and service personnel, information clerks, and security personnel. Ticket sellers or information clerks away from airport locations to be separately rated as Code 8810—Clerical. Members of flying crews to be separately rated under the appropriate aviation classification.

CROSS-REF.

AVIATION—PATROL, PHOTOGRAPHY, MAPPING, OR SURVEY WORK—ALL EMPLOYEES & DRIVERS

Note: With respect to aerial photography, mapping, or survey work, the payroll of the ground laboratory employees is to be assigned to Code 4361—Photographers. Refer to Code 7422 for flying crew.

CROSS-REF.

AVIATION—RAMP OPERATIONS & DRIVERS

Applies to operations located at airports. Includes all types of fixed- and rotary-wing aircraft. Ramp operations are defined as work performed on the aircraft at the ramp or on the flight line. Operations include, but are not limited to, normal aircraft turnaround operations, luggage service operations, interior and exterior cleaning of aircraft, fluid checking and filling, tire changing, deicing, lightbulb replacement, stocking of supplies (including food) in the aircraft, and ramp fueling and de-fueling of the aircraft. Independent service contractors and fixed-base operators performing these services are assigned to Code 7403.

Painting of aircraft is separately rated to Code 5474. Members of flying crews are separately rated to the appropriate aviation classification.

CROSS-REF.

AVIATION—TRANSPORTATION OF PERSONNEL IN CONDUCT OF EMPLOYER'S BUSINESS—GROUND CREW & DRIVERS

Note: Refer to Code 7421 for flying crew.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)

7610

Established: Date Unavailable	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 25, Group 250

PHRASEOLOGY

RADIO OR TELEVISION BROADCASTING STATION—ALL EMPLOYEES & CLERICAL, DRIVERS
Includes players, entertainers or musicians.

GROSS-REF. State Special: California—Radio, Television or Commercial Broadcasting Stations—All Employees—Including Clerical Office Employees and Salespersons—the actual remuneration of players, entertainers or musicians shall be subject to a maximum of \$74,100 per year per person. When such employees do not work the entire year, the payroll limitations shall be prorated based upon the number of weeks in which such employees worked during the policy period. Motion picture production shall be separately classified;

Hawaii—eliminate the term “& Clerical” from the radio or television phraseologies above;

Maine—add to footnote: The entire payroll shall be included in computing premium, subject, however, to the maximum average weekly wage per employee shown in the state rate pages under Miscellaneous Values as “Maximum Remuneration”;

Maine—Motion Picture: Production—in Studios or Outside—All Operations Up to the Development of Negatives & Clerical, Drivers—the entire payroll shall be included in computing premium, subject, however, to the maximum average weekly wage per employee shown in the state rate pages under Miscellaneous Values as “Maximum Remuneration”;

Minnesota—Motion Picture: Development of Negatives and All Subsequent Operations—marketing of the product through film exchanges at locations other than the studio to be separately rated as 8017—Motion Picture—Film Exchange;

New Jersey—Radio or Television Broadcasting Station—All Employees & Drivers—includes entertainers and musicians. The actual pay of players, entertainers or musicians shall be included in basis of premium, subject, however, to a maximum average individual payroll of \$1,850 per week;

New Jersey—Television or Radio Broadcasting Station—All Employees & Drivers—includes entertainers and musicians. The actual pay of players, entertainers or musicians shall be included in basis of premium, subject, however, to a maximum average individual payroll of \$1,640 per week. Effective 1/1/77, Code 7609—Radio or Television Broadcasting Station—Transmitter or Field Employees & Drivers eliminated and combined into Code 7610;

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE****EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

~~**New York**—Radio or Television Broadcasting Station—All Employees & Clerical, Salespersons, Drivers—includes players, entertainers or musicians. The entire payroll of all employees shall be included in computing premium, subject, however, to the maximum average weekly wage per employee shown in the rate pages under Miscellaneous Values as “Maximum Remuneration”;~~

~~**Oregon**—Computer Software Manufacture: Including Video Production—firms producing software without video production operations are classified under Code 8810.~~

Description

~~Code 7610 is applied~~ applies to all employees of radio or television broadcasting stations. The classification includes both inside and field employees as well as clerical office workers and drivers. Control and lighting operators, cameras and boom microphone personnel, engineers, technicians, scriptwriters, announcers, players, entertainers and musicians whether working solely within the radio or television studio or at locations away from the studio also are ~~contemplated within~~ included in the scope of this classification. Outside engineers visually inspect field transmitters and make connections for “pick-up” at golf courses, ballparks, auditoriums, etc. These engineers may at times service existing towers involving tower climbing, although telephone company employees are generally responsible for the facilities up to the area to be served so that the radio or television station employees need only place their equipment. The work performed by control or monitoring crews during performances in auditoriums or elsewhere outside of the studio involves variable exposure depending upon the location of the “special feature” ~~which that~~ is to be picked up, and their work is practically the same as performed by studio control or monitoring crews.

~~There can be a decided increase in exposure when such crews accompany mobile units covering floods, riots, etc., away from broadcasting station facilities.~~

~~The employees of television cable companies are subject to a multiple classification procedure requiring clerical office employees to be assigned by analogy to Code 8901. However, in cases where these cable television companies also engage in the broadcasting of programs, Code 7610 would be assigned to all of their broadcasting employees as well as their clerical office employees.~~

~~Code 7610 also is applied to insureds engaged in~~ applies to employers that perform all operations involving motion picture production ~~up to the development of the negatives.~~ The classification includes all employees working within studios and those on location away from the studios as well as clerical employees and drivers. Writers, directors, actors, musicians, electricians, carpenters, camera, sound and lighting crews, stagehands, prop people and all other technicians required to produce motion pictures as well as animated pictures are ~~contemplated within~~ included in the scope of this classification.

CROSS-REF.

DUPLICATION AND REPLICATION SERVICE OF PRERECORDED AUDIO, VIDEO OR DATA

CROSS-REF.

MOTION PICTURE—PRODUCTION—IN STUDIO OR OUTSIDE—ALL OPERATIONS & CLERICAL, DRIVERS

Digital media processing and editing, as well as marketing through film exchanges, are assigned to Code 7610, whether performed by a contractor or the production company.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 7-RULE
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
SPECIAL CLASSIFICATIONS
(Applies in: VA)

9516

Established: Date Unavailable	Replaced By: Not Applicable
Discontinued: Not Applicable	Retained: Not Applicable
	NCCI Schedule and Group: Schedule 35, Group 353

PHRASEOLOGY

RADIO, TELEVISION, VIDEO AND AUDIO EQUIPMENT INSTALLATION, SERVICE OR REPAIR & DRIVERS
Includes shop or outside employees, erection of antennae. Electrical wiring or tower erection to be separately rated. Intercommunication system installation to be separately classified to Code 7605.

~~**GROSS-REF. Automobile: Radio, Television, Video and Audio Equipment Installation, Service or Repair and Drivers**~~—includes shop or outside employees, incidental parts department employees, erection of antennae.

~~**State Special: California**—Automobile Radio and Telephone Installation, Service or Repair—Shop and Outside—store operations shall be separately classified;~~

~~**California**—Television, Video, Audio and Radio Equipment Installation, Service or Repair—Shop and Outside—store operations shall be separately classified;~~

Description

Code 9516 ~~is applicable to insureds engaged in~~ applies to employers that perform the installation, service or repair of radios and television sets. The erection of antennae to enable radios or television sets to receive broadcast signals is additionally assigned to Code 9516. "Antennae," as used in this sense, refers to "home" type antennae, usually mounted on a roof or a pole next to the home or other building, which contains the equipment that is to receive the signal. Refer to Code 7612 for operations that mount antennae on towers that have been erected by others. Refer to Code 5040 for ~~insureds~~ employers that erect towers and attach antennae to these towers at the same job or location.

Code 9516 additionally ~~contemplates~~ includes the installation, service or repair of video recorders, phonographs, stereophonic or high-fidelity equipment.

The installation, service or repair of vehicular equipment such as alarm systems, radios, or other audio equipment found in vehicles is also ~~contemplated by~~ included in Code 9516 when performed by a specialty shop ~~engaged in this trade~~. When this work is performed by automobile service stations, it is assigned to the appropriate garage classification. Code 9516 also ~~contemplates~~ includes the service and repair of mobile communication devices such as but not limited to telephones, beepers and pagers.

The installation, service and repair of marine radar systems, radios and depth finders is assigned by analogy to Code 9516.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 7-RULE (CONT'D)
BASIC MANUAL—2001 EDITION—VIRGINIA
FACT SHEET 4—AIRCRAFT MAINTENANCE AND REPAIR
SPECIAL CLASSIFICATIONS
(Applies in: VA)**

Employees who work exclusively in a radio or television store ~~who~~ and do not install, service, or repair equipment are assigned to Code 8017—~~Radio or Television Store~~. Refer to Code 9519 for the installation, service, or repair of electrical appliances. Refer to Code 7605 for intercommunication systems installation or repair.

Small satellite dishes mounted on buildings to receive TV signals are assigned to Code 9516. Refer to Code 3724 for the installation of large satellite dishes.

CROSS-REF.

AUTOMOBILE: RADIO, TELEVISION, VIDEO AND AUDIO EQUIPMENT INSTALLATION, SERVICE OR REPAIR AND DRIVERS

Includes shop or outside employees, incidental parts department employees, erection of antennae.

CROSS-REF.

AIRCRAFT AVIONICS AND INSTRUMENTATION INSTALLATION, SERVICE, OR REPAIR—SHOP AND OUTSIDE & DRIVERS

Includes the installation, service, or repair of aircraft avionics and instrumentation on all types of fixed- or rotary-wing aircraft. These operations may be performed at a plant or shop facility away from an airport, or may be performed within a hangar or similar structure at an airport. Independent service contractors and fixed-base operators performing these services are assigned to Code 9516.

Refer to Code 7403 for ground support services performed at airports.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 8-RULE

TWO-PHASE TRANSITION PROGRAM

(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, 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, 2019 unless otherwise noted. For example, Phase 1 will become effective January 1, 2020 for approved loss cost/rate filings that have a January 1, 2020 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 date of the state's previous years' loss cost/rate effective date. The same rule applies to Phase 2 in the following year.

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 assume the payroll-weighted loss cost/rate.

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-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 8-RULE

EXAMPLE OF TWO-PHASE TRANSITION PROGRAM CALCULATION

(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, VA, VT, WV)

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
Payroll \$	400,000	700,000	3,000,000
Phase 1 Loss Cost/Rate	21.00	10.50	11.81
Phase 2 Loss Cost/Rate	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 rate/loss cost 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	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” for more details.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 8-RULE (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 using successively higher weight values until the largest weight value is found that keeps the rates/loss costs 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
Current Approved Filing	21.49	11.32	11.05
Phase 1	16.14	11.63	12.19

Weight Calculation Table						
Phase 1	Code XXX1		Code XXX2		Code XXX3	
Weight Value	Calculated Loss Cost/Rate Given Weight Value	Loss Cost/Rate Change %	Calculated Loss Cost/Rate Given Weight Value	Loss Cost/Rate Change %	Calculated Loss Cost/Rate Given Weight Value	Loss Cost/Rate Change %
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%
0.57	16.14	-24.9%	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						

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 9-RULE

THREE-PHASE TRANSITION PROGRAM

(Applies in: OK, OR, SC)

The following details the three-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 applicable state's 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, 2019 unless otherwise noted. For example, Phase 1 will become effective January 1, 2020 for approved loss cost/rate filings that have a January 1, 2020 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 date of the state's previous years' loss cost/rate effective date. The same rule applies to Phase 2 and Phase 3 in the subsequent years.

The following details the steps needed to implement the loss costs/rates for the code being discontinued and the acquiring code within each of the classification's loss cost/rate filings. An example of the three-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 third phase of the transition program.
- B. As part of Phase 1 of the three-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 assume the payroll-weighted loss cost/rate.

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 33% minimum weighting value must be used regardless of the swing limits to execute the transition program within three years.

- C. As part of Phase 2 of the three-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 the codes will take on the payroll-weighted loss cost/rate.

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 67% minimum weighting value must be used regardless of the swing limits to execute the transition program within three years.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 9-RULE (CONT'D)

- D. As part of Phase 3 of the three-phase transition program, the applicable code will be discontinued. All 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-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 9-RULE

EXAMPLE OF THREE-PHASE TRANSITION PROGRAM CALCULATION

(Applies in: OK, OR, SC)

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
Payroll \$	635,000	713,000	35,000
Phase 1 Initial Loss Cost/Rate	3.00	1.50	1.83
Phase 2 Initial Loss Cost/Rate	2.80	1.90	1.87
Phase 3 Initial Loss Cost/Rate	2.50	2.00	1.95

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

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

$$\frac{[(635,000 \times 3.00) + (713,000 \times 1.50) + (35,000 \times 1.83)]}{(635,000 + 713,000 + 35,000)} = 2.20$$

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 third phase (final phase) weight value is assumed to be 1.00. The weight value below is subject to a minimum of 0.33 for Phase 1, 0.67 for Phase 2, and 1.00 for Phase 3 without regard to swing limits in order to transition the loss costs/rates within three years.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 9-RULE (CONT'D)

EXAMPLE—FOR ILLUSTRATIVE PURPOSES ONLY							
	Weight Value	Code	Payroll-Weighted Loss Cost/Rate		NCCI Initially Calculated Loss Cost/Rate		Final NCCI Loss Cost/Rate
Filing Effective in Phase 1	0.36*	XXX1	(0.37 x 2.20)	+	(0.64 x 3.00)	=	2.71
		XXX2	(0.37 x 2.20)	+	(0.64 x 1.50)	=	1.75
		XXX3	(0.37 x 2.20)	+	(0.64 x 1.83)	=	1.96
Filing Effective in Phase 2	0.69*	XXX1	(0.69 x 2.31)	+	(0.31 x 2.80)	=	2.46
		XXX2	(0.69 x 2.31)	+	(0.31 x 1.90)	=	2.18
		XXX3	(0.69 x 2.31)	+	(0.31 x 1.87)	=	2.17
Filing Effective in Phase 3	1.00	XXX1	(1.00 x 2.23)	+	(0.00 x 2.50)	=	2.23
		XXX2	(1.00 x 2.23)		(0.00 x 2.00)		2.23
		XXX3	(1.00 x 2.23)		(0.00 x 1.95)		2.23

* Refer to “Example of Three-Phase Weight Value Calculation” for more details.

ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE

EXHIBIT 9-RULE (CONT'D)

EXAMPLE OF THREE-PHASE WEIGHT VALUE CALCULATION

Note: The weight value calculations in the following example are for illustration purposes only and are not the actual weight values in use, nor do they represent expected actual weight values for the codes indicated.

In the following example, the loss costs/rates are calculated for each class code by using 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 0.33 for Phase 1, 0.67 for Phase 2, and 1.00 for Phase 3. 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
Last Approved Filing	3.05	1.40	1.80
Phase 1	2.71	1.75	1.96
Phase 2	2.46	2.18	2.17

EXAMPLE—FOR ILLUSTRATIVE PURPOSES ONLY						
Weight Calculation Table						
	Code XXX1		Code XXX2		Code XXX3	
Weight Value	Calculated Loss Cost/Rate Given Weight Value	Loss Cost/Rate Change %	Calculated Loss Cost/Rate Given Weight Value	Loss Cost/Rate Change %	Calculated Loss Cost/Rate Given Weight Value	Loss Cost/Rate Change %
Phase 1						
...						
0.33	2.74	-10.2%	1.73	23.6%	1.95	8.3%
0.34	2.73	-10.5%	1.74	24.3%	1.96	8.9%
0.35	2.72	-10.8%	1.75	25.0%	1.96	8.9%
0.36	2.71	-11.1%	1.75	25.0%	1.96	8.9%
0.37	2.70	-11.5%	1.76	25.7%	1.97	9.4%
Phase 2						
...						
0.66	2.48	-8.5%	2.17	24.0%	2.16	10.2%
0.67	2.47	-8.9%	2.17	24.0%	2.16	10.2%
0.68	2.47	-8.9%	2.18	24.6%	2.17	10.7%
0.69	2.46	-9.2%	2.18	24.6%	2.17	10.7%
0.70	2.46	-9.2%	2.18	25.1%	2.18	11.2%

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 10-RULE

ASSIGNED CARRIER PERFORMANCE STANDARDS

PERFORMANCE STANDARD 4—LOSS PREVENTION

(Applies in: AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, SC, SD, TN, VA, WV)

(Approval required in: AR, DE, GA, IN, KS, MS, NH, SD)

D. Qualifying Employers and Survey Location Determination

Loss Prevention Survey Table¹

Premium Range	Governing Classification Codes		
\$20,000 to \$49,999	4670	4683	5508

¹ The content in this exhibit proposes to remove Code 4670 and replace it with Code 4683 in the Loss Prevention Survey Table. In addition, this exhibit proposes to remove Code 5508 from the Loss Prevention Survey Table. The content is not a complete replacement of the existing Loss Prevention Survey Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 10-RULE

ASSIGNED CARRIER PERFORMANCE STANDARDS

PERFORMANCE STANDARD 6—AUDITS

(Applies in: AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ,
NV, OR, SC, SD, TN, VA, VT, WV)

(Approval required in: AR, DE, GA, IN, KS, MS, NH, OR, SD)

C. Qualifying Employers

1. Preliminary Physical Audits (PPA)

a. New Business

PPAs must be completed in accordance with the PPA—New Business Table.

PPA—New Business Table¹

Premium Range	Governing Classification Codes	
\$10,000 to \$49,999	<u>5507</u>	5508
\$5,000 to \$9,999	<u>5507</u>	5508

¹ The content in this exhibit proposes to remove Code 5508 and replace it with Code 5507. The content is not a complete replacement of the existing PPA—New Business Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 10-RULE

ASSIGNED CARRIER PERFORMANCE STANDARDS

PERFORMANCE STANDARD 6—AUDITS

(Applies in: AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ,
NV, OR, SC, SD, TN, VA, VT, WV)

(Approval required in: AR, DE, GA, IN, KS, MS, NH, OR, SD)

C. Qualifying Employers

2. Final Physical Audits

a. New Business

Final physical audits must be completed in accordance with the Final Physical Audit—New Business Table.

Final Physical Audit—New Business Table¹

Premium Range	Governing Classification Codes	
\$5,000 to \$49,999	<u>5507</u>	5508
\$1,000 to \$4,999	<u>5507</u>	5508

¹ The content in this exhibit proposes to remove Code 5508 and replace it with Code 5507. The content is not a complete replacement of the existing Final Physical Audit—New Business Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 10-RULE

ASSIGNED CARRIER PERFORMANCE STANDARDS

PERFORMANCE STANDARD 6—AUDITS

(Applies in: AL, AR, AZ, CT, DC, DE, GA, IA, ID, IL, IN, KS, MS, NC, NH, NJ, NV, SC, SD, TN, VA, VT, WV)

(Approval required in: AR, DE, GA, IN, KS, MS, NH, SD)

C. Qualifying Employers

2. Final Physical Audits

c. Renewal Business

Final physical audits must be completed in accordance with the Final Physical Audit—Renewal Business Table.

Final Physical Audit—Renewal Business Table¹

Premium Range	Governing Classification Codes
\$1,000 to \$19,999	<u>5507</u> 5508

¹ The content in this exhibit proposes to remove Code 5508 replace it with Code 5507. The content is not a complete replacement of the existing Final Physical Audit—Renewal Business Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

EXHIBIT 10-RULE

**ASSIGNED CARRIER PERFORMANCE STANDARDS
PERFORMANCE STANDARD 4—LOSS PREVENTION
(Approval required in: AK)**

D. Qualifying Employers and Survey Location Determination

Loss Prevention Survey Table¹

Premium Range	Governing Classification Codes	
\$25,000 to \$34,999	4670	<u>4683</u>

¹ The content in this exhibit proposes to remove Code 4670 and replace it with Code 4683 in the Alaska Loss Prevention Survey Table. The content is not a complete replacement of the existing Loss Prevention Survey Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 10-RULE
ASSIGNED CARRIER PERFORMANCE STANDARDS
PERFORMANCE STANDARD 6—AUDITS
(Approval required in: OR)**

C. Qualifying Employers

2. Final Physical Audits

c. Renewal Business

Change the Final Physical Audit—Renewal Business Table as follows:

Final Physical Audit—Renewal Business Table¹

Premium Range	Governing Classification Codes	
\$10,000 and over	<u>5507</u>	5508

¹ The content in this exhibit proposes to replace Code 5508 with Code 5507 in the Oregon Final Physical Audit—Renewal Business Table. The content is not a complete replacement of the existing Final Physical Audit—Renewal Business Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 10-RULE
ASSIGNED CARRIER PERFORMANCE STANDARDS
PERFORMANCE STANDARD 4—LOSS PREVENTION
(Applies in: VT)**

D. Qualifying Employers and Survey Location Determination

Change the Loss Prevention Survey Table as follows:

Loss Prevention Survey Table¹

Premium Range	Governing Classification Codes		
\$20,000 to \$49,999	<u>4683</u>	4670	5508

¹ The content in this exhibit proposes to remove Code 4670 and replace it with Code 4683 in the Vermont Loss Prevention Survey Table. In addition, this exhibit proposes to remove Code 5508 in the Vermont Loss Prevention Survey Table. The content is not a complete replacement of the existing Loss Prevention Survey Table content previously approved.

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 11-FORM
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM WORKERS
COMPENSATION PREMIUM CREDIT APPLICATION (FORM 09-4E)**

**FLORIDA CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM WORKERS
COMPENSATION PREMIUM CREDIT APPLICATION**

(Name of Insured)
(Address)
(Anytown, State, Zip Code)

**FLORIDA CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM
WORKERS COMPENSATION PREMIUM CREDIT APPLICATION (FORM 09-4E)**

The Florida Contracting Classification Premium Adjustment Program is applicable to qualifying employers engaged in contracting operations.

A special premium calculation, which may result in a premium credit for you, will be based on average hourly pay rates for each classification of contracting operations. ~~In order that~~ For your premium may to be correctly established, please return the completed premium credit application, as set out on the reverse side of this letter, to ~~the~~:

National Council on Compensation Insurance, Inc. (NCCI)
Customer Service Center
901 Peninsula Corporate Circle
Boca Raton, FL ~~Florida~~ 33487-1362

~~They~~NCCI will advise us of any premium credit applicable.

If NCCI does not receive this application during the policy period or within three ~~(3)~~ years after the policy period ends, your premium calculation will not reflect any possible premium credit.

For each applicable classification (both contracting and noncontracting) covering your company's operations in the state of Florida, report the *total* Florida payroll (excluding overtime premium pay, pay in excess of the maximum individual payroll for executive officers or the pay in excess of payroll amount charged to partners and sole proprietors as shown on the state rate pages, as well as the entire pay for any exempt sole proprietor, partner, or officer) and the corresponding *total* number of hours worked, *for the third calendar quarter (July, August, September) of the prior calendar year as reported to taxing authorities.*

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 11-FORM (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM WORKERS
COMPENSATION PREMIUM CREDIT APPLICATION (FORM 09-4E)**

- Note #1. If you did not ~~engage in~~ perform contracting operations during the third quarter of the prior calendar year, the requested information to be provided ~~should~~ must then be for the last complete calendar quarter before ~~prior to~~ the effective date of your workers compensation policy.
- Note #2. If you are a new business, submit the requested information, *for the first complete calendar quarter following the effective date of your workers compensation policy*, when available.
- Note #3. In the absence of specific records for salaried employees, ~~you should~~ assume that each individual worked ~~forty (40)~~ hours per week.

Please preserve your payroll records that formed the basis for this declaration as we will be required to verify the reported information ~~in order~~ for any premium credit to be applied.

Thank you for your cooperation.

Sincerely,

TURN PAGE OVER FOR PREMIUM CREDIT APPLICATION

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 11-FORM (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM WORKERS
COMPENSATION PREMIUM CREDIT APPLICATION (FORM 09-4E)**

INSURED: _____

POLICY NO.: _____ **EFFECTIVE DATE:** _____

CARRIER NAME: _____

Notice: Unless code(s), total wages paid, total hours worked, and calendar quarter reported are indicated and the application is signed, it cannot be processed. **Contact your agent** if assistance is desired.

Is this a new business? No Yes

If no, submit information for the **THIRD** calendar quarter (July, August, September) of the prior calendar year as reported to taxing authorities.

If yes, submit information for the **FIRST** complete calendar quarter following the effective date of your workers compensation policy.

The following is based on actual wages and hours worked, as reflected in our payroll records, for the complete calendar quarter ending _____ .

“Contracting classifications” are those classifications subject to the following code numbers:

0042	5057	5222	5478	5610	6206	6306
0050	5059	5223	5479	5613	6213	6319
1322	5069	5348	5480	5645	6214	6325
2799	5102	5402	5491	5651	6216	6400
3365	5146	5403	5506	5703	6217	7538
3719	5160	5437	5507	5705	6229	7605
3724	5183	5443	5508	6004	6233	7855
3726	5188	5445	5509	6006F	6235	8227
5020	5190	5462	5535	6017	6236	9534

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 11-FORM (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
FLORIDA CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM WORKERS
COMPENSATION PREMIUM CREDIT APPLICATION (FORM 09-4E)**

5022	5213	5472	5537	6018	6237	9554
5037	5215	5473	5551	6045	6251	
5040	5221	5474	5606	6204	6252	

CLASSIFICATION	CODE	TOTAL FLORIDA WAGES PAID ¹	TOTAL HOURS WORKED ²
Example: Electrical Wiring	5190	\$8,000	520
Contracting Classifications:			
Noncontracting Classifications:			

¹ These figures are to exclude overtime premium pay (e.g., employee makes \$16/hour and is paid time and one-half, only report the payroll based upon the \$16/hour), pay in excess of the maximum individual payroll for executive officers or the pay in excess of payroll amount charged to partners and sole proprietors as shown on the state rate pages, and the entire pay for any exempt sole proprietor, partner, or officer. For each classification code, combine all wages for that code in a single entry. Employee names are not required.

² Including overtime hours.

Any person who knowingly, and with intent to injure, defraud, or deceive any insurer, files a statement or claim or an application containing any false, incomplete, or misleading information, is guilty of a felony of the third degree.

SIGNATURE: _____ **POSITION:** _____ **DATE:** _____

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 11-FORM
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
VIRGINIA CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (CCPAP)
WORKERS COMPENSATION PREMIUM CREDIT APPLICATION (FORM 45-3E)**

(Name of Insured)
(Address)
(City, State, Zip Code)

**VIRGINIA CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (CCPAP) WORKERS
COMPENSATION PREMIUM CREDIT APPLICATION (FORM 45-EF)**

The Virginia Contracting Classification Premium Adjustment program is applicable to qualifying employers engaged in that perform contracting operations and is applicable to policies with effective dates on or after January 1, 1997. ~~In order to~~ To qualify for the program, more than 50% of your manual premium must be attributable to one or more contracting classifications (as designated in the program) and you must be experience rated.

A special premium calculation, which may result in a premium credit for you, will be based on average hourly pay rates for each contracting classification. ~~In order that~~ For your premium may to be correctly established, please return the completed premium credit application, as set out on the reverse side of this letter, to:

NCCI
Customer Service Center
901 Peninsula Corporate Circle
Boca Raton, FL ~~Florida~~ 33487-1362

NCCI will advise of any premium credit applicable.

If NCCI does not receive this application within 180 days after policy inception or receipt of notification, your premium calculation will not reflect any possible premium credit.

For each applicable classification (both contracting and noncontracting) covering your company's operations in the Commonwealth of Virginia, report the total Virginia payroll reported to the Virginia Employment Commission and the corresponding total number of hours worked, for the third calendar quarter (July, August, September) of the year preceding your policy effective date as reported to taxing authorities.

- Note #1: If you did not ~~engage in~~ perform contracting operations during the third calendar quarter, provide the requested information for the last complete calendar quarter ~~prior to~~ before the policy effective date of your workers compensation policy.
- Note #2: If you are a new business (no prior operations), submit the requested information for the first complete calendar quarter following the policy effective date of your workers compensation policy when available.
- Note #3: In the absence of specific records for salaried employees, ~~you should~~ assume that each individual worked 40 hours a week. Payroll for partners, sole proprietors, and corporate officers subject to contracting classifications will be allocated according to appropriate **Basic Manual** minimum and maximum payroll limitations.

You must preserve your payroll records that formed the basis for this declaration because we are required to verify the reported information in order to apply any premium credit.

NATIONAL COUNCIL ON COMPENSATION INSURANCE, INC.

**B-1437
PAGE 134**

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 11-FORM (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
VIRGINIA CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (CCPAP)
WORKERS COMPENSATION PREMIUM CREDIT APPLICATION (FORM 45-3E)**

Thank you for your cooperation.
Sincerely,

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 11-FORM (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
VIRGINIA CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (CCPAP)
WORKERS COMPENSATION PREMIUM CREDIT APPLICATION (FORM 45-3E)**

WORKERS COMPENSATION—PREMIUM CREDIT APPLICATION

INSURED: _____

POLICY NO. _____ **POLICY EFFECTIVE DATE** _____

CARRIER NAME: _____

Note: Unless code(s), total wages paid, total hours worked, and calendar quarter reported are indicated and application is signed and dated, it cannot be processed. Contact your agent or carrier if assistance is desired.

Is this a new business? No Yes

If no, submit information for the third calendar quarter (July, August, September) of the year preceding the policy effective date as reported to taxing authorities.

If yes, submit information for the first complete calendar quarter following the effective date of your workers compensation policy.

The following is based on actual wages and hours worked, as reflected in our payroll records, for the complete calendar quarter ending _____.

“Contracting classifications” are those classifications subject to the following code numbers:

0042	5040	5215	5472	5537	6045	6237	7612
0050	5057	5221	5473	5551	6204	6251	7613
1322	5059	5222	5474	5606	6206	6252	7855
2799	5069	5223	5478	5610	6213	6306	8227
3365	5102	5348	5479	5645	6214	6319	9534
3719	5146	5402	5480	5651	6216	6325	9554
3724	5160	5403	5491	5703	6217	6400	
3726	5183	5437	5506	5705	6229	7538	
5020	5188	5443	5507	6003	6233	7601	
5022	5190	5445	5508	6005	6235	7605	
5037	5213	5462	5535	6018	6236	7611	

**ITEM B-1437—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING AIRCRAFT MAINTENANCE**

**EXHIBIT 11-FORM (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
VIRGINIA CONTRACTING CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM (CCPAP)
WORKERS COMPENSATION PREMIUM CREDIT APPLICATION (FORM 45-3E)**

CLASSIFICATION	CODE	TOTAL VIRGINIA WAGES PAID*	TOTAL HOURS WORKED
Example: Electrical Wiring	5190	\$8,000	520
Contracting Classifications:			

* For each classification code, combine all wages for that code in a single entry. Employee names are not required.

For each applicable classification (both contracting and noncontracting) covering your employer’s operations in the Commonwealth of Virginia, report the total Virginia payroll reported to the Virginia Employment Commission, as well as the entire pay for any exempt sole proprietor, partner, or officer), and the corresponding total number of hours worked, for the third calendar quarter (July, August, September) of the year preceding your policy effective date as reported to taxing authorities.

SIGNATURE: _____ **POSITION:** _____ **DATE:** _____

This application must be completed and signed or it will not be processed.