



Montana Workers Compensation Classification Review Committee

Agenda Tracking No.: MT-COM-01-2017

Scheduled Release Date: May 26, 2017

Meeting Information: The Montana Workers Compensation Classification Review Committee will meet at 2:00 PM, Mountain Daylight Time, on Wednesday, June 14, 2017. The meeting will be held at the Best Western Premier, Helena Great Northern Hotel, located at 835 Great Northern Blvd., Helena, Montana, 59601.

Teleconference Information: For those participating by teleconference, please dial 1-800-525-8529 and enter Conference ID 737 288 699.

Members:

Name	Representing	Voting? Y/N	Present? Y/N	Substitute
Christy Weikart	Montana State Fund	Y		
Greg Roadifer	Associated Employers	Y		
Keith Brownfield	Victory Insurance	Y		
Meegan Williams	Liberty Mutual	Y		
Rich Deming	First West, Inc.	Y		

SCHEDULE

Estimated Time	Issue	Resolution
2:00 PM	Election of Committee Chair and Vice Chair for 2017.	
2:10 PM	Approval of the Draft Minutes for the Montana Workers Compensation Classification Review Committee meeting held on November 5, 2015.	
2:20 PM	Proposed Amendments to ARM 6.6.8301 Establishment of Classifications for Compensation Plan No. 2, to include ratification of past NCCI classification item filings, and ARM 6.6.8401 Public Participation Guidelines. a. Public Comment b. Committee Action/Vote	
2:40 PM	Presentation of NCCI Item B-1431— Revisions to Basic Manual Classifications and Appendix E—Classifications by Hazard Group. a. Public Comment	

Estimated Time	Issue	Resolution
	b. Committee Action/Vote	
3:00 PM	Presentation of NCCI Item B-1435— Revisions to Basic Manual Classifications and Appendix E—Classifications by Hazard Group, Including Trucking and Towing. a. Public Comment b. Committee Action/Vote	
3:20 PM	New Business, if any.	
3:30 PM	Public Comment Period.	

Distribution:
Committee Members



Draft Minutes

Montana Workers Compensation Classification & Review Committee

Agenda Tracking No.: MT-COM-02-2015

Draft Minutes Release Date: May 26, 2017

Meeting Information: The Montana Workers Compensation Classification & Review Committee met on Thursday, November 5, 2015 at the Best Western Great Northern Hotel, Helena, Montana.

Members:

Name	Representing	Voting? Y/N	Present? Y/N	Substitute
Christy Weikart	Montana State Fund	Y	Y	
Cliff Hanson*	FQC Consulting	Y	Y	
Keith Brownfield*	Victory Insurance	Y	Y	
Meegan Williams	Liberty Mutual	Y	N	N/A
Rich Deming*	First West, Inc.	Y	Y	

Others Present

Name	Representing
Curt Larsen	Montana State Fund
Kristy Gilbert	Montana State Fund
Nancy Butler	Montana State Fund
Tim Hughes*	NCCI
Jessica Epley*	NCCI
Bill Dodds*	NCCI
Bill Pierce	Pierce & Assoc. – Builders, LLC
Adam Senechal	Golden Eagle Construction
Dustin Stewart	Montana Building Industry Assoc.
Ron Bartscl	Sussex Construction, Inc.

*Participated by telephone

AGENDA ITEMS

Issue	Resolution
<p>Proposed Revisions to Code 5606—Contractor—Project Manager, Construction Executive, Construction Manager or Construction Superintendent</p> <p>The Montana State Fund (MSF) recommended the following language to replace the current Montana State special language for Code 5606:</p> <p>Contractors—Executive Supervisor or Construction Superintendent</p>	<p>A motion was made, seconded and passed with four in favor (one absentee) and it was</p>

This classification is available only to executive owners, officers, supervisors or construction superintendents having administration or managerial responsibility for construction or erection projects.

When the executive owner, officer supervisor or construction superintendent is directly supervising construction workers at the job site or engaging in actual construction activities, such persons shall be assigned to the classification that specifically describes the type of construction or erection operations in which such person is engaged or over which such person is exercising direct supervisory control provided separate payroll records are maintained for each operation. Any such operation for which separate payroll records are not maintained shall be assigned to the highest rated classification that applies to the job or location where the operations is performed.

Nancy Butler, legal counsel for the MSF, provided background information on Montana Senate Bill 123. This bill provides that the MSF falls under the regulatory authority of the Insurance Commissioner, similar to that of other private insurance carriers operating in the state. Similar to the request that the MSF brought before the Committee in April 2015 concerning the adoption of MSF codes for the agriculture industry, the Montana State Government, and Montana municipalities, MSF is requesting on behalf of the Montana construction industry, the adoption of revised language as it concerns Code 5606—Contractors—Project Manager, Construction Executive, Construction Manager or Construction Superintendent. The adoption of the language currently being used by the MSF will assure that this industry will not be adversely impacted by this legislative change and will allow the policyholders of the MSF to retain their current classification treatment. The MSF classification is less restrictive than the NCCI classification. The MSF believes the less restrictive language is more appropriate for small construction risks that are common throughout Montana.

Committee member Christy Weikart stated that NCCI's eligibility criteria for Code 5606 are very restrictive. The code is designed to apply to large construction contractors that Montana has very few of. Under NCCI's criteria, there must be an intermediate level of supervision between the executive supervisor and the construction worker at all times throughout the policy term. There can be no direct supervision of any construction workers and the executive supervisor cannot perform any actual construction work during the policy term. MSF's classification approach is more flexible. If the executive supervisor has direct supervision or performs construction work on a particular job site, they are classified to the appropriate construction code. However, when this same executive supervisor performs work described by the proposed language for Code 5606, they can split their payroll between Code 5606 and other construction codes. The MSF's more flexible language for Code 5606 better meets the needs of the small construction operations common in Montana. If the MSF approach is not adopted, it will result in a significant premium increases for many of MSF policyholders.

RESOLVED, that effective 7/1/16, the proposed language for Code 5606 as captured in the minutes is recommended for adoption as a Montana State special.

Committee member Cliff Hanson noted that if the MSF language is adopted, the current NCCI language addressing the treatment of subcontractors would be eliminated. Ms. Weikart confirmed this is correct and stated her concerns with the NCCI language as it concerns sole proprietor subcontractors. She stated that if an executive supervisor has any conversation with a sole proprietor subcontractor who has no employees, the executive officers is disqualified from Code 5606 under the current NCCI's language.

Committee member Rich Deming also expressed concern with the current NCCI restrictive language, particularly as it affects small residential construction contractors. The owner of a small construction business may not be involved in the actual construction work on a day to day basis but if he or she stops at the job site and speaks to a sole proprietor subcontractor, or conducts safety meetings with the subcontractors, the owner is no longer eligible for Code 5606 based on the current code language. For these reasons, Mr. Deming stated he supports the adoption of a less restrictive Code 5606.

Committee member Keith Brownfield stated that when an executive supervisor is at a job site, they are exposed to the construction hazards of that job site, and that this exposure should be accounted for in the code assigned to that project manager. Mr. Brownfield also stated that consistency with other states should be a consideration before making changes that are specific to Montana. By adopting code treatments specific to Montana, national carriers may not want to enter the Montana market. He stated that Montana should have a robust private carrier market so careful consideration should be given to this request to adopt a new Montana special.

The following are comments from the general public:

Dustin Stewart, the Executive Director of the Montana Building Industry Association (MBIA), stated that the Montana construction industry is a cottage industry with most companies operating with 10 or fewer employees. Mr. Stewart contacted 50 members of MBIA to discuss the move from the MSF language for Code 5606 to the current NCCI definition of this code. He stated that his membership is in favor of the MSF language. Mr. Stewart presented a letter of support signed by 23 members in support of the proposed code language. He stated that several members of MBIA determined that if their individual policies with the MSF were revised to the current NCCI language, they anticipate a premium increase of \$10,000 or more.

Bill Pierce, Pierce & Associates, stated that he has been in business for 40 years, primarily in residential and light commercial construction. He stated that his executive supervisors currently split their payroll between office work and work at a construction site. Using a \$40,000 salary, with 25% of a worker's time in the office

(Code 5606) and 75% in the field (Code 5645), the additional premium would be \$3,000 per employee. Mr. Pierce stated he favors the adoption of the MSF language for continued use in Montana.

Ron Bartscl, with Sussex Construction, stated that his construction company uses Code 5606 for two or three employees when they are not directly involved in construction work. Payroll records for each type of work are maintained. If his business was no longer allowed to use Code 5606 in combination with other construction codes, he estimated the premium increase would be in excess of \$10,000.

Adam Senechal, with Golden Eagle Construction, stated that they had \$207,000 of payroll assigned to Code 5606 during the last policy term. If the NCCI language was applied to this policy term, there would be no payroll allocated to Code 5606 and all would be assigned to Code 5645. This would result in an increased premium of \$23,000 for his business, without any change in exposure. Mr. Senechal stated that he supports the adoption of the proposed language.

An NCCI staff representative questioned how companies currently using the MSF language for Code 5606 are keeping payroll records and whether there are audit concerns when performing audits. Christy Weikart advised that keeping payroll records by construction codes has not been an issue in the past and she doesn't see this as an issue if the MSF language is adopted. Companies maintain detailed time cards that specifically identify the work performed. Several public members confirmed that their companies keep specific records for work performed for each construction classification, including Code 5606. NCCI staff asked whether Code 5606 would be available for a split in payroll for a worker who is involved in construction during the morning, and project management in the afternoon at the same job site. The MSF representative responded that this split is currently allowed as long as payroll records are maintained. Public members commented that this is currently the case with their businesses. Payroll for work in the office or visiting a customer to prepare a bid is assigned to Code 5606. If the same worker then performs construction work, this work is classified to the appropriate construction code.

Committee member Keith Brownfield stated that adopting this change may not have the rate/premium benefit that is anticipated because the losses associated with the various codes will not change. The proposed language will result in a reallocation of premium as the net premium for the Montana construction industry will remain the same. Any individual policyholder premium savings resulting from allowing a division of payroll with Code 5606 will necessarily have to be made up by an increase in the rates for other construction codes. Until the rate difference is accomplished, larger construction companies will be subsidizing smaller companies that use Code 5606.

The following general comments were made:

- MSF currently has 50% of the payroll allocated to Code 5606. The MSF serves as the market for smaller contactors. Private market carriers write the balance of the payroll. The private market carriers provide coverage to larger contactors.
- MSF reports its payroll and loss data to NCCI which NCCI uses in its ratemaking process.
- The MSF representative stated that the MSF rate for Code 5606 has remained steady over the years, somewhere around \$2 per hundred dollars of payroll, as compared to NCCI's loss cost of slightly over \$1. The MSF believes this consistency indicates businesses have not been misusing the MSF language for Code 5606.

As public testimony concluded, and Committee members had no further issues or questions, the Committee chair made a motion to adopt the MSF language. Refer to the Resolution for the outcome.

Distribution:
Committee Members

MT Classification Review Committee

Agenda Item #3, Executive Summary

Agenda Item- Proposed Amendments to ARM 6.6.8301 *Establishment of Classifications for Compensation Plan No. 2*, to include ratification of past NCCI classification item filings, and ARM 6.6.8401 *Public Participation Guidelines*.

Agenda Item 3 proposes amendments to Montana Administrative Rules 6.6.8301 and 6.6.8401 to:

- Incorporate changes to law from SB 123 passed in the 2015 legislative session, to include Plan No.3 (Montana State Fund) in the caption and the body of ARM 6.6.8301.
- Update information for the Office of the Commissioner of Insurance (CSI) and the National Council on Compensation Insurance, Inc., (NCCI) as set forth in ARM 6.6.8301 and ARM 6.6.8401; and
- Supplement NCCI's ***Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)*** to include the establishment and revision of nineteen (19) classifications approved by the Committee since the last rulemaking and ratify the classification filings effective July 1, 2010 through July 1, 2016. For your reference, a summary of the nineteen (19) classification filings proposed to be ratified can be found in the enclosed Draft Rulemaking Notice.

Suggested Motion/Resolution for Agenda Item 3:

Following review and discussion, upon motion duly made, seconded and unanimously approved, it is

RESOLVED, that the Committee approves proceeding to rule-making under Montana's Administrative Procedures Act for the proposed amendments to 6.6.8301 to ratify this Committee's establishment and revision of the nineteen (19) classification filings effective July 1, 2010 through July 1, 2016 as referenced in NCCI's ***Basic Manual***, to include Montana State Fund in the rule, and to update NCCI information. The Committee further approves the proposed amendments to 6.6.8401 to update information for NCCI and CSI.

BEFORE THE MONTANA CLASSIFICATION REVIEW COMMITTEE

In the matter of the amendments of) NOTICE OF PUBLIC HEARING ON
ARM 6.6.8301 and 6.6.8401) PROPOSED AMENDMENT
pertaining to establishment or)
revision of classifications for various)
industries for supplementing the)
NCCI Basic Manual and updates to)
the public participation guidelines)

TO: All Concerned Persons

1. On [Month Day, 20##], at {time}, the Classification Review Committee will hold a public hearing (address), to consider the proposed amendments of the above-stated rules.

2. The Classification Review Committee will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the Classification Review Committee no later than [Time]:00 [a.m./p.m.] on [Month Day, 20##], to advise us of the nature of the accommodation that you need. Please contact [Contact Name], Classification Review Committee, [Address], [City], Montana, [Zip Code]; telephone (406) 444-####; fax (406) 444-####; [TDD/Montana Relay Service/etc (406) 444-]; or e-mail [contact]@mt.gov.

3. The rules as proposed to be amended provide as follows, new matter underlined, deleted matter interlined:

6.6.8301 ESTABLISHMENT OF CLASSIFICATION FOR
COMPENSATION PLAN NO. 2 AND **PLAN 3**

(1) The committee adopts and incorporates by reference the NCCI Basic Manual for Workers Compensation and Employers Liability Insurance, 2001, ed., as supplemented through ~~October 16, 2006~~ classifications established or revised in accordance with (2) and 33-16-1023 (3), which establishes classifications with respect to employers electing to be bound by compensation plan No. 2 and plan No. 3 as provided in Title 39, chapter 71, part 22, and part 23, MCA. A copy of the Basic Manual for Workers Compensation and Employers Liability Insurance is available for public inspection at the Office of the Commissioner of Insurance, 840 Helena Ave., Helena, MT 59601. Copies of the Basic Manual for Workers Compensation and Employers Liability Insurance may be obtained by writing to the Montana Classification Review Committee in care of the National Council on Compensation Insurance, Inc., ~~10920 W. Glennon Dr., Lakewood, Colorado 80226~~ c/o Regulatory Assurance Department, 901

Peninsula Corporate Circle, Boca Raton FL 33487-1362. Persons obtaining a copy of the Basic Manual for Workers Compensation and Employers Liability Insurance must pay the committee's cost of providing such copies.

(2) The committee may amend the definition of a rate classification, establish a new rate classification, or delete an existing rate classification pursuant to the rulemaking procedures as provided in Title 2, chapter 4, part 3, MCA and the applicable Attorney General's Model Procedural Rules adopted by the committee.

AUTH: 33-16-1012, MCA
 IMP: 33-16-1012, MCA

REASON: The reasonable necessity for this rule is to address the following:

To incorporate changes to law from SB 123 passed in the 2015 legislative session. SB 123 addressed the regulation of Plan No. 3 (Montana State Fund) under the Commissioner of Insurance and Title 33, per 33-1-115, MCA, effective January 1, 2016. Plan No. 3 therefore needs to be included in the caption and body of the rule.

The National Council of Compensation Insurance, Inc., (NCCI) has moved the location of the office supporting the Classification Review Committee (CR Committee) and this amendment will update the address.

To supplement the NCCI *Basic Manual for Workers' Compensation and Employers Liability Insurance (Basic Manual)* through the establishment and revision of classifications for various industries by the CR Committee. The classifications are utilized for Workers' Compensation Insurance. The CR Committee established in 33-16-1011 and 1012, MCA is responsible for the establishment and revision of classifications in accordance with Title 2, Chapter 4, Part 3, Adoption and Publication of Rules. The purpose of the proposed amendment is to include the establishment and revision of classifications approved by the CR Committee since the last rulemaking which occurred in 2008. The CR Committee is proposing ratification of nineteen (19) NCCI classification filings effective July 1, 2010 through July 1, 2016, as follows:

NATIONAL NCCI CLASSIFICATION FILINGS			
	Item Filing #	Title	Description
1	B-1406	Revisions to Basic Manual Classifications and Rules Approved Effective Date: 07/01/2010	Countrywide class filing - Horticulture; Fruit Farms; Sugar Mfg.; Tobacco Mfg. Horticulture - Revised Code 0005-Farm-Nursery & Drivers and Code 0035-Farm-Florist & Drivers to clarify what is assigned to each. Fruit Farms - Revised Code 0016-Farm-Orchard & Drivers and Code 0079-Farm-Berry or Vineyard & Drivers to clarify what is assigned to each. Also, revised Code 0050-Clearing of Right-of-Way-Electric,

NATIONAL NCCI CLASSIFICATION FILINGS			
	Item Filing #	Title	Description
1	B-1406	<p>Revisions to Basic Manual Classifications and Rules (Cont'd)</p> <p>Approved Effective Date: 07/01/2010</p>	<p>Power, Telephone, Burglar, or Fire Alarm Lines-Brush or Weed Control-Chemical & Drivers to clarify assignment of brush or weed control using chemicals.</p> <p>Sugar Mfg. - Revised phraseology of Code 2021-Sugar Refining to include "Mfg." Also discontinued several cross-references.</p> <p>Tobacco Mfg. - Revised Code 2172-Cigarette Mfg. to clarify inclusion of cigar and tobacco mfg. in Code 2172. Also revised Code 2174-Tobacco Rehandling or Warehousing to clarify assignment of tobacco auction houses.</p>
2	B-1408	<p>Revisions to Basic Manual Classifications and Rules</p> <p>Approved Effective Date: 07/01/2010</p>	<p>Countrywide class filing - Child Day Care; Engineering and Research; Inventory Counters</p> <p>Child Day Care - Discontinued Code 9059-Child Day Care Center- All Other Employees & Drivers and reassigned experience to revised all-inclusive Code 8869-Child Care Center-All Employees including Clerical, Salespersons & Drivers. Also Montana discontinued state special Code 9064 and adopt national Code 8869.</p> <p>Engineering and Research - Established Code 8602-Surveyors, Timber Cruisers, Oil or Gas Geologists or Scouts & Drivers. Revised the following to make distinction between independent medical testing labs and labs that are part of a hospital, medical facility or physician's office - Code 4511-Analytical Laboratories or Assaying-Including Laboratory, Outside Employees, Collectors of Samples & Drivers; Code 8832-Physician & Clerical; Code 8833-Hospital-Professional Employees. Discontinued cross-reference Code 8810-Drafting Employees. Revise BM Rule 1-B-2-Standard Exception Classifications to remove drafting as a standard exception.</p> <p>Inventory Counters - Established Code 8725-Inventory Counters-Traveling-Including Salespersons & Clerical. Revised Code 8720 and Code 8803 to deleted several redundant cross-reference phraseologies.</p>
3	B-1409	<p>Revisions to Basic Manual Classifications and Appendix E-Classifications By Hazard Group</p> <p>Approved Effective Date: 07/01/2011</p>	<p>Countrywide class filing - Bakery, Cookies & Crackers; Food Sundry</p> <p>Bakery, Cookies & Crackers - Discontinued Code 2001-Cracker Mfg. and reassign experience to Code 2003-Bakery-Salespersons & Drivers. Revised Code 2002-Macaroni Mfg. to Pasta or Noodle Mfg.</p> <p>Food Sundry - Revised Code 6504-Food Sundries Mfg. NOC to Food Products Mfg. NOC. Discontinued cross reference Code 6504-Potato Chip Mfg. and Popcorn Mfg. and reassigned experience to newly created Code 6503-Potato Chip, Popcorn & Snack Chip Mfg. NOC.</p>

NATIONAL NCCI CLASSIFICATION FILINGS			
	Item Filing #	Title	Description
4	B-1410	<p>Revisions to Basic Manual Classifications and Appendix E-- Classifications by Hazard Group</p> <p>Approved Effective Date: 07/01/2011</p>	<p>Countrywide class filing - Carpentry Shop; Manufactured Modular Homes Mfg.; Manufactured Homes Setup</p> <p>Carpentry Shop - Discontinued Code 2812-Cabinet Works-With Power Machinery and reassigned exposure to Code 2883-Furniture Mfg. and Cabinet Shop-Wood-NOC. Also revised or deleted several cross references under Codes 2802, 2881 and 2883.</p> <p>Manufactured Modular Homes Mfg. - Established Code 2797-Manufactured, Modular, or Prefabricated Home Mfg.-Shop Work-All Operations & Drivers. Discontinued MT special Code 7219-Mobile Home-Delivery-By Specialist Contractor Delivery Only-All Employees & Drivers. Delivery by mfr. assigned to Code 2797, while delivery by outside trucking company assigned to appropriate trucking classification.</p> <p>Manufactured Homes Setup - Established Code 2799-Manufactured, Modular, or Prefabricated Home Setup, Hookup, or Installation at Building Site. Discontinued MT special cross reference Code 7219-Mobile Home-Delivery By Specialist Contractor.</p>
5	B-1412	<p>Revisions to Basic Manual Classifications and Appendix E-- Classifications by Hazard Group</p> <p>Approved Effective Date: 07/01/2011</p>	<p>Countrywide class filing - Film Exchange; Lacquer or Spirit Varnish Mfg., Oleo resinous Varnish Mfg., and Paint Mfg.; Superstores and Warehouse Clubs</p> <p>Film Exchange - Discontinued Code 4362-Motion Picture-Film Exchange & Projection Rooms, Clerical and reassigned experience to Code 4360-Motion Picture-Development of Negatives, Printing and All Subsequent Operations.</p> <p>Lacquer or Spirit Varnish Mfg., Oleo resinous Varnish Mfg., and Paint Mfg. - Discontinued Code 4561-Varnish Mfg. and reassigned experience to Code 4439-Lacquer or Spirit Varnish Mfg.</p> <p>Superstores and Warehouse Clubs - Established Code 8037-Store-Superstores and Warehouse Clubs. Amend Code 8039-Store-Department-Retail to raise minimum annual payroll required from \$400k to \$650k to adjust for inflation.</p>
6	B-1413	<p>Revisions to Basic Manual Classifications and Appendix E-- Classifications by Hazard Group</p> <p>Approved Effective Date: 07/01/2011</p>	<p>Countrywide class filing - Fiber Optics and Semiconductors; Telecommunications</p> <p>Fiber Optics and Semiconductors - Discontinued Code 4112-Incandescent Lamp Mfg. and reassigned experience to Code 4110-Electric Bulb Mfg. Created cross reference Code 4110-Fiber Optic Cable Mfg. Discontinued cross reference Code 4150-Computer Chip Mfg. and reassigned experience to Code 4109-Integrated Circuit Mfg.</p> <p>Telecommunications - Discontinued MT special phraseology Code 7605-Telephone or Cable Television Line-Inside & Drivers and adopted national Codes 7600 and 8901. Also discontinued MT state special phraseologies for Codes 7600, 7601, 7611,</p>

NATIONAL NCCI CLASSIFICATION FILINGS			
	Item Filing #	Title	Description
6	B-1413	<p>Revisions to Basic Manual Classifications and Appendix E--Classifications by Hazard Group (Cont'd)</p> <p>Approved Effective Date: 07/01/2011</p>	<p>7612 and 7613. Revised phraseology of Code 9516 from Radio, Television, Video and Audio Equipment Installation, Service or Repair & Drivers, to Electronic Equipment-Installation, Service, or Repair-Shop and Outside & Drivers.</p>
7	B-1415	<p>Revisions to Basic Manual Classifications, Rules, and Appendix E--Classifications by Hazard Group</p> <p>Approved Effective Date: 07/01/2011</p>	<p>Countrywide class filing - Carpentry; Door, Window, Cabinets, and Interior Trim Installation; Punch Out Employees</p> <p>Carpentry - Discontinued Code 5651-Carpentry-Dwellings-Three Stories or Less and reassigned experience to Code 5645-Carpentry-Detached One or Two Family Dwellings. Also revised or deleted several cross references under Code 5645. Discontinued cross reference Code 5645-Door Installation-Screened-Metal or Wood, Jalousie or Jalousie Screen-Erection, Storm Door or Storm Sash Installation-Wood or Metal, and Window Screen or Door Installation-Metal or Wood, and reassigned exposure to Code 5102-Door, Door Frame or Sash Erection-Metal or Metal Covered, when performed by specialty contractors. When performed by builders, assign to Codes 5403 or 5645. When performed by trim or finish carpenters, assign to Code 5437. Created a cross reference Code 5403-Carpentry-Construction of Residential Dwellings Exceeding Three Stories in Height or Commercial Buildings and Structures. Revised Code 5551-Roofing-All Kinds & Drivers to clarify it applies to all type of roofs, new and existing.</p> <p>Door, Window, Cabinets, and Interior Trim Installation - Revised phraseology of Code 5102-Door, Door Frame or Sash Erection-Metal or Metal Covered to include all types (aluminum, vinyl, wood, composite, fiberglass, steel) of interior and exterior doors and windows. Clarified that installation of fabric awnings (vinyl or canvas) is assigned to Code 5102-Awning, Tent, or Canvas Goods Installation, Removal, or Repair by an employer Engaged in the Erection of Canvas Products, and the installation of metal awnings exclusively is assigned to Code 5535-Awning Erection-Metal-Erection of Metal Awning Exclusively & Drivers. Discontinued cross references Code 5102-Iron or Steel Erection-Door, Door Frame or Sash Erection-Metal or Metal Covered, and Iron or Steel Erection-Steel Frame-Interior-Light Gauge Steel-By Specialist Contractor. Installation of interior</p>

NATIONAL NCCI CLASSIFICATION FILINGS			
	Item Filing #	Title	Description
7	B-1415	<p>Revisions to Basic Manual Classifications, Rules, and Appendix E--Classifications by Hazard Group (Cont'd)</p> <p>Approved Effective Date: 07/01/2011</p>	<p>light-gauge steel in connection with residential or commercial construction is assigned to Codes 5403 or 5645 when performed by specialty contractor or general contractor. Clarified the classification of countertops made of various materials - Installation of stone, granite, marble, or tile is assigned to Code 5348-Ceramic Tile, Indoor Stone, Marble or Mosaic Work. All other types of countertops assigned to Code 5437-Carpentry-Installation of Cabinet Work or Interior Trim.</p> <p>Punch Out Employees - Revised Code 5610-Cleaner-Debris Removal to clarify assignment of punch out employees and cleaning service contractors that provide clean up crews to prepare a location for its intended use.</p>
8	B-1417	<p>Revisions to Basic Manual Classifications and Rules</p> <p>Approved Effective Date: 07/01/2011</p>	<p>Countrywide class filing - Construction Yard; Wallboard Installation & Plastering; Painting</p> <p>Construction Yard - Revised Code 8227-Construction or Erection Permanent Yard to include incidental pickup or delivery of parts, and discontinue division of payroll for a single employee with any other classification during a single day. Revised BM Rule 2-F-2-Wages Paid to Key Employees to remove superintendents, forepersons and engineers, all allow employers to determine who is a key employee. Also revised exception to Rule 2-F-2 to replace "project manager, construction executive, construction manager or construction superintendent" who qualifies for Code 5606 with an "employee" who qualifies for Code 5606.</p> <p>Wallboard Installation & Plastering - Revised phraseology of Code 5445-Wallboard Installation-Within Buildings & Drivers, to Wallboard, Sheetrock, Drywall, Plasterboard or Cement Board Installation Within Buildings & Drivers. Added a phraseology note to Code 5445 to include taping of seams or joints, application of joint compound, sanding, and installation of light gauge steel by contractors installing wallboard as well as drywall framing specialists.</p> <p>Painting - Revised Code 5474-Painting or Paperhanging NOC & Shop Operations, Drivers, to remove paperhanging. Revised Code 5491-Paperhanging & Drivers to allow multiple classification assignment for construction risks performing both Code 5474 and Code 5491 operations at the same job or location. Revised code 5037-Painting-Metal Structures-Over Two Stories in Height & Drivers, to remove paperhanging reference. Revised Code 9505-Painting-Automobile or Carriage Bodies to clarify that Code 9505 and Code 8393-Automobile Body Repair must not be assigned at the same location.</p>

NATIONAL NCCI CLASSIFICATION FILINGS			
	Item Filing #	Title	Description
9	B-1418	<p>Revisions to the Basic Manual Classifications for Air Traffic Controllers under Contract with the FAA</p> <p>Approved Effective Date: 01/01/2010</p>	<p>Established a national classification Code 7402-Aviation-Air Traffic Controllers Under Contract with the FAA. Revised phraseologies for Code 7403 to eliminate references to air traffic controllers.</p>
10	B-1419	<p>Revisions to Basic Manual Classifications and Appendix E-- Classifications by Hazard Group</p> <p>Approved Effective Date: 07/01/2012</p>	<p>Countrywide class filing - Banking and Check Cashing Stores; Insurance Operations; Oil or Gas Lease, Well & Drilling; Property and Building Management; Country Clubs</p> <p>Banking and Check Cashing Stores - Established Code 8855-Banks and Trust Companies-All Employees, Salespersons, Drivers & Clerical, and Code 8856-Check Cashing Establishments-All Employees, Salespersons, Drivers & Clerical. Discontinued cross references under Codes 5191, 7380, 7720, 8742, 8833 and 9015.</p> <p>Insurance Operations - Established Code 8723-Insurance Companies-Including Clerical & Salespersons. Established MT special Code 8728-Insurance-Outside Claim Adjusters. Discontinued phraseology note under Code 8803-Auditor, Accountant, or Computer System Designer or Programmer-Traveling that refers to insurance company premium auditors. Discontinued cross reference Code 8742-Claim Adjusters or Special Agents-Insurance Co.</p> <p>Oil or Gas Lease, Well & Drilling - Clarified Code 1320-Oil or Gas-Lease Operator-All Operations & Drivers is intended for owners of an oil or gas lease and for risks under contract with a lease owner that perform operations necessary to work an oil or gas lease. Clarified Code 6216-Oil or Gas-Lease Work NOC-By Contractor & Drivers is intended to be an NOC classification for specialized oil or gas lease work/services not otherwise classified. Clarified Code 6204-Drilling NOC & Drivers is applicable to specialist drillers and not applicable to electricians, plumbers, etc. Made MT special treatment of Code 6204-Well Drilling-Water & Drivers, in which pump installation is separately rated, the national treatment. Expanded descriptions of Code 6206-Oil or Gas-Well-Acidizing-All Employees & Drivers, and Oil or Gas-Well-Cementing-All Employees & Drivers. Clarified those operations are included in Code 6235-Oil or Gas-Well-Drilling or Redrilling & Drivers when performed by employees of a drilling company. Expanded description of Code 6235 to include fracturing, cementing and cleaning or swabbing when performed</p>

NATIONAL NCCI CLASSIFICATION FILINGS			
	Item Filing #	Title	Description
10	B-1419	<p>Revisions to Basic Manual Classifications and Appendix E-- Classifications by Hazard Group (Cont'd)</p> <p>Approved Effective Date: 07/01/2012</p>	<p>by employees of a drilling company. Discontinued cross reference Code 7380-Geophysical Exploration NOC-All Employees & Drivers and reassigned experience to Code 8606-Geophysical Exploration-All Employees & Drivers.</p> <p>Property and Building Management - Revised phraseology to Code 9012-Building or Property Management-Property Managers and Leasing Agents & Clerical, Salespersons. MT to adopt Code 9012 in lieu of using Codes 8742 and 8810. Revised phraseology to Code 9015-Building or Property Management-All Other Employees. Clarified the use of Code 9015 for doormen, security desk personnel, elevator operators, gatekeepers and concierges. Revised cross references of Codes 9012 and 9015 for condominiums to include time-shares. Created new cross references under Codes 9012 and 9015 for mini-storage facilities and flea markets. Assigned day care centers with overnight accommodations and/or 24 hour operations to Code 8869 in lieu of Code 9015. Assigned employees working exclusively for a country club operation run by a condominium or other community association to Code 9060 in lieu of Codes 9012 and 9015. This also applies to hotels/resorts. Reassigned swim teams/clubs/schools/instructors/associations to Code 9063 in lieu of Code 9015. Professional or semi-professional clubs are assigned to Code 9178. Clarified Code 9033 for public authorities includes governmental, quasi-governmental, and privately run charitable, not-for-profit or for-profit agencies.</p> <p>Country Clubs - Revised Code 9060-Club-Country, Golf, Fishing or Yacht-All Employees & Clerical, Salespersons, Drivers to include all employees of a country club operation.</p>
11	B-1427	<p>Revisions to Basic Manual Classifications and Appendix E-- Classifications by Hazard Group</p> <p>Approved Effective Date: 07/01/2015</p>	<p>Countrywide class filing - Metal Scrap Dealers; Sheet Metal</p> <p>Metal Scrap Dealers - Revised Code 8263—Junk Dealer & Drivers to add a reference to Code 8500 for operations whose principal type of merchandise sold is nonferrous scrap metals and revised the reference to Code 8265 for operations whose principal type of merchandise sold is ferrous scrap metals. Revised Code 8500—Metal Scrap Dealer & Drivers to remove the restrictive language regarding the collection or handling of scrap iron or steel.</p> <p>Sheet Metal - Discontinued Code 3069-Sheet Metal Products Mfg. and all associated phraseologies and reassigned experience to Code 3076. Created cross reference Code 3076-Awning Mfg.-Metal, to replace discontinued under Code 3069. Revised Code 3076—Sheet Metal Products Mfg. to remove the reference to “Shop Only” and specified that erection, installation, or</p>

NATIONAL NCCI CLASSIFICATION FILINGS			
	Item Filing #	Title	Description
11	B-1427	<p>Revisions to Basic Manual Classifications and Appendix E-- Classifications by Hazard Group (Cont'd)</p> <p>Approved Effective Date: 07/01/2015</p>	<p>repair is to be separately rated. Revised Code 5535 to specify that the manufacturing of sheet metal products at a shop is to be separately rated and remove the reference to Code 3069.</p>
12	B-1428	<p>Revisions to Basic Manual Classifications and Appendix E-- Classifications by Hazard Group— UPDATED</p>	<p>Countrywide class filing - Machine Shops; Optical Stores; Reformatting; Low Credibilities</p> <p>Machine Shops - Revised Code 3629-Precision Machined Parts Mfg. NOC to remove the word "precision," remove the tolerance requirements, and established new criteria. Established new cross reference Code 3929-Additive Mfg. NOC. Revised phraseologies under Code 3632 (machine shop) to clarify the code only applies to shop operations on premises of employer and to mfg./repair of items removed from the vehicle by others, and general machining.</p> <p>Optical Stores - Revised Code 8013-Optical Stores to clarify the code applies when gross receipts from the sale of eyewear are more than 50%. Revised Code 8832-Physician & Clerical to clarify the code includes sale of eyewear when gross receipts from the sale of eyewear are 50% or less.</p> <p>Reformatting - Revised Code 5057 to state Iron or Steel—Erection—NOC; Code 8726F to state Steamship Line or Agency—Port Employees—Superintendents, Captains, Engineers, Stewards or Their Assistants, Pay Clerks; Code 8709F to state Steamship Line or Agency—Port Employees—Talliers, Checking Clerks, and Employees Engaged in Mending or Repacking of Damaged Containers—Coverage Under U.S. Act; Code 8719 to state Steamship Line or Agency—Port Employees—Talliers, Checking Clerks, and Employees Engaged in ending or Repacking of Damaged Containers—Coverage Under State Act Only.</p> <p>Low Credibilities – Montana had no state-special class codes with zero credibility to be eliminated.</p>

STATE NCCI CLASSIFICATION FILINGS			
	Item Filing #	Title	Description
13	01-MT-2009	Revisions to Basic Manual Classifications for Meat Processing Operations Approved Effective Date: 07/01/2010	Revised state special treatment for Code 2081- Butchering and/or Slaughtering to separately rate secondary meat processing operations to either Code 8021-Store-Meat, Fish or Poultry Dealer-Wholesale, and/or Code 8031-Store-Meat, Fish or Poultry-Retail.
14	01-MT-2011	Revisions to Basic Manual Classifications for Meat Processing and Store Operations Approved Effective Date: 09/01/2011	Established state special phraseologies for Code 8021-Store-Meat, Fish or Poultry Dealer-Wholesale, and Code 8031-Store-Meat, Fish or Poultry-Retail to clarify the use of Code 2081-Butchering or Slaughtering and the appropriate store classification.
15	01-MT-2012	Revision to Basic Manual Classifications for Concrete Pumping Approved Effective Date: 10/01/2012	Revised phraseology note in state special Code 9534-Concrete Pumping Services to replace the word "corporations" with "operations."
16	01-MT-2015	Revisions to Basic Manual Classification for Architectural or Engineering Firms Approved Effective Date: 04/01/2015	Established state special treatment for Code 8601- Architectural or Engineering Firm-Including Salespersons & Drivers that refers to Code 8810- Drafting Employees for employees solely performing drafting and clerical work confined to an office setting. Nationally, this exposure is assigned to Code 8603-Architectural or Engineering Firm-Clerical.
17	03-MT-2015	Revisions to Basic Manual Classifications and Appendix E-- Classifications by Hazard Group Approved Effective Date: 07/01/2016	Established, revised and eliminated various classifications in Agriculture, MT State Government Agencies, and MT Municipalities due to Senate Bill (SB) 123 (2015 Regular Session).
18	01-MT-2016	Revisions to Basic Manual Rules and Classifications Approved Effective Date: 07/01/2016	Established MT Basic Manual Rule 1-B-2-e-State of Montana Clerical Office Employees (Code 8811). Also established or revised MT special classification Codes 0006, 2070, 8743, 8744, 8811, 9410, 9411, 9412, and 9420.

STATE NCCI CLASSIFICATION FILINGS			
	Item Filing #	Title	Description
19	02-MT-2016	<p>Montana Construction Executive Supervisors</p> <p>Approved Effective Date: 07/01/2016</p>	<p>Revised the MT special phraseology for Code 5606 to Contractors-Executive Supervisors or Construction Superintendent. Also, new MT exceptions had to be created for the following Basic Manual rules to account for the phraseology change made to Code 5606:</p> <ul style="list-style-type: none"> • Rule 1-C-2-a—Words and Phrases—All Employees, All Other Employees, All Operations, or All Operations to Completion • Rule 1-E—Miscellaneous Employees

6.6.8401 PUBLIC PARTICIPATION GUIDELINES

(1) A continuing committee program for public participation shall be observed for each function of the committee. The exact mechanisms for public participation may vary in relation to the resources available, public response, or the nature of the issues involved.

(2) The committee shall provide continuing policy, program, and technical information at the earliest practical time and at a place reasonably accessible to interested or affected persons or organizations so that they can make informed and constructive contributions to committee decision making. News releases and other publications may be used for this purpose as well as informational discussions and meetings with interested groups. Efforts shall be made to summarize complex and technical materials for public and media use.

(3) The committee shall have a procedure for dissemination of information to interested persons and organizations. Requests for information shall be promptly handled.

(4) The committee shall have a procedure for early consultation and exchange of views with interested or affected persons and organizations on significant activity prior to decision making.

(5) The committee shall maintain a current list of interested persons and organizations, including any who have requested inclusion on such list, for the distribution of information. The committee shall, in addition, notify any interested persons of any public hearing or other decision making proceedings prior to decision making and wherever practical shall supplement this notification with informal notice to all interested persons or organizations having requested such notice in advance. The committee shall make available for public inspection committee meeting agendas and agenda materials at the office of the commissioner of insurance at least five days prior to a committee meeting.

(6) Committee files, other than personnel files and those files required by law or requirements of individual privacy to remain confidential, are open to public inspection. These files are located at the office of the National ~~Committee~~ Council on Compensation Insurance, Inc (NCCI), 7220 West Jefferson Avenue, Suite 310, Lakewood, Colorado 80235 c/o Regulatory Assurance Department, 901 Peninsula Corporate Circle, Boca Raton, FL 33487-1362. ~~Copies of committee files are located at the Office of the Commissioner of Insurance, Room 270, Sam W. Mitchell Building, P.O. Box 4009, Helena, MT 59604-4009.~~ Documents and information on

the Classification Review Committee actions are available at the Office of the Commissioner of Insurance, 840 Helena Avenue, Helena, MT 59601, or on www.csi.mt.gov. Copies of specific documents are available from the National Committee on Compensation Insurance or the Office of the Commissioner of Insurance either free or for a reasonable copying charge.

(7) When the committee determines that a proposed decision or action is of significant interest to the public, one person shall be designated as contact person with the public on the proposed decision or action.

(8) The listing of specific measures in this section shall not preclude additional techniques for obtaining, encouraging or assisting public participation.

History: Sec. [33-16-1012](#), MCA; IMP, Sec. [2-3-103](#), MCA; TEMP, NEW, 1993 MAR p. 2225, Eff. 10/1/93.

AUTH: 33-16-1012, MCA

IMP: 2-3-103, MCA

REASON: The reasonable necessity for amending this rule is to correct the reference to the National Council on Compensation Insurance, Inc (NCCI) and update the change in address of the NCCI files location. It is also necessary to update the change in address of the Office of the Commissioner of Insurance (CSI), clarify the nature of materials available at CSI and include the CSI website address.

7. Concerned persons may submit their data, views, or arguments orally or in writing at the hearing: Written data, views, or arguments may also be submitted to: [Contact Name], Department of [Department Name], [Address], [City], Montana, [Zip Code]; telephone (406) 444-[#####]; fax (406) 444-[#####]; or e-mail [contact]@mt.gov, and must be received no later than 5:00 p.m., [Month Day, 20##].

8. {Presiding Person}, has been designated to preside over and conduct this hearing.

9. The Classification Review Committee maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to the contact person in [##] above or may be made by completing a request form at any rules hearing held by the department.

10. An electronic copy of this proposal notice is available through the Secretary of State's web site at <http://sos.mt.gov/ARM/Register>. The Secretary of State strives to make the electronic copy of this notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In addition, although the Secretary of State works to keep its web

site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems.

11. The bill sponsor contact requirements of 2-4-302, MCA, [apply and have been fulfilled. The primary bill sponsor was contacted by (method) on (date)|do not apply].

12. With regard to the requirements of 2-4-111, MCA, the Classification Review Committee has determined that the amendment of the above-referenced rules will not significantly and directly impact small businesses.

/s/ Michael Kakuk
Michael Kakuk
Rule Reviewer

/s/ [type name of director]
[Name]
Chair
Classification Review Committee

Certified to the Secretary of State [Month Day, 20##].

FILING MEMORANDUM

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

PURPOSE

This item revises, establishes, and eliminates certain:

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

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

BACKGROUND

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 and as applicable, certain statistical codes. NCCI uses the term "low credibility" to identify classifications that are too small to develop meaningful data for ratemaking purposes.

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

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 2015 loss cost and rate filings cycle. As a result of this review, NCCI identified a number of national and state special classifications that have national and state credibility of 25% or less. 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 amount of payroll in the classifications

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FILING MEMORANDUM

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

- 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.)

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 zero payroll in the classifications and a small number of states have a limited amount of payroll in the classifications. For states with payroll in the classifications, the difference in the loss cost or rate between the classifications to be eliminated and the reassigned classifications is within the swing limits used for ratemaking within the state.

Fact Sheet 2: State special classifications that have zero payroll in the last policy period and low credibility.

Fact Sheet 3: State special classifications where the difference in the loss cost or rate between the classifications to be eliminated and the reassigned classifications is within the swing limits used for ratemaking within the state.

Fact Sheet 4: State special classifications where the classification to be eliminated will be reassigned to an existing national classification or to a national classification to be established in the state.

Fact Sheet 5: State special classifications where the difference in the loss cost or rate between the classifications to be eliminated and the reassigned classifications may exceed the swing limits used for ratemaking within the state; however, for most states, there is a small amount of payroll in the classifications. The impact is expected to be minimal for any employer in this category because the code proposed for elimination is not the governing classification code on the policy.

Low credibility classifications are recommended for elimination because there are very few employers, if any, assigned to the code. In all cases, alternate codes in the classification system contemplate 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, retail, 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. In anticipating these situations, NCCI has assigned alternate classifications to ensure the proper transition from the eliminated class code to an existing code. This is referred to as code mapping.

Below are guidelines used by NCCI when determining code mapping:

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FILING MEMORANDUM

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

- 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
- Some eliminated classifications will map to multiple classifications. In these instances, there is not a single classification that best describes the business. Multiple classifications must be considered, depending on the operations of the employer

Each Fact Sheet related to low credibility code elimination includes a table that displays the code mapping. These tables are provided for informational purposes only. The corresponding exhibits will display the classification proposed for each state.

Classifications to Be Reformatted

Fact Sheet 6 identifies the national classifications that must be reformatted to simplify the display of the classifications in Part Two—Classifications of NCCI's *Basic Manual* for improved online search results. Some wording will be revised to maintain the proper context of the information when displayed on a separate web page. Reformatting will not result in the reclassification of any employers.

PROPOSAL

This item is presented in exhibits as shown in the Exhibit Comments and Implementation Summary section of this item. Each exhibit's fact sheet 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 only show the proposed changes for the classification code impacted by this item. Routine revisions to incorporate plain language are also included in 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.

IMPLEMENTATION

This item is applicable to new and renewal policies and will become effective concurrent with each state's approved loss cost/rate filing effective on and after October 1, 2016, unless otherwise noted. For example, this item will become effective October 1, 2016, for approved loss cost/rate filings that have an October 1, 2016 effective date. If there is no loss cost/rate filing for a state in a given year, this item will take effect on

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**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
 APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

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.

Anticipated Effective Dates by State

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

State	Anticipated* Effective Date
Alabama	March 1, 2017
Alaska	January 1, 2017
Arizona	January 1, 2017
Arkansas	July 1, 2017
Colorado	January 1, 2017
Connecticut	January 1, 2017
District of Columbia	November 1, 2016
Florida	The effective date of this item will depend on the date that regulatory approval is granted. If the item is approved on or before July 1, 2016, it will become effective January 1, 2017. If it is approved after July 1, 2016, it will become effective January 1, 2018.
Georgia	March 1, 2017
Hawaii	This item will be implemented in Hawaii's loss cost filing proposed to be effective January 1, 2017. The effective date will be determined upon regulatory approval of the individual carrier's election to adopt this change.
Idaho	January 1, 2017
Illinois	January 1, 2017
Indiana	January 1, 2017
Iowa	January 1, 2017
Kansas	January 1, 2017
Kentucky	October 1, 2016
Louisiana	May 1, 2017
Maine	April 1, 2017

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FILING MEMORANDUM

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
 APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

State	Anticipated* Effective Date
Maryland	January 1, 2017
Mississippi	March 1, 2017
Missouri	January 1, 2017
Montana	July 1, 2018
Nebraska	February 1, 2017
Nevada	March 1, 2017
New Hampshire	January 1, 2017
New Mexico	January 1, 2017
North Carolina	April 1, 2017
Oklahoma	January 1, 2017
Oregon	January 1, 2017
Rhode Island	August 1, 2017
South Carolina	September 1, 2017
South Dakota	July 1, 2017
Tennessee	March 1, 2017
Texas	July 1, 2017
Utah	December 1, 2016
Vermont	April 1, 2017
Virginia	April 1, 2017
West Virginia	November 1, 2016

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

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ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
 APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

Exhibits		Fact Sheet	Exhibit #	Proposal Applicable in:
<i>Basic Manual</i>	National Classifications With Low Credibility to Be Eliminated	1	1A	All States Except AZ, TN, TX, VA
			1B	All States Except TX, VA
			1C	All States Except TX, VA
			1D	All States Except TX, VA
			1E	All States Except TX, VA
			1F	All States Except TX, VA
			1G	All States Except GA, IL, TX, VA
			1H	All States Except TX, VA
			1I	All States Except DC, GA, MD, TX, VA
			1J	All States Except TX, VA
			1K	All States Except LA, TX, VA
			1L	All States Except TX, VA
			1M	All States Except TX, VA
			8	VA
	State Special Classifications With Low Credibility to Be Eliminated	2	2	AL, AZ, CO, FL, IL, KS, KY, MD, ME, MO, MS, NM, OK, RI, TX, VT
			8	VA
		3	3	AL, AR, AZ, CT, IL, KY, LA, MD, MO, MS, NM, OK, OR, SC, TN, UT
			8	VA
		4	4	AL, GA, LA, MO, OK, TX
		5	5	AL, CT, GA, ID, LA, ME, MO, MT, NV, OK, OR, RI, TN, TX, WV
			8	VA
		National Classifications to Be Reformatted	6	6A
	6B			All States Except FL, TX, VA
	6C			All States Except CO, FL, OR, TX, VA
	6D			All States Except TX, VA
	6E			All States Except TX, VA
	6F			All States Except TX, VA

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FILING MEMORANDUM

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
 APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

Exhibits		Fact Sheet	Exhibit #	Proposal Applicable in:
			6G	All States Except AK, FL, ID, LA, MT, OR, TX, VA
			6H	All States Except LA, TX, VA
			6I	All States Except OR, TX, VA
			6J	All States Except OR, TX, VA
			6K	All States Except AZ, TX, VA
			6L	All States Except TX, VA
			6M	All States Except DC, TX, VA
			6N	All States Except TX, VA
			6O	All States Except DC, OR, TX, VA
			6P	All States Except OR, TX, VA
			8	VA
			Appendix E—Table of Classifications by Hazard Group	1, 2, 3, 4, 5, 6
Additional State-Specific Exhibits	1, 6	8	AK, AZ, CT, DC, FL, GA, ID, IL, LA, MD, MO, MT, NC, OK, OR, RI, SC, TN	
CCPAP Exhibits	1, 3, 4	9	AK, CT, FL, HI, IL, MD, MO, MT, NE, NM, OK, OR, VA	
Statistical Plan Coding Values	3, 4, 5	10	GA, OK, TN	
Assigned Carrier Performance Standards	1, 4	11	AK, AR, GA, IN, KS, MS, NH, OR, SD	

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EXHIBIT 1—FACT SHEET

NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED

PURPOSE

The purpose of the proposed changes is to eliminate certain national classifications in NCCI's *Basic Manual* that have low credibility.

BACKGROUND

NCCI has identified a number of national classifications that have low credibility on a statewide basis. In most states, the national classifications did not have payroll for the latest policy period used for ratemaking in NCCI's 2014 loss cost and rate filings cycle; in other states there is a small amount of payroll in the classifications.

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, the national classification to be eliminated must be maintained as a state special classification.

PROPOSAL

This item proposes to revise NCCI's *Basic Manual* as follows:

1. National classifications will be eliminated and revised as indicated in the following table and exhibits. Some states will retain eliminated national classifications as state special classifications. Refer to the following table and Exhibit 8 for state specific information.
2. Code 0400—Cotton—Compressing & Drivers will be eliminated and a new national phraseology will be established. The new phraseology will be Code 8103—Cotton Compressing.
3. Code 2942—Crayon, Pencil, or Penholder Mfg. will be eliminated and a new national phraseology for crayon manufacturing will be established for existing national classifications. The new phraseology will be Code 4432—Crayon Mfg.
4. Code 6260—Tunneling—Pneumatic—All Operations will be eliminated and reassigned to Code 6251—Tunneling—Not Pneumatic—All Operations. Code 6251 must be revised to account for both pneumatic and non-pneumatic tunneling operations. The revised phraseology will be 6251—Tunneling—All Operations. The phraseology notes for Code 3365—Welding or Cutting NOC & Drivers, Code 6306—Sewer Construction—All Operations & Drivers, and Code 6319—Gas Main or Connection Construction & Drivers will also be revised to remove references to eliminated Code 6260.
5. Appendix E—Table of Classifications by Hazard Group will be updated to show the classifications being eliminated or added. Refer to Exhibit 7.
6. CCPAP exhibits will be updated to show the classifications being eliminated or revised. Refer to Exhibit 9.

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

EXHIBIT 1—FACT SHEET (CONT'D)

National Classification to Be Eliminated	Proposed National Classification (Unless Otherwise Noted)	National Classification to Be Maintained as a State Special Classification
0400—Cotton—Compressing & Drivers	8103—Cotton Compressing 7380—Drivers, Chauffeurs, Messengers, and Their Helpers NOC—Commercial*	AZ, TN
1852—Asbestos Goods Mfg.	Multiple equivalent national classifications, depending on the method of manufacturing.	OK, SC, VA
2300—Plush or Velvet Mfg. 2300—Velvet or Plush Mfg.	2501—Cloth, Canvas, and Related Products Mfg. NOC*	N/A
2386—Lace Mfg.	2501—Cloth, Canvas, and Related Products Mfg. NOC*	CT, NC, RI
2913—Rattan, Willow, or Twisted Fiber Products Mfg. 2913—Willow, Rattan, or Twisted Fiber Products Mfg. 2913—Willowware Mfg.	2883—Furniture Manufacturing and Cabinet Shop—Wood—NOC*	NC, TN
2942—Crayon, Pencil, or Penholder Mfg. 2942—Pencil, Penholder, or Crayon Mfg. 2942—Penholder, Crayon or Pencil Mfg.	4432—Crayon Mfg. 4432—Pen Mfg.* 4432—Pencil Mfg.—Mechanical*	GA, IL
6260—Tunneling—Pneumatic—All Operations	6251—Tunneling—All Operations DC**, GA**, MD**	N/A
8105—Store—Hide or Leather Dealer 8105—Store—Leather or Hide Dealer	8018—Store—Wholesale—NOC*	IL

* The proposed national phraseology currently applies in all states, except where indicated in the exhibits. Therefore, no national exhibit is proposed for approval.

** The state special classification for Code 6251 will be eliminated and the proposed national classification for Code 6251 will be filed in this state. Refer to Exhibit 8.

IMPACT

Historical experience from the discontinued 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. It is possible that individual employers may experience an increase or decrease in premium from the transfer of payroll to the proposed national classifications. The impact to individual risks will depend on the amount of historical payroll that transfers from the discontinued codes to the national codes. The increase or decrease in loss costs/rates is expected to be within state swing limits. No impact to overall statewide premium is expected as a result of this change.

EXHIBIT 1—FACT SHEET (CONT'D)

ADDITIONAL STATE SPECIFIC PROPOSALS AND IMPACTS

Florida Proposal:

In addition to the national proposal, NCCI recommends that Florida revise *Basic Manual* Rule 3-A-7-a as a result of the proposed elimination of Code 1852 to remove a reference to this code. Refer to Exhibit 8.

Florida Impact:

There will be no statewide premium impact as a result of this proposal.

Louisiana Proposal:

In addition to the national proposal, NCCI recommends that Louisiana revise the note for state special classification Code 3365—Welding or Cutting NOC & Drivers as a result of the proposed elimination of Code 6260 to remove a reference to this code. Refer to Exhibit 8.

Louisiana Impact:

There will be no statewide premium impact as a result of this proposal.

Missouri Proposal:

In addition to the national proposal, NCCI recommends that Missouri revise *Basic Manual* Rule 3-A-7-a as a result of the proposed elimination of Codes 1852 and 6260 to remove references to these codes. Refer to Exhibit 8.

Missouri Impact:

There will be no statewide premium impact as a result of this proposal.

Oregon Proposal:

In addition to the national proposal, NCCI recommends that Oregon establish Code 4432 and adopt the national phraseologies for Crayon Mfg., Pen Mfg., and Pencil Mfg.—Mechanical.

Oregon Impact:

There will be no statewide premium impact as a result of this proposal.

Virginia Proposal:

NCCI recommends that Virginia retain Code 1852—Asbestos Goods Mfg. as a state special classification, and eliminate the following Virginia Special Classifications in NCCI's *Basic Manual*:

- Code 0400—Cotton Compressing & Drivers
- Code 2300—Plush or Velvet Mfg.
- Code 2386—Lace Mfg.
- Code 2913—Rattan, Willow, or Twisted Fiber Products Mfg.
- Code 2942—Pencil, Penholder or Crayon Mfg.
- Code 6260—Tunneling—Pneumatic—All Operations

EXHIBIT 1—FACT SHEET (CONT'D)

- Code 8105—Store—Hide or Leather Dealer

In addition, NCCI recommends that the following Virginia codes be revised to remove references to eliminated codes and to incorporate plain language: Codes 2362, 2688, 2883, 3365, 4432, 6251, 6306, 6319, 8017, 8018 and 8108.

Refer to Exhibit 8 for Virginia exhibits.

Virginia Impact:

Historical experience from the discontinued class codes will be reassigned to the corresponding class codes when the eliminated code maps primarily to one corresponding 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 codes. It is possible that individual employers may experience an increase or decrease in premium from the transfer of payroll to the proposed national classifications. The impact to individual risks will depend on the amount of historical payroll that transfers from the discontinued codes to the national codes. The increase or decrease in loss costs/rates is expected to be within state swing limits. No impact to overall statewide premium is expected as a result of this change.

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1A—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
PART TWO—CLASSIFICATIONS

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

8103◆ COTTON COMPRESSING

Includes incidental warehouses. Codes 8103 and 0401 must not be assigned to the same employer unless the operations described by these classifications are conducted as separate and distinct businesses.

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1B—NATIONAL CLASSIFICATIONS
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, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

0400 COTTON—COMPRESSING & DRIVERS

~~Includes incidental warehouses. Codes 0400 and 0401—Cotton gin shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses.~~

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1C—NATIONAL CLASSIFICATIONS
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, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

4852 ~~ASBESTOS—GOODS MFG.~~

~~Includes spinning or weaving.~~

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1D—NATIONAL CLASSIFICATIONS
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, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

~~2300 PLUSH OR VELVET MFG.~~

~~2300 VELVET OR PLUSH MFG.~~

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1E—NATIONAL CLASSIFICATIONS
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, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

2386 ~~LAGE MFG.~~

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1F—NATIONAL CLASSIFICATIONS
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, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

~~2943 RATTAN, WILLOW, OR TWISTED FIBER PRODUCTS MFG.~~

~~Includes upholstering.~~

~~2943 WILLOW, RATTAN, OR TWISTED FIBER PRODUCTS MFG.~~

~~Includes upholstering.~~

~~2943 WILLOWWARE MFG.~~

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1G—NATIONAL CLASSIFICATIONS
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, HI, IA, ID, IN, KS, KY, LA, MD, ME, MO, MS, MT,
NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

4432 CRAYON MFG.

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1H—NATIONAL CLASSIFICATIONS
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, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

~~2942 GRAYON, PENCIL, OR PENHOLDER MFG.~~

~~2942 PENCIL, PENHOLDER OR GRAYON MFG.~~

~~2942 PENHOLDER, GRAYON OR PENCIL MFG.~~

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1I—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
PART TWO—CLASSIFICATIONS

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

6251 • ~~TUNNELING—NOT PNEUMATIC—ALL OPERATIONS-~~

Includes lining, all employees working under air pressure, and all others working in the tunnel or performing work in connection with equipment. Subway construction to be separately rated.

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1J—NATIONAL CLASSIFICATIONS
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, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

6260• TUNNELING—PNEUMATIC—ALL OPERATIONS

~~Includes lining, all employees working under air pressure and all others working in the tunnel or in
work on the apparatus connected therewith.~~

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1K—NATIONAL CLASSIFICATIONS
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, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

3365• WELDING OR CUTTING NOC & DRIVERS-

Applies to both shop and outside work and includes incidental machining operations. ~~Shall~~ Must not be assigned at a single job or location to a ~~risk engaged in~~ an employer that performs operations described by another classification. An exception exists in that work under air pressure ~~shall~~ must be rated as Code 6252—Shaft sinking or ~~6260~~ 6251—Tunneling—All Operations; work in connection with demolition jobs ~~shall~~ must be rated as wrecking; work in connection with erection of iron or steel erection ~~shall~~ must be so rated; and work in connection with oil or gas pipeline construction ~~shall~~ must be rated as Code 6233—Oil or gas pipeline construction.

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1L—NATIONAL CLASSIFICATIONS
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, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

6306• SEWER CONSTRUCTION—ALL OPERATIONS & DRIVERS.

Includes tunneling at street crossings when not performed under air pressure. All other tunneling to be separately rated as Code 6251 ~~or 6260~~. Surface restoration to be separately rated.

6319• STEAM MAINS OR CONNECTIONS CONSTRUCTION & DRIVERS.

Includes tunneling at street crossings when not performed under air pressure. All other tunneling to be separately rated as Code 6251 ~~or 6260~~.

Code 7539—Steam heating or power company ~~shall~~ must not be assigned at the same job or location to which Code 6319 applies.

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1M—NATIONAL CLASSIFICATIONS
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, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

8405◆ STORE—HIDE OR LEATHER DEALER

8405◆ STORE—LEATHER OR HIDE DEALER

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

EXHIBIT 5—FACT SHEET

STATE SPECIAL CLASSIFICATIONS EXCEEDING SWING LIMITS TO BE ELIMINATED

PURPOSE

The purpose of the proposed changes is to eliminate certain state special classifications in NCCI’s *Basic Manual* that have low credibility. In some cases provided in this fact sheet, the difference in the loss cost or rate between the classifications to be eliminated and the proposed classifications may exceed the swing limits used for ratemaking within the state. The impact is expected to be minimal compared to the increase or decrease in the current loss costs or rates from the discontinued class codes to the national codes.

BACKGROUND

NCCI has identified a number of state special classifications that have low credibility on a statewide basis. These classifications must be eliminated and reassigned to other classifications with similar operations that are currently applicable in the states. In most cases, the proposed classifications currently include the operations of the state special classifications to be eliminated. In the remaining cases, the classification that most closely describes the business will be assigned. 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.

PROPOSAL

This item proposes to revise NCCI’s *Basic Manual*:

1. State special classifications will be eliminated and national classifications will be assigned as indicated in the following table and exhibits.
2. Appendix E—Table of Classifications by Hazard Group in NCCI’s *Basic Manual* will be updated to show the classifications being eliminated or revised. Refer to Exhibit 7.

Additionally, the *Statistical Plan* will be updated to show a statistical code being eliminated and reassigned.

State	State Special Classification to Be Eliminated	Proposed National Classification (Unless Otherwise Noted)
AL	2804—Casket or Coffin Mfg. or Assembly—Wood	2881—Casket or Coffin Mfg. or Assembly—Wood
	2804—Coffin or Casket Mfg. or Assembly—Wood	
	8295—Cotton Merchant	8103—Cotton Merchant
	8295—Cotton Storage	8103—Cotton Storage
CT	3120—Razor Mfg.—Safety	3270—Razor Mfg.—Safety
GA	8295—Cotton Merchant	8103—Cotton Merchant
	8295—Cotton Storage	8103—Cotton Storage
ID	1605—Blasting Rock & Drivers	6217—Blasting Rock & Drivers
	1605—Excavation—Rock & Drivers	6217—Rock Excavation & Drivers
	1605—Rock Excavation & Drivers	

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 5—FACT SHEET (CONT'D)

State	State Special Classification to Be Eliminated	Proposed National Classification (Unless Otherwise Noted)
LA	4565—Carbon Mfg.	4751—Synthetic Rubber Mfg.*
	9080—Dance Hall—All Operations	Multiple equivalent national classifications, such as restaurants, bars, or clubs, depending on the operation.
ME	2113—Cannery—Sardines	2111—Cannery NOC*
MO	4716—Lard Refining	4683—Lard Refining
MT	6365—Irrigation Pipe Installation—Agricultural—Above Ground & Drivers	3724—Machinery or Equipment Erection or Repair NOC & Drivers*
NV	7724—National Guard—Officers And Members	7720—Police Officers & Drivers*
OR	3168—Furnace Mfg.—All Types	3169—Stove Mfg.*
	9470—County—Over 150,000 Population—Composite Rate	9410—Municipal, Township, County or State Employee NOC*
RI	3516—Loom Harness or Reed Mfg.	3515—Loom Harness or Reed Mfg.
	3516—Reed or Loom Harness Mfg.	
TN	8295—Cotton Merchant	8103—Cotton Merchant
	8295—Cotton Storage	8103—Cotton Storage
TX	2576—Awning or Tent Mfg.—Fabric—Shop	2501—Awning or Tent Mfg.—Shop
	2576—Canvas Goods Mfg. NOC—Shop	2501—Cloth, Canvas and Related Products Mfg. NOC
	2576—Sail Making	2501—Sailmaking
	2576—Tent or Awning Mfg.—Shop	
VA**	9023—Buildings—Residential—Operation by Owner or Lessee	9012—Building or Property Management—Property Managers and Leasing Agents & Clerical, Salespersons*
		9015—Building or Property Management—All Other Employees*
	9080—Dance Hall—All Operations	Multiple equivalent national classifications, such as restaurants, bars, or clubs, depending on the operation.
WV	4565—Carbon Mfg.	4751—Synthetic Rubber Mfg.*

* The proposed national phraseology currently applies in this state. Therefore, no national exhibit is proposed for approval.

** Refer to Exhibit 8.

The following state has a statistical code associated with the state special classification code to be eliminated. The proposed national classification also has an associated statistical code to be established.

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

EXHIBIT 5—FACT SHEET (CONT'D)

State	State Special Classification or Statistical Code to Be Eliminated	Proposed National Classification or Statistical Code
OK	4565—Carbon Mfg.	4751—Synthetic Rubber Mfg.*
	4761—Explosives or Ammunition Mfg.—Fireworks Mfg. & Drivers	4771—Explosives or Ammunition Mfg.—NOC & Drivers
	4771—Explosives or Ammunition Mfg.—NOC & Drivers**	
	0761—Non-Ratable Portion of Class Code Rate***	0771—Non-Ratable Portion of Class Code Rate****
	9080—Dance Hall—All Operations	Multiple equivalent national classifications, such as restaurants, bars, or clubs, depending on the operation.

* The proposed national phraseology currently applies in this state. Therefore, no national exhibit is proposed for approval.

** The state special phraseology and note for Code 4771 will be eliminated and replaced by the proposed national phraseology and note for Code 4771.

*** Refer to Exhibit 10 for the elimination of this statistical code.

**** The indicated statistical code currently applies in this state. Therefore, no national exhibit is proposed for approval.

IMPACT

Historical experience from the discontinued 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. It is possible that individual employers may experience an increase or decrease in premium from the transfer of payroll to the proposed national classifications. The impact to total risk premium is expected to be minimal compared to the increase or decrease in current loss costs/rates from the discontinued codes to the national codes. No impact to overall statewide premium is expected as a result of this change.

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 5
BASIC MANUAL—2001 EDITION
FACT SHEET 5—STATE SPECIAL CLASSIFICATIONS EXCEEDING SWING LIMITS TO BE
ELIMINATED
SPECIAL CLASSIFICATIONS
(APPLIES IN: MT)

6365 • IRRIGATION PIPE INSTALLATION—AGRICULTURAL—ABOVE GROUND & DRIVERS

EXHIBIT 6—FACT SHEET
CLASSIFICATIONS TO BE REFORMATTED

PURPOSE

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

BACKGROUND

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

PROPOSAL

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

1. Dinner Theater NOC
2. Military Reservation—Construction
3. Oil Rig or Derrick Erecting or Dismantling—All Operations
4. Railroad Construction
5. Scaffolding
6. Stevedoring

Refer to Exhibit 8 for Virginia and all other state-specific exhibits.

IMPACT

No statewide premium impact is expected and no changes are proposed to the loss costs/rates for any of the classifications to be reformatted.

ADDITIONAL STATE SPECIFIC PROPOSALS AND IMPACTS

Alaska Proposal

In addition to the national recommendations referenced above, NCCI recommends that Alaska eliminate the state special classifications for Stevedoring and Freight Handling and adopt the national. The national revision eliminates references to specific trucking classifications that do not apply in Alaska, and instead just refers to "trucking classifications." Due to this change, an Alaska special is no longer needed. Refer to Exhibit 8.

Alaska Impact:

No statewide premium impact is expected in Alaska as a result of this state specific proposal.

Arizona Proposal

In addition to the national recommendations referenced above, NCCI recommends that Arizona revise Rule 4-A-3-g. Item 02-AZ-2015 proposed changes to Arizona's cancellation and nonrenewal provisions. All changes were previously approved by the regulator, but a subsequent NCCI review determined that the following sentence must be added to the rule for clarification: "Change Rule 4-A-3-g as follows:" Refer to Exhibit 8.

Arizona Impact:

EXHIBIT 6—FACT SHEET (CONT'D)

No statewide premium impact is expected in Arizona as a result of this state specific proposal.

Florida Proposal

In addition to the national recommendations referenced above, NCCI recommends that Florida eliminate the state special classifications for Stevedoring and Freight Handling and adopt the proposed national treatment. The revision to the national language eliminates references to specific trucking classifications that do not apply in Florida, and instead just refers to “trucking classifications.” Due to the change, a Florida special is no longer needed. NCCI also recommends that Florida reformat the state special classification for Military Construction for improved online search results. Refer to Exhibit 8.

Florida Impact:

No statewide premium impact is expected in Florida as a result of this state specific proposal.

Idaho Proposal

In addition to the national recommendations referenced above, NCCI recommends that Idaho eliminate the state special classifications for Stevedoring and Freight Handling and adopt the proposed national treatment. The revision to the national language eliminates references to specific trucking classifications that do not apply in Idaho, and instead just refers to “trucking classifications.” Due to the change, an Idaho special is no longer needed. Refer to Exhibit 8.

Idaho Impact:

No statewide premium impact is expected in Idaho as a result of this state specific proposal.

Louisiana Proposal

In addition to the national recommendations referenced above, NCCI recommends that Louisiana eliminate the state special classifications for Stevedoring and Freight Handling and adopt the proposed national treatment. The revision to the national language eliminates references to specific trucking classifications that do not apply in Louisiana, and instead just refers to “trucking classifications.” Due to the change, a Louisiana special is no longer needed. Refer to Exhibit 8.

Louisiana Impact:

No statewide premium impact is expected in Louisiana as a result of this state specific proposal.

Montana Proposal

In addition to the national recommendations referenced above, NCCI recommends that Montana eliminate the state special classifications for Stevedoring and Freight Handling and adopt the proposed national treatment. The revision to the national language eliminates references to specific trucking classifications that do not apply in Montana, and instead just refers to “trucking classifications.” Due to the change, a Montana special is no longer needed. Refer to Exhibit 8.

Montana Impact:

No statewide premium impact is expected in Montana as a result of this state specific proposal.

Oregon Proposal

In addition to the national recommendations referenced above, NCCI recommends that Oregon reformat the state special classifications for Lumber—Manufacturing for improved online search results and to include a reference to plywood or veneer manufacturing in the notes for:

- Code 2731—Lumber—Manufacturing—Planing or Molding Mill
- Code 2710—Lumber—Manufacturing—Sawmill
- Code 8232—Lumber—Manufacturing—Sawmill—Yard—All Employees & Drivers

EXHIBIT 6—FACT SHEET (CONT'D)

Code 9496—Food Stamp Workfare—Including Clerical, Salespersons and Drivers and Code 9499—State Agencies, All Employees and Clerical, Salespersons, Drivers were eliminated in 2011 at the direction of the DCBS. Appendix E must be revised to show the elimination of these codes. Refer to Exhibit 8.

Oregon Impact:

No statewide premium impact is expected in Oregon as a result of this state specific proposal.

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

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

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

DINNER THEATER NOC—FOOD SERVICE AND PREPARATION INCLUDING DISPENSING OF ALCOHOLIC BEVERAGES

The entire operation ~~shall~~ must be classified to the appropriate restaurant or bar classification Code 9082, 9083 or 9084 unless the combined payroll that would otherwise be assignable to Codes 9154 and 9156—Theater operations is more than 50% of the total payroll. ~~When such conditions exist, the following classifications shall apply:~~

~~**Food Service and Preparation Including Dispensing of Alcoholic Beverages.** Assign to Code 9082, 9083 or 9084 as appropriate.~~

9156 ~~Players~~

9154 ~~All Other Employees~~

9156 **DINNER THEATER NOC—PLAYERS**

The entire operation must be classified to the appropriate restaurant or bar classification, unless the combined payroll that would otherwise be assignable to Codes 9154 and 9156 is more than 50% of the total payroll.

9154 **DINNER THEATER NOC—ALL OTHER EMPLOYEES**

The entire operation must be classified to the appropriate restaurant or bar classification, unless the combined payroll that would otherwise be assignable to Codes 9154 and 9156 is more than 50% of the total payroll.

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

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

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

**5215• MILITARY RESERVATION—CONSTRUCTION—CONCRETE CONSTRUCTION—NOT
MONOLITHIC CONCRETE BUILDING CONSTRUCTION**

Applies only to the construction or repair of buildings designed for the housing, welfare, and keep of personnel. All other operations in the construction or repair of such buildings and all other construction or repair in connection with military reservations must be assigned to appropriate classifications.

1. The following classifications are applicable only to the construction or repair of buildings designed for the housing, welfare, and keep of personnel:

5245• Concrete Construction—Not Monolithic Concrete Building Construction

5069• Iron or Steel Erection—Not Over Two Stories in Height

2. All other operations in the construction or repair of such buildings and all other construction or repair in connection with military reservations shall be assigned to appropriate manual classifications.

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**EXHIBIT 6C—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED
PART TWO—CLASSIFICATIONS
(APPLIES IN: AK, AL, AR, AZ, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,
MT, NC, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VT, WV)**

**5069• MILITARY RESERVATION—CONSTRUCTION—IRON OR STEEL ERECTION—NOT OVER
TWO STORIES IN HEIGHT**

Applies only to the construction or repair of buildings designed for the housing, welfare, and keep of personnel. All other operations in the construction or repair of such buildings and all other construction or repair in connection with military reservations must be assigned to appropriate classifications.

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

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

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

5057• OIL RIG OR DERRICK ERECTING OR DISMANTLING—ALL OPERATIONS—METAL

~~The following two classes include~~ Includes the construction of foundations or structures and the installation of equipment.

~~5057• Metal~~

~~5403• Weed~~

5403• OIL RIG OR DERRICK ERECTING OR DISMANTLING—ALL OPERATIONS—WOOD

Includes the construction of foundations or structures and the installation of equipment.

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

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

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

**7855• RAILROAD CONSTRUCTION—LAYING OR RELAYING OF TRACKS OR MAINTENANCE OF
WAY BY CONTRACTOR—NO WORK ON ELEVATED RAILROADS & DRIVERS**

The classifications for railroad construction and railroad operation immediately following do not contemplate coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that Act. For such coverage, see refer to Rule 3-A-4. See also Also, refer to Railroad Construction (FELA) and Railroad Operations (FELA) following.

**7855• ~~Laying or Relaying of Tracks or Maintenance of Way by Contractor—No Work on
Elevated Railroads & Drivers~~**

~~All Other Operations.~~ Assign appropriate construction or erection classification. Laying or relaying of tracks to be separately rated as Code 7855.

RAILROAD CONSTRUCTION—ALL OTHER OPERATIONS

Assign appropriate construction or erection classification. Laying or relaying of tracks to be separately rated as Code 7855.

The classifications for railroad construction and railroad operation do not contemplate coverage for insurance under the Federal Employers' Liability Act or voluntary compensation coverage for any operations subject to that Act. For such coverage, refer to Rule 3-A-4. Also, refer to Railroad Construction (FELA) and Railroad Operations (FELA).

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

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

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

5057• SCAFFOLDING—CONCRETE OR CEMENT DISTRIBUTING TOWERS—INSTALLATION,
REPAIR OR REMOVAL

Each type of work undertaken is classified as follows:

5057• ~~Concrete or Cement Distributing Towers—Installation, Repair or Removal~~

7228 ~~Delivery of Materials Only—Local Hauling Only—No Installation, Repair or Removal—All
Employees & Drivers~~

7229 ~~Delivery of Materials Only—Long Distance Hauling—No Installation, Repair or
Removal—All Employees & Drivers~~

9534• ~~Outrigger Scaffold Installation, Repair or Removal & Drivers~~

5057• ~~Scaffold Installation, Repair or Removal—Built Up From the Ground—Not Suspended
or Swinging Type~~

5403• ~~Sidewalk Bridges Not Over One Story in Height~~

9534• ~~Suspended or Swinging Scaffold Installation, Repair or Removal & Drivers~~

5057• SCAFFOLDING—SCAFFOLD INSTALLATION, REPAIR OR REMOVAL—BUILT UP FROM
THE GROUND—NOT SUSPENDED OR SWINGING TYPE

5403• SCAFFOLDING—SIDEWALK BRIDGES NOT OVER ONE STORY IN HEIGHT

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 6H—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED
PART TWO—CLASSIFICATIONS
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, MD, ME, MO, MS,
MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)

9534● SCAFFOLDING—OUTRIGGER SCAFFOLD INSTALLATION, REPAIR OR REMOVAL & DRIVERS

9534● SCAFFOLDING—SUSPENDED OR SWINGING SCAFFOLD INSTALLATION, REPAIR OR REMOVAL & DRIVERS

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 6I—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED
PART TWO—CLASSIFICATIONS
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,
MS, MT, NC, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VT, WV)

STEVEDORING-

Any or all of the following operations conducted by employees not members of the crews of vessels shall must be classified as “Stevedoring”:

1. Loading or unloading, stowing, shifting, or trimming of cargo, supplies, and materials on board vessels.
2. Transfer of cargo, supplies, and materials between vessels and pier, ~~irrespective~~ regardless of the necessity of work on board vessels by employees of the insured.
3. Transfer between stringpiece and point of deposit on dock or adjacent warehouses—including tiering, sorting, and breaking down.
4. Operations of all mechanical equipment, including dock tractors, in connection with the above.

Any or all operations as ~~above~~ defined above shall must be assigned to Code 7309F—~~Stevedoring~~ NOG if the operations described by Item 2 above, whether conducted by one or more concerns, require the use of hoisting equipment except as provided under Code 7327F—~~Stevedoring—containerized freight~~. All other operations shall must be assigned to Code 7317F—~~Stevedoring—by hand~~. Drivers not conducting stevedoring operations as ~~above~~ defined above shall must be assigned to the appropriate trucking classification. ~~Codes 7228 and 7229—Trucking~~ NOG.

7317F ~~**By Hand or Hand Trucks Exclusively.** Includes the incidental use of power driven escalators or conveyors, or operation of tractors and trailers through side ports. No use of hoisting equipment. Code 7317F shall not be assigned to the same risk in connection with a single vessel unless the operations described by this classification are conducted as a separate and distinct business.~~

7327F ~~**Containerized Freight & Drivers.** Applies to ships designed for freight carrying containers. No work in holds. Over the road trucking operations to be separately rated as Codes 7228 and 7229—Trucking. Code 7327F shall not be assigned to the same risk in connection with a single vessel unless the operations described by this classification are conducted as a separate and distinct business.~~

~~**Freight Handling—Packing, Handling, or Shipping Explosives or Ammunition—Under Contract.** These classifications include freight checkers. Stevedoring of explosives or ammunition to be separately rated to the appropriate stevedoring classification. Drivers to be separately rated as Codes 7228 and 7229—Trucking—hauling explosives.~~

7350F ~~**Coverage Under U.S. Act**~~

7360 ~~**Coverage Under State Act Only**~~

~~**Freight Handling** NOG. These classifications include freight checkers. Stevedoring to be separately rated; drivers to be separately rated as Codes 7228 and 7229—Trucking NOG.~~

7350F ~~**Coverage Under U.S. Act**~~

7360 ~~**Coverage Under State Act Only**~~

~~**Tallies and Checking Clerks Engaged in Connection With Stevedore Work:**~~

8709F ~~**Coverage Under U.S. Act**~~

8749 ~~**Coverage Under State Act Only**~~

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

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

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

7309F ~~**NOG.**~~ When policies are issued covering both Classification Codes 7317F and 7309F, no division of payroll shall be permitted in connection with the loading or unloading of any one vessel.

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**EXHIBIT 6J—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED
PART TWO—CLASSIFICATIONS
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,
MS, MT, NC, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VT, WV)**

7317F STEVEDORING—BY HAND OR HAND TRUCKS EXCLUSIVELY

Includes the incidental use of power driven escalators or conveyors, or operation of tractors and trailers through side ports. No use of hoisting equipment. Code 7317F must not be assigned to the same employer in connection with a single vessel unless the operations described by this classification are conducted as a separate and distinct business.

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**EXHIBIT 6K—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED
PART TWO—CLASSIFICATIONS
(APPLIES IN: AK, AL, AR, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,
MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)**

7327F STEVEDORING—CONTAINERIZED FREIGHT & DRIVERS

Applies to ships designed for freight carrying containers. No work in holds. Over-the-road trucking operations to be separately rated to the appropriate trucking classification. Code 7327F must not be assigned to the same employer in connection with a single vessel unless the operations described by this classification are conducted as a separate and distinct business.

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**EXHIBIT 6L—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED
PART TWO—CLASSIFICATIONS
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,
MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)**

**8709F STEVEDORING—TALLIERS AND CHECKING CLERKS ENGAGED IN CONNECTION WITH
STEVEDORE WORK—COVERAGE UNDER U.S. ACT**

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**EXHIBIT 6M—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED
PART TWO—CLASSIFICATIONS
(APPLIES IN: AK, AL, AR, AZ, CO, CT, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS,
MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)**

**8719 STEVEDORING—TALLIERS AND CHECKING CLERKS ENGAGED IN CONNECTION WITH
STEVEDORE WORK—COVERAGE UNDER STATE ACT ONLY**

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**EXHIBIT 6N—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED
PART TWO—CLASSIFICATIONS
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,
MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VT, WV)**

7309F STEVEDORING—NOC

When policies are issued covering both Classification Codes 7317F and 7309F, no division of payroll is permitted in connection with the loading or unloading of any one vessel.

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**EXHIBIT 60—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED
PART TWO—CLASSIFICATIONS**

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

**7350F FREIGHT HANDLING—PACKING, HANDLING, OR SHIPPING EXPLOSIVES OR
AMMUNITION—UNDER CONTRACT—COVERAGE UNDER U.S. ACT**

Code 7350F and Code 7360 include freight checkers. Stevedoring of explosives or ammunition to be separately rated to the appropriate stevedoring classification. Drivers to be separately rated to the appropriate trucking classification.

7350F FREIGHT HANDLING NOC—COVERAGE UNDER U.S. ACT

Code 7350F and Code 7360 include freight checkers. Stevedoring to be separately rated. Drivers to be separately rated to the appropriate trucking classification.

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**EXHIBIT 6P—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED
PART TWO—CLASSIFICATIONS
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,
MS, MT, NC, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VT, WV)**

- 7360** **FREIGHT HANDLING—PACKING, HANDLING, OR SHIPPING EXPLOSIVES OR
AMMUNITION—UNDER CONTRACT—COVERAGE UNDER STATE ACT ONLY**
Code 7350F and Code 7360 include freight checkers. Stevedoring of explosives or ammunition
to be separately rated to the appropriate stevedoring classification. Drivers to be separately
rated to the appropriate trucking classification.
- 7360** **FREIGHT HANDLING NOC—COVERAGE UNDER STATE ACT ONLY**
Code 7350F and Code 7360 include freight checkers. Stevedoring to be separately rated. Drivers
to be separately rated to the appropriate trucking classification.

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 7

BASIC MANUAL—2001 EDITION

APPENDIX E

CLASSIFICATIONS BY HAZARD GROUP

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

TABLE OF CLASSIFICATIONS BY HAZARD GROUP

Class Code	Applies in:±	Discontinued in:±	Hazard Group A–G
0169	OR 3/1/09: NV	<u>12/1/16: UT</u> <u>1/1/17: NM</u>	C
0400	AZ, TN	<u>10/1/16: KY</u> <u>11/1/16: DC, WV</u> <u>12/1/16: UT</u> <u>1/1/17: AK, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/17: NE</u> <u>3/1/17: AL, GA, MS, NV</u> <u>4/1/17: ME, NC, VA, VT</u> <u>5/1/17: LA</u> <u>7/1/17: AR, SD</u> <u>8/1/17: RI</u> <u>9/1/17: SC</u> <u>7/1/18: MT</u>	D
1219		<u>1/1/17: NM</u>	G

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 7 (CONT'D)

Class Code	Applies in:±	Discontinued in:±	Hazard Group A–G
1472	AK, AZ, AR, CO, CT, DC, FL, HI, IA, ID, IL, IN, KS, KY, ME, MD, MS, MO, MT, NC, NE, NV, NH, NM, OK, OR, RI, SC, SD, TN, UT, VT, VA <u>10/1/07: WV</u> <u>3/1/17: AL, GA</u> <u>5/1/17: LA</u>		F
1474		<u>4/1/16: NC</u> <u>3/1/17: AL, GA</u> <u>5/1/17: LA</u>	E
1605		<u>1/1/17: ID, OK</u> <u>4/1/17: VA</u>	E
1745	VT	<u>1/1/10: NH</u> <u>4/1/17: VA</u> <u>7/1/17: AR</u>	E
1852	<u>OK, SC, VA</u>	<u>10/1/16: KY</u> <u>11/1/16: DC, WV</u> <u>12/1/16: UT</u> <u>1/1/17: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OR</u> <u>2/1/17: NE</u> <u>3/1/17: AL, GA, MS, NV, TN</u> <u>4/1/17: ME, NC, VT</u> <u>5/1/17: LA</u> <u>7/1/17: AR, SD</u> <u>8/1/17: RI</u> <u>7/1/18: MT</u>	G

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 7 (CONT'D)

Class Code	Applies in:±	Discontinued in:±	Hazard Group A–G
2101	AK	<u>3/1/17: AL</u> <u>4/1/17: VA</u>	B
2113		<u>4/1/17: ME</u>	E
2260	<u>6/1/14: TX</u>	<u>4/1/17: VA</u> <u>8/1/17: RI</u> <u>9/1/17: SC</u>	E
2300		<u>10/1/16: KY</u> <u>11/1/16: DC, WV</u> <u>12/1/16: UT</u> <u>1/1/17: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/17: NE</u> <u>3/1/17: AL, GA, MS, NV, TN</u> <u>4/1/17: ME, NC, VA, VT</u> <u>5/1/17: LA</u> <u>7/1/17: AR, SD</u> <u>8/1/17: RI</u> <u>9/1/17: SC</u> <u>7/1/18: MT</u>	A
2386	<u>CT, NC, RI</u>	<u>10/1/16: KY</u> <u>11/1/16: DC, WV</u> <u>12/1/16: UT</u> <u>1/1/17: AK, AZ, CO, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/17: NE</u> <u>3/1/17: AL, GA, MS, NV, TN</u> <u>4/1/17: ME, VA, VT</u>	B

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 7 (CONT'D)

Class Code	Applies in:±	Discontinued in:±	Hazard Group A–G
		<u>5/1/17: LA</u> <u>7/1/17: AR, SD</u> <u>9/1/17: SC</u> <u>7/1/18: MT</u>	
2560	CT	<u>4/1/17: VA</u> <u>7/1/17: TX</u>	A
2576		<u>7/1/17: TX</u>	C
2705	GA, LA, MS, NC, TN	<u>7/1/17: TX</u>	E
2747		<u>10/1/16: KY</u> <u>1/1/17: MO</u>	A
2791	MO	<u>4/1/16: NC</u> <u>1/1/17: MD, OK</u> <u>4/1/17: VA, VT</u>	A
2804		<u>1/1/17: OK</u> <u>3/1/17: AL, MS</u>	B
2913	NC, TN	<u>10/1/16: KY</u> <u>11/1/16: DC, WV</u> <u>12/1/16: UT</u> <u>1/1/17: AK, AZ, CO, CT, FL, HI, ID, IA, IL, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/17: NE</u> <u>3/1/17: AL, GA, MS, NV</u> <u>4/1/17: ME, VA, VT</u> <u>5/1/17: LA</u> <u>7/1/17: AR, SD</u> <u>8/1/17: RI</u> <u>9/1/17: SC</u>	A

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 7 (CONT'D)

Class Code	Applies in:±	Discontinued in:±	Hazard Group A–G
		<u>7/1/18: MT</u>	
2942	<u>GA, IL</u>	<u>10/1/16: KY</u> <u>11/1/16: DC, WV</u> <u>12/1/16: UT</u> <u>1/1/17: AK, AZ, CO, CT, FL, HI, IA, ID, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/17: NE</u> <u>3/1/17: AL, MS, NV, TN</u> <u>4/1/17: ME, NC, VA, VT</u> <u>5/1/17: LA</u> <u>7/1/17: AR, SD</u> <u>8/1/17: RI</u> <u>9/1/17: SC</u> <u>7/1/18: MT</u>	A
3117		<u>3/1/17: AL</u> <u>4/1/17: VA</u>	A
3120		<u>1/1/19: CT</u> <u>3/1/17: AL</u>	A
3168		<u>1/1/17: OR</u>	C
3516	SC	<u>4/1/16: NC</u> <u>4/1/17: VA</u> <u>8/1/17: RI</u>	B
3561		<u>1/1/17: IL</u> <u>8/1/17: RI</u>	B
3571	OK	<u>1/1/17: IL</u>	B
3582		<u>4/1/17: VT</u>	B

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 7 (CONT'D)

Class Code	Applies in:±	Discontinued in:±	Hazard Group A–G
3639	TN	<u>1/1/17: AZ, CO, IL</u> <u>3/1/17: MS</u>	G
4063		<u>1/1/17: NM</u>	B
4301		<u>4/1/16: NC</u> <u>1/1/17: IL</u> <u>8/1/17: RI</u>	B
4304	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OR, RI, SC, SD, TN, UT, VT, VA <u>10/1/07: WV</u> <u>6/1/14: TX</u> <u>1/1/17: OK</u>		D
4311		<u>1/1/17: OK</u>	D
4417		<u>1/1/10: NH</u> <u>4/1/16: NC</u> <u>1/1/17: MD</u> <u>4/1/17: ME</u>	B
4432	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, RI, SC, SD, TN, UT, VT, VA <u>10/1/07: WV</u> <u>1/1/17: OR</u>		B
4565		<u>11/1/16: WV</u> <u>1/1/17: OK</u> <u>5/1/17: LA</u>	E
4582		<u>4/1/17: VA</u>	E

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 7 (CONT'D)

Class Code	Applies in:±	Discontinued in:±	Hazard Group A–G
4585		<u>10/1/16: KY</u> <u>1/1/17: KS</u> <u>3/1/17: MS</u>	D
4586	KS	<u>1/1/17: FL, OK</u> <u>3/1/17: MS</u>	F
4683	National, IN, NC <u>10/1/07: WV</u> <u>7/1/17: TX</u>		C
4716	IN	<u>1/1/17: IL, MO</u>	B
4716		<u>7/1/17: TX</u>	C
4730		<u>1/1/17: IL</u>	E
4750	LA	<u>1/1/17: IL</u>	E
4761	CO	<u>1/1/17: OK</u> <u>3/1/17: TN</u>	G
4770		<u>3/1/17: GA</u>	G
4775		<u>3/1/17: GA</u>	G
4779		<u>3/1/17: GA</u>	G
4940	IL	<u>1/1/17: MO, OK</u>	E
5507	AL, AZ, AR, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, VT, VA <u>10/1/07: WV</u> <u>1/1/17: MO</u>		F
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, NC, OK, OR, RI, SC, SD, TN, VT, VA <u>10/1/07: WV</u> <u>1/1/17: MO</u>		E
5515		<u>1/1/17: MO</u>	D

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 7 (CONT'D)

Class Code	Applies in:±	Discontinued in:±	Hazard Group A–G
6260		<u>10/1/16: KY</u> <u>11/1/16: DC, WV</u> <u>12/1/16: UT</u> <u>1/1/17: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/17: NE</u> <u>3/1/17: AL, GA, MS, NV, TN</u> <u>4/1/17: ME, NC, VA, VT</u> <u>5/1/17: LA</u> <u>7/1/17: AR, SD</u> <u>8/1/17: RI</u> <u>9/1/17: SC</u> <u>7/1/18: MT</u>	G
6365		<u>7/1/18: MT</u>	E
6827		<u>3/1/17: MS</u>	G
6837		<u>3/1/17: MS</u>	G
7223		<u>5/1/17: LA</u>	E
7500	GA, TN	<u>3/1/17: AL</u>	E
7570		<u>1/1/17: OK</u> <u>3/1/17: AL</u>	E
7724		<u>3/1/17: NV</u> <u>4/1/17: VA</u>	G
8103	National, IN, NC <u>10/1/07: WV</u> <u>7/1/17: TX</u>		D

ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 7 (CONT'D)

Class Code	Applies in:±	Discontinued in:±	Hazard Group A–G
8105	<u>IL</u>	<u>10/1/16: KY</u> <u>11/1/16: DC, WV</u> <u>12/1/16: UT</u> <u>1/1/17: AK, AZ, CO, CT, FL, HI, IA, ID, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/17: NE</u> <u>3/1/17: AL, GA, MS, NV, TN</u> <u>4/1/17: ME, NC, VA, VT</u> <u>5/1/17: LA</u> <u>7/1/17: AR, SD</u> <u>8/1/17: RI</u> <u>9/1/17: SC</u> <u>7/1/18: MT</u>	B
8295		<u>3/1/17: AL, GA, MS, TN</u> <u>5/1/17: LA</u> <u>7/1/17: AR</u>	C
8295		<u>7/1/17: TX</u>	D
8399	AL	<u>1/1/18: CT</u>	C
9023		<u>4/1/17: VA</u>	B
9080		<u>1/1/17: OK</u> <u>4/1/17: VA</u> <u>5/1/17: LA</u>	B
9451		<u>1/1/17: OR</u>	E
9470		<u>1/1/17: OR</u>	E
9496		<u>2/1/11: OR</u>	B
9499		<u>2/1/11: OR</u>	F
9529		<u>1/1/17: AZ</u>	G

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

EXHIBIT 7 (CONT'D)

Class Code	Applies in: [±]	Discontinued in: [±]	Hazard Group A–G
9530		<u>5/1/17: LA</u>	G
9534	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, ME, MD, MS, MO, MT, NE, NV, NH, NM, NC, OK, OR, RI, SC, SD, TN, UT, VT, VA 10/1/07: WV <u>5/1/17: LA</u>		F

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

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**EXHIBIT 8
BASIC MANUAL—2001 EDITION
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED
PART TWO—CLASSIFICATIONS
NATIONAL PHRASEOLOGY TO BE APPLICABLE
(APPLIES IN: MT)**

STEVEDORING

Any or all of the following operations conducted by employees not members of the crews of vessels must be classified as “Stevedoring”:

1. Loading or unloading, stowing, shifting, or trimming of cargo, supplies, and materials on board vessels.
2. Transfer of cargo, supplies, and materials between vessels and pier, regardless of the necessity of work on board vessels by employees of the insured.
3. Transfer between stringpiece and point of deposit on dock or adjacent warehouses—including tiering, sorting, and breaking down.
4. Operations of all mechanical equipment, including dock tractors, in connection with the above.

Any or all operations as defined above must be assigned to Code 7309F if the operations described by Item 2 above, whether conducted by one or more concerns, require the use of hoisting equipment except as provided under Code 7327F. All other operations must be assigned to Code 7317F. Drivers not conducting stevedoring operations as defined above must be assigned to the appropriate trucking classification.

**ITEM B-1431-MT—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND
APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**EXHIBIT 8
BASIC MANUAL—2001 EDITION
FACT SHEET 6—CLASSIFICATIONS TO BE REFORMATTED
SPECIAL CLASSIFICATIONS
(APPLIES IN: MT)**

STEVEDORING

Any or all of the following operations conducted by employees not members of the crews of vessels shall be classified as “Stevedoring”:-

1. Loading or unloading, stowing, shifting, or trimming of cargo, supplies, and materials on board vessels.-
2. Transfer of cargo, supplies, and materials between vessels and pier, irrespective of the necessity of work on board vessels by employees of the insured.-
3. Transfer between stringpiece and point of deposit on dock or adjacent warehouses—including tiering, sorting, and breaking down.-
4. Operations of all mechanical equipment, including dock tractors, in connection with the above.-

Any or all operations as above defined shall be assigned to Code 7309F—Stevedoring NOG if the operations described by Item 2 above, whether conducted by one or more concerns, require the use of hoisting equipment except as provided under Code 7327F—Stevedoring—Containerized Freight. All other operations shall be assigned to Code 7317F—Stevedoring—by Hand. Drivers not conducting stevedoring operations as above defined shall be assigned to Code 7219—Trucking NOG

7327F **Containerized Freight & Drivers.** Applies to ships designed for freight carrying containers. No work in holds. Over the road trucking operations to be separately rated as Code 7219—Trucking NOG. Code 7327F shall not be assigned to the same risk in connection with a single vessel unless the operations described by this classification are conducted as a separate and distinct business.

Freight Handling—Packing, Handling, or Shipping Explosives or Ammunition—Under Contract. These classifications include freight checkers. Stevedoring of explosives or ammunition as Code 7323F—Stevedoring—Explosive Materials; drivers to be separately rated as Code 7219—Trucking—Hauling Explosives.

7350F **Coverage Under U.S. Act**

7360 **Coverage Under State Act Only**

EXHIBIT 9
BASIC MANUAL—2001 EDITION
(APPLIES IN: MT)
MISCELLANEOUS RULES
MONTANA CONSTRUCTION PREMIUM CREDIT PROGRAM¹

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

6260

6365

¹The content in this exhibit proposes to remove Code 6260 and Code 6365 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.

FILING MEMORANDUM

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

PURPOSE

This item eliminates both national and state special classifications with low credibility. In addition, this item revises the classification treatment of the trucking industry and proposes a new classification specific to the towing industry.

The item will revise, establish, and eliminate certain classifications in NCCI's:

- ***Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)***
- ***Statistical Plan for Workers Compensation and Employers Liability Insurance (Statistical Plan)***
- ***Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)***
- ***Assigned Carrier Performance Standards (ACPS)***

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 and, as applicable, certain statistical codes. NCCI uses the term "low credibility" to identify classifications that are too small to develop meaningful data for ratemaking purposes.

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

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

Finally, this item revises the classification treatment of trucking and towing industries.

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 2015 loss cost and rate filing cycle. As a result of this review, NCCI identified a number of national

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FILING MEMORANDUM

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

and state special classifications that have national and state credibility of 25% or less. 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 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. In cases where two codes are being eliminated and reassigned to the same retained code, a single transition length is determined to apply to both eliminated codes.

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 and a small number of states have a limited amount of 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: State special classifications with low credibility, to be eliminated without a transition program.

Fact Sheet 3: State special classifications with low credibility, to be eliminated with a two-phase transition program.

Fact Sheet 4: State special classifications with low credibility, to be eliminated with a three-phase transition program.

Low-credibility classifications are recommended for elimination because there are very few employers 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, retail, 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.

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ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

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.
- Some eliminated classifications will map to multiple classifications. In these instances, there is not a single classification that best describes the business. Multiple classifications must be considered, depending on the operations of the employer.

Each fact sheet related to low-credibility code elimination includes 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.

Trucking and Towing

NCCI's current classification treatment for the trucking industry uses a 200 mile driving radius to distinguish between local and long haul trucking. A recent review of the trucking industry found several reasons why driving radius is not a useful distinction for classification purposes:

1. Common causes of injury and loss costs have not indicated either local or long haul trucking are more hazardous
2. It is a challenge to audit driving logs to confirm appropriate classification assignment because many companies and drivers perform both local and long haul trucking
3. While the geographic distance driven may be greater for long haul trucking, the time spent behind the wheel may be similar
4. Local versus long haul trucking does not necessarily distinguish between interstate and intrastate driving

Finally, research of the trucking industry has determined that the classification treatment for towing should be revised to ensure the fair and equitable treatment of the industry.

Fact Sheet 5: Trucking and Towing explains the elimination of current national trucking Codes 7228 and 7229 and the reestablishment of national Code 7219. In addition, Fact Sheet 5 explains the establishment of national Code 7225 for towing and roadside assistance.

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.

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FILING MEMORANDUM

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
 E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

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

IMPACT

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.

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, 2017, unless otherwise noted. For example, this item will become effective January 1, 2018, for approved loss cost/rate filings that have a January 1, 2018 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.

Some of the proposals included in this item may require a transition program. Any such recommendations are limited to a maximum of a three-phase transition program. For state special classifications with low credibility to be eliminated, a:

- Two-phase transition program is proposed for Fact Sheet 3
- Three-phase transition program is proposed for Fact Sheet 4

Some proposals related to Fact Sheet 1, National Classifications with Low Credibility to be Eliminated, and Fact Sheet 5, Trucking and Towing, 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 9-R and 10-R for the following states:

AL, AR, AZ, CO, CT, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, MO, MS, NM, NV, OK, OR, RI, SC, SD, TN, TX, VA, VT, and WV.

Anticipated Effective Dates by State

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

State	Anticipated* Effective Date
Alabama	March 1, 2018
Alaska	January 1, 2018

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ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
 E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

Arizona	January 1, 2018
Arkansas	July 1, 2018
Colorado	January 1, 2018
Connecticut	January 1, 2018
District of Columbia	November 1, 2017
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, 2017, it will become effective on January 1, 2018. If it is approved after July 1, 2017, it will become effective on January 1, 2019.
Georgia	March 1, 2018
Hawaii	This item will be implemented in Hawaii's loss cost filing proposed to be effective on January 1, 2018. The effective date will be determined upon regulatory approval of the individual carrier's election to adopt this change.
Idaho	January 1, 2018
Illinois	January 1, 2018
Indiana	January 1, 2018
Iowa	January 1, 2018
Kansas	January 1, 2018
Kentucky	October 1, 2017
Louisiana	May 1, 2018
Maine	April 1, 2018
Maryland	January 1, 2018
Mississippi	March 1, 2018
Missouri	January 1, 2018
Montana	July 1, 2018
Nebraska	February 1, 2018
Nevada	March 1, 2018
New Hampshire	January 1, 2018

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ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
 E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

New Mexico	January 1, 2018
Oklahoma	January 1, 2018
Oregon	January 1, 2018
Rhode Island	August 1, 2018
South Carolina	September 1, 2018
South Dakota	July 1, 2018
Tennessee	March 1, 2018
Texas	July 1, 2018
Utah	December 1, 2017
Vermont	April 1, 2018
Virginia	April 1, 2018
West Virginia	November 1, 2017

* Subject to change, depending upon 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:
Basic Manual	National Classifications With Low Credibility to Be Eliminated	1	1A-R	All States Except TX, VA
			1B-R	All States Except TX, VA
			1C-R	All States Except TX, VA
			1D-R	All States Except TX, VA
			1E-R	All States Except TX, VA
			1F-R	All States Except VA
			1G-R	All States Except TX, VA

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FILING MEMORANDUM

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
 E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

Exhibits		Fact Sheet	Exhibit #	Proposal Applicable in:
			1H-R	All States Except TX, VA
			1I-R	All States Except TX, VA
			1J-R	All States Except TX, VA
			1K-R	All States Except OR, TX, VA
			1L-R	All States Except OR, VA
			1M-R	All States Except TX, VA
			1N-R	All States Except VA
			1O-R	All States Except NM, OR, TX, VA
			1P-R	All States Except NM, OR, VA
			1Q-R	All States Except TX, VA
			1R-R	All States Except TX, VA
			1S-R	All States Except VA
			1T-R	All States Except VA
			1U-R	All States Except FL, TX, VA
			1V-R	All States Except CO, OR, TX, VA
			1W-R	All States Except TX, VA
			1X-R	All States Except LA, MO, RI, TX, VA

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FILING MEMORANDUM

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
 E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

Exhibits	Fact Sheet	Exhibit #	Proposal Applicable in:	
		1Y-R	All States Except TX, VA	
		8-R	LA, NM, OR, TX, VA	
	State Special Classifications With Low Credibility to Be Eliminated—No Transition Program	2	2-R	AL, CO, FL, GA, HI, ID, IL, KS, KY, LA, MO, MT, OK, OR, SC, TN, TX
			8-R	VA
	State Special Classifications With Low Credibility to Be Eliminated—Two-Phase Transition Program	3	3-R	AZ, GA, IL, MO, OK, RI, TN
	State Special Classifications With Low Credibility to Be Eliminated—Three-Phase Transition Program	4	4-R	CT, GA, IN, KS, LA, MO, NM, OK, SC, SD, TN, TX, VT
			8-R	VA
	Trucking and Towing	5	5A-R	All States Except HI, LA, MO, OK, OR, RI, TX, VA
			5B-R	All States Except CT, HI, LA, MO, OK, OR, RI, TX, VA
			5C-R	All States Except AK, CT, HI, LA, MO, OK, OR, RI, TN, TX, VA
			5D-R	All States Except CT, HI, LA, MO, OK, RI, TX, VA
			5E-R	All States Except AK, FL, ID, LA, MO, MT, OR, TX, VA
			5F-R	All States Except VA
			5G-R	All States Except AK, CO, FL, ID, LA, MO, MT, OR, TX, VA

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FILING MEMORANDUM

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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Exhibits		Fact Sheet	Exhibit #	Proposal Applicable in:
			5H-R	All States Except VA
			5I-R	All States Except AK, FL, ID, LA, MT, NM, OR, TX, VA
			5J-R	All States Except HI, LA, MO, OK, OR, RI, TX, VA
			5K-R	All States Except AK, FL, ID, LA, MT, OR, TX, VA
			5L-R	All States Except HI, LA, MO, OK, OR, RI, TX, VA
			5M-R	All States Except AK, FL, ID, LA, MT, OR, TX, VA
			5N-R	All States Except VA
			5O-R	All States Except AK, FL, ID, LA, MT, OR, TX, VA
			5P-R	All States Except VA
			5Q-R	All States Except HI, LA, MO, OK, OR, RI, TX, VA
			5R-R	All States Except AK, FL, ID, LA, MT, OR, TX, VA
			5S-R	All States Except AK, AZ, FL, ID, LA, MO, MT, OR, TX, VA
			5T-R	All States Except VA
			5U-R	All States Except HI, LA, MO, OK, OR, RI, TX, VA

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ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
 E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

Exhibits	Fact Sheet	Exhibit #	Proposal Applicable in:
		5V-R	All States Except AK, AR, FL, ID, LA, MO, MT, OR, SD, TX, VA
		5W-R	All States Except AR, MO, OR, SD, VA
		5X-R	All States Except AK, FL, ID, LA, MT, OR, TX, VA
		8-R	AK, AR, AZ, CO, CT, FL, HI, ID, IN, LA, MO, MT, NM, OK, OR, RI, SD, TN, TX, VA
Appendix E—Table of Classifications by Hazard Group	1, 2, 3, 4, 5	6-R	All States
CCPAP Exhibits	1, 2, 4	7-R	AK, CT, FL, HI, IL, MD, MO, MT, NE, NM, OK, OR, VA
Additional State-Specific Exhibits	1, 5	8-R	AK, AR, AZ, CO, CT, FL, HI, ID, IN, LA, MO, MT, NM, OK, OR, RI, SD, TN, TX, VA
Two-Phase Transition Program Details	1, 3, 5	9-R	AL, AR, AZ, CO, FL, GA, HI, IA, ID, IL, IN, KS, KY, MD, MO, MS, NV, OK, OR, RI, SC, TN, VA
Three-Phase Transition Program Details	1, 4	10-R	AL, AR, AZ, CT, FL, GA, IL, IN, KS, LA, MO, NM, OK, OR, SC, SD, TN, TX, VA, VT, WV
Statistical Plan Coding Values	2	11-R	AZ, CO, GA, MO
Assigned Carrier Performance Standards	2, 3, 5	12-R	AK, AR, GA, IN, KS, MS, NH, OR, SD

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ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
 E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

Exhibits	Fact Sheet	Exhibit #	Proposal Applicable in:
<i>New Mexico Workers' Compensation Assigned Risk Pool Manual</i>	5	12-R	NM
<i>Forms Manual</i>	1, 2	13-F	FL, VA

Note: Form and rule filings must be filed separately in Florida. 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-1435-R. The form exhibit is filed with the regulatory authority as Item B-1435-F.

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ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

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 being proposed. States with a transition program are indicated in the following table. Details of the transition programs are provided in Exhibits 9-R and 10-R.

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 8-R, 9-R, and 10-R for state-specific information.
2. Revise Appendix E—Table of Classifications by Hazard Group to show the codes being eliminated or added. Refer to Exhibit 6-R.
3. Revise state-specific contracting classification credit programs for Alaska, Connecticut, Florida, Hawaii, Illinois, Maryland, Missouri, Montana, Nebraska, New Mexico, Oklahoma, Oregon, and Virginia to show the classifications being eliminated. Refer to Exhibit 7-R.

National Classification to Be Eliminated	Proposed National Classification (Unless Otherwise Noted)	States With Two-Phase Transition Program*	States With Three-Phase Transition Program**
1655—Lime Mfg.—Quarry—Surface—& Drivers 1655—Quarry—Limestone—Surface—& Drivers	1642—Lime Mfg.—Quarry—Surface 1642—Quarry—Limestone—Surface 7380—Drivers, Chauffeurs, Messengers, and Their Helpers NOC—Commercial***	MS, OK	CO, FL, MO
1741—Flint or Spar Grinding & Drivers 1741—Silica Grinding & Drivers 1741—Spar or Flint Grinding & Drivers	1701—Flint or Spar Grinding 1701—Silica Grinding 7380—Drivers, Chauffeurs, Messengers, and Their Helpers NOC—Commercial***	AL, GA, KY, MO	KS, VA, WV

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

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**
1853—Mica Goods Mfg. & Mica Preparing	1701—Mica Goods Mfg. & Mica Preparing	AL, GA, KY, MO	KS, VA, WV
1860—Abrasive Paper or Cloth Preparation	4279—Abrasive Paper or Cloth Preparation	IN, KS, KY, MO, NV, SC	AZ, CO, FL, IL, OR, VT
2534—Feather or Flower Mfg.—Artificial 2534—Flower or Feather Mfg.—Artificial 2534—Hair Goods Mfg.	2501—Feather or Flower Mfg.—Artificial 2501—Hair Goods Mfg.	FL, IA, IN, OR, RI	AL, CO, CT, GA, SC, VA
3175—Heater or Radiator Mfg. 3175—Radiator or Heater Mfg.	3169—Heater or Radiator Mfg.	None	None
3223—Lamp or Portable Lantern Mfg. 3223—Portable Lantern or Lamp Mfg.	3180—Lamp or Portable Lantern Mfg.	None	None
4053—Pottery Mfg.—China or Tableware 4053—Terra-Cotta Mfg.	4062—Pottery Mfg.—China or Tableware 4062—Terra-Cotta Mfg.	MD	IN
4061—Pottery Mfg.—Earthenware—Glazed or Porcelain—Hand Molded or Cast	4062—Pottery Mfg.—Earthenware—Glazed or Porcelain—Hand Molded or Cast	MD	IN
4113—Glass Mfg.—Cut	4111—Glass Mfg.—Cut	IN, KY	GA, VT, WV
4282—Boot or Shoe Pattern Mfg. 4282—Dress Pattern Mfg.—Paper 4282—Music Roll Mfg.—Perforated Paper 4282—Shoe or Boot Pattern Mfg.	4279—Boot or Shoe Pattern Mfg. 4279—Dress Pattern Mfg.—Paper 4279—Music Roll Mfg.—Perforated Paper	IN, KS, KY, MO, NV, SC	AZ, CO, FL, IL, OR, VT
4439—Lacquer or Varnish Manufacturing	4558—Lacquer or Varnish Manufacturing	None	TX
5069—Iron or Steel—Erection—Construction of Dwellings Not Over Two Stories in Height 5069—Military Reservation—Construction—Iron or Steel Erection—Not Over Two Stories in Height	5059—Iron or Steel—Erection—Construction of Dwellings Not Over Two Stories in Height 5059—Military Reservation—Construction—Iron or Steel Erection—Not Over Two Stories in Height	HI, TN, VA	FL
6017—Dam or Lock Construction—Concrete Work—All Operations	5213—Dam or Lock Construction—Concrete Work—All Operations	ID, IL, OR	AR, FL, OK

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

EXHIBIT 1—FACT SHEET (CONT'D)

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

** The listed states have a three-phase transition program; refer to Exhibit 10-R for details.

*** The proposed national phraseology currently applies in this state. Therefore, no national exhibit is proposed for approval.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

EXHIBIT 1—FACT SHEET (CONT'D)

IMPACT

NCCI conducted a review of the latest policy periods used for ratemaking in NCCI's 2015 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 result of this review, codes in most states will receive no transition and codes in some states will receive a two-phase or three-phase transition program. Where applicable, using a transition program will help minimize the impact to both individual employer premium charges and overall statewide premium. 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

Colorado Proposal:

NCCI is proposing all exhibits in Colorado except Exhibit 1V-R. Although Code 5069 does not apply in Colorado, NCCI is proposing that national Code 5059 (Exhibit 1W-R) be adopted in Colorado to be consistent with the national treatment. National Code 5059—Iron or Steel—Erection—Frame Structures Not Over Two Stories in Height already applies in Colorado. Therefore, this proposal will not result in a change in classification treatment.

Colorado Impact:

Because NCCI is proposing all exhibits in Colorado except Exhibit 1V-R, the national impact detailed above applies in Colorado. Because Code 5059 already applies in Colorado, no premium impact is expected as a result of not proposing Exhibit 1V-R.

Florida Proposal:

NCCI is proposing all exhibits in Florida except Exhibit 1U-R. Exhibit 1U-R is not being proposed because:

- Code 4439 does not apply in Florida
- Current Florida state special for Code 4558—Paint, Lacquer or Varnish Manufacturing will be maintained.

In addition, Form 09-4D—Florida Contracting Classification Premium Adjustment Program (CCPAP) Workers Compensation Premium Credit Application will be updated to reflect the elimination of Codes 5069 (Exhibit 1V-R) and 6017 (1X-R). Refer to Exhibit 13-F for details.

Florida Impact:

Because NCCI is proposing all exhibits in Florida except Exhibit 1U-R, the national impact detailed above applies in Florida. Because Code 4558 already applies in Florida, no premium impact is expected as a result of not proposing Exhibit 1U-R or proposing Exhibit 13-F.

Louisiana Proposal:

NCCI is proposing all exhibits in Louisiana except Exhibit 1X-R because Louisiana has a state special phraseology for Code 6017. NCCI proposes that Louisiana discontinue state special Code 6017—Dam or Lock Construction—Concrete Work—All Operations and adopt the proposed national phraseology for

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

EXHIBIT 1—FACT SHEET (CONT'D)

Code 5213 detailed in Exhibit 1Y-R. National Code 5213—Concrete Construction NOC currently applies in Louisiana. Also, refer to Exhibit 8-R for Louisiana state special phraseology details.

Louisiana Impact:

Because NCCI is proposing all exhibits in Louisiana except Exhibit 1X-R (but is proposing Exhibit 8-R in its place), the national impact detailed above applies in Louisiana. The premium impact in Louisiana is also expected to be the same as the proposed national treatment for Exhibits 1X-R and 1Y-R because national Code 5213 already applies in Louisiana.

Missouri Proposal:

NCCI is proposing all exhibits in Missouri except Exhibit 1X-R, which discontinues national Code 6017. Although Code 6017 is not applicable in Missouri, NCCI is proposing that national Code 5213—Dam or Lock Construction—Concrete Work—All Operations (Exhibit 1Y-R) be adopted to be consistent with the proposed national treatment. Code 5213—Concrete Construction NOC currently applies in Missouri with a state special note.

Missouri Impact:

Because NCCI is proposing all exhibits in Missouri except Exhibit 1X-R, the national impact detailed above applies in Missouri. Because Code 5213 already applies in Missouri, no premium impact is expected as a result of not proposing Exhibit 1X-R.

New Mexico Proposal:

NCCI is proposing all exhibits in New Mexico except Exhibits 1O-R and 1P-R. New Mexico has a state special phraseology for Code 4061 in place of the national phraseology for Code 4061. National Code 4061 is being discontinued as shown in Exhibit 1O-R and being replaced with Code 4062. As a result, NCCI proposes that New Mexico discontinue their phraseology for Code 4061 and establish a new state special phraseology for Code 4062 in place of the national phraseology proposed in Exhibit 1P-R. Refer to Exhibit 8-R for New Mexico's Code 4062 phraseology.

New Mexico Impact:

Because NCCI is proposing all exhibits in New Mexico except Exhibits 1O-R and 1P-R, the national impact detailed above applies in New Mexico. The premium impact in New Mexico is expected to be the same as the proposed national treatment for Exhibits 1O-R and 1P-R.

Oregon Proposal:

This item proposes Exhibits 1A-R through 1J-R, 1M-R, 1N-R, 1Q-R through 1U-R, 1W-R through 1Y-R, and 8-R in Oregon. Below is an explanation about why certain exhibits are not proposed in Oregon and why state-specific Exhibit 8-R is being proposed.

1. Exhibits 1K-R and 1O-R are not being proposed in Oregon because Oregon has state special phraseologies for Codes 4053 and 4061, respectively, in place of the national phraseologies for both codes. Both national Codes 4053 and 4061 are being discontinued (Exhibits 1K-R and 1O-R) and being reassigned to national Code 4062 (Exhibits 1L-R and 1P-R). However, NCCI is proposing that Oregon:
 - Discontinue their state special phraseologies for Codes 4053 and 4061 (Exhibit 8-R)
 - Establish state special phraseologies for Code 4062 (Exhibit 8-R) in place of the proposed national phraseologies for Code 4062

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**EXHIBIT 1—FACT SHEET (CONT'D)**

National Code 4062—Pottery Mfg.—Porcelain Ware—Mechanical Press Forming currently applies in Oregon.

2. Exhibit 1V-R is not being proposed in Oregon because Code 5069 is not applicable in Oregon. Although Code 5069 is not applicable, NCCI is proposing that national Code 5059 (Exhibit 1W-R) be adopted in Oregon to be consistent with the national treatment. Code 5059 already applies in Oregon with the following phraseologies, which NCCI is not proposing to change:

- Iron Or Steel—Erection—Frame Structures Not Over Two Stories In Height (national)
- Iron or Steel Erection—One- to Two-Story Frame Structures Including Dwellings (Oregon state-special phraseology)
- Swimming Pool—Construction—Iron or Steel Erection—One- to Two-Story Frame Structure—applies to construction of iron or steel swimming pools (Oregon state-special phraseology)

Because Code 5069 is not applicable in Oregon, this proposal will not change the classification treatment for Oregon employers.

Oregon Impact:

Because NCCI is proposing all exhibits in Oregon except Exhibits 1K-R, 1L-R, 1O-R, 1P-R, and 1V-R, the national impact detailed above applies in Oregon. Because Codes 4062 and 5059 already apply in Oregon, no premium impact is expected as a result of proposing Exhibit 8-R.

Rhode Island Proposal:

NCCI is proposing all exhibits in Rhode Island except Exhibit 1X-R, which discontinues national Code 6017. Although Code 6017 is not applicable in Rhode Island, NCCI is proposing that national Code 5213—Dam or Lock Construction—Concrete Work—All Operations (Exhibit 1Y-R) be adopted to be consistent with the proposed national treatment. National Code 5213—Concrete Construction NOC currently applies in Rhode Island.

Rhode Island Impact:

Because NCCI is proposing all exhibits in Rhode Island except Exhibit 1X-R, the national impact detailed above applies in Rhode Island. Because Code 5213 already applies in Rhode Island, no premium impact is expected as a result of not proposing Exhibit 1X-R.

Texas Proposal:

This item proposes Exhibits 1F-R, 1L-R, 1N-R, 1P-R, 1S-R, 1T-R, and 8-R in Texas. Below is a list of all exhibits addressed in Fact Sheet 1 explaining why certain exhibits are not proposed in Texas or why state-specific Exhibit 8-R is proposed.

1. Exhibit 1A-R is not proposed because Codes 1655 and 1642 do not apply in Texas. NCCI is not proposing any changes to lime manufacturing or limestone quarry operations in Texas. 1A-R is not being proposed because Codes 1655 and 1642 are not applicable in Texas.
2. Exhibits 1B-R and 1C-R are not proposed because Code 1741 does not apply in Texas. Flint, spar, and silica grinding are assigned to Code 1701 in Texas, which NCCI is not proposing to change.
3. Exhibit 1D-R is not proposed because Code 1853 does not apply in Texas. Mica goods manufacturing and mica preparing are assigned to Code 1701 in Texas, which NCCI is not proposing to change.
4. Exhibit 1E-R is not proposed because Code 1860 does not apply in Texas. However, Exhibit 1F-R is being proposed in Texas to clarify that these employers should be classified under Code 4279.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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EXHIBIT 1—FACT SHEET (CONT'D)

5. Exhibits 1G-R and 1H-R are not proposed in Texas. It is proposed that Texas retain their current Code 2534 state special phraseologies. It is also proposed that Texas retain existing national phraseologies for artificial feather or flower manufacturing as state special phraseologies. Refer to Exhibit 8-R for details.
6. Exhibit 1I-R is not proposed in Texas because Codes 3175 and 3169 do not apply in Texas. NCCI is not proposing any changes to the assignment of heater or radiator manufacturing or stove manufacturing in Texas.
7. Exhibit 8-R is proposed in place of Exhibit 1J-R in Texas. NCCI proposes that Texas:
 - Discontinue Code 3223 and its three state special phraseologies of Lamp Mfg. & Repair, Lantern or Lamp Mfg. NOC, and Lantern or Lamp Mfg. NOC.
 - Establish two state special phraseologies for national Code 3179 instead of the national treatment detailed in Exhibit 1H-R; Code 3179 currently applies in Texas with state special phraseology: Electric or Gas Lighting Fixtures Mfg.
8. Exhibits 1K-R, 1M-R, and 1O-R are not being proposed in Texas because Code 4053 and Code 4061 do not apply in Texas. Texas has similar state special phraseologies for Code 4062. Both national Codes 4053 and 4061 are being discontinued (Exhibits 1K-R, 1M-R, and 1O-R) and reassigned to national Code 4062 (Exhibits 1L-R, 1N-R, and 1P-R). However, NCCI is proposing that Texas:
 - Discontinue their two state special phraseologies for Code 4062 (Exhibit 8-R).
 - Adopt the national pottery and terra cotta manufacturing classification treatment for Code 4062 (Exhibits 1L-R, 1N-R, and 1P-R).
9. Exhibit 1Q-R is not proposed in Texas because Codes 4111 and 4113 do not apply in Texas.
10. Exhibit 1R-R is not proposed in Texas because these phraseologies are not applicable in Texas. Texas has similar state special phraseologies for Code 4282. However, NCCI is proposing that Texas:
 - Discontinue its boot, dress, and shoe pattern manufacturing state special Code 4282 phraseologies (Exhibit 8-R).
 - Discontinue national Code 4282—Music Roll Mfg.—Perforated Paper (Exhibit 1S-R).
 - Adopt the three proposed national Code 4279 phraseologies detailed in Exhibit 1T-R.
11. Exhibit 1U-R is not proposed in Texas because the national phraseology, Lacquer or Varnish Manufacturing for Code 4439 is not applicable in Texas. Texas has four different state special phraseologies for Code 4439. However, it is proposed that Texas:
 - Discontinue its lacquer, spirit, and varnish manufacturing state special Code 4439 phraseologies (Exhibit 8-R).
 - Establish four new state specials for Code 4558 detailed in Exhibit 8-R.
12. Exhibits 1V-R and 1W-R are not proposed in Texas because Codes 5059 and 5069 do not apply in Texas. In Texas, iron or steel dwelling erection/construction is assigned based on the height of the dwelling not being over three stories in height. This is unlike the national requirement of not being over two stories in height. NCCI is not proposing a change to the current Texas classification treatment of these operations.
13. Exhibits 1X-R and 1Y-R are not proposed in Texas because Code 6017—Dam or Lock Construcion—Concrete Work—All Operations does not apply in Texas. Texas has a state special phraseology for dam construction for Code 6045 which NCCI is not proposing to change.

Texas Impact:

The national impact detailed above applies in Texas. Because some of the national codes either already apply in Texas, or certain changes are not being made, no premium impact is expected as a result of not proposing the exhibits detailed above.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

EXHIBIT 1—FACT SHEET (CONT'D)**Virginia Proposal:**

NCCI proposes that Virginia adopt the treatments detailed in Exhibit 8-R. Refer to the table shown in the Proposal section of Fact Sheet 1 for a list of the classifications revised in Exhibit 8-R. In addition, the following codes will also be revised in Exhibit 8-R because they refer to the codes shown in the table in the proposal section of Fact Sheet 1:

- Code 1016—Coal Mining—NOC
- Code 1164—Mining NOC—Not Coal—Underground—& Drivers
- Code 1165—Mining NOC—Not Coal—Surface & Drivers
- Code 1624—Quarry NOC & Drivers
- Code 2651—Shoe Stock Mfg.
- Code 2660—Boot or Shoe Mfg. NOC
- Code 2790—Pattern Making NOC
- Code 3224—Enamel Ware Mfg.
- Code 4021—Brick or Clay Products Mfg. NOC & Drivers
- Code 4114—Glassware Mfg. NOC
- Code 4828—Chemical Blending or Mixing NOC—All Operations and Drivers
- Code 4829—Chemical Mfg. NOC—All Operations & Drivers—Includes Blending or Mixing
- Code 6217—Excavation & Drivers

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

In addition, Form 45-3D—Virginia Contracting Classification Premium Adjustment Program (CCPAP) Workers Compensation Premium Credit Application (Exhibit 13-F) will be updated to reflect the elimination of Codes 5069 and 6017 (Exhibit 8-R).

Virginia Impact:

Because NCCI is proposing the same changes in Virginia as what is being proposed nationally but in a different format, 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-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 1A-RULE—NATIONAL CLASSIFICATIONS
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)

4655 QUARRY—LIMESTONE—SURFACE & DRIVERS

~~Includes construction, repair, or maintenance of all buildings, structures, or equipment; installation of machinery; and is applicable only to surface quarries operated by lime manufacturers, provided that at least 75% of the stone quarried is used in the actual lime mfg. If more than 25% of the quarry output is used for other than lime mfg., such operations shall then be classified under Code 1624—Quarry NOC.~~

1642 LIME MFG.

Excavation or digging, mining, or quarrying to be separately rated. Includes surface quarries operated by lime manufacturers, provided that at least 75% of the stone quarried is used in the actual lime manufacture. If more than 25% of the quarry output is used for other than lime mfg., such operations will be classified under Code 1624—Quarry NOC.

4655

~~**Quarry—Surface & Drivers.** Includes construction, repair, or maintenance of all buildings, structures, or equipment; installation of machinery. Applicable only to surface quarries operated by lime manufacturers, provided that at least 75% of the stone quarried is used in the actual lime manufacture. If more than 25% of the quarry output is used for other than lime mfg., such operations shall then be classified under Code 1624—Quarry NOC.~~

1642 LIME MFG.—QUARRY—SURFACE

Includes construction, repair, or maintenance of all buildings, structures, or equipment; installation of machinery. Applicable only to surface quarries operated by lime manufacturers, provided that at least 75% of the stone quarried is used in the actual lime manufacture. If more than 25% of the quarry output is used for other than lime mfg., such operations will be classified under Code 1624—Quarry NOC.

1642 QUARRY—LIMESTONE—SURFACE

Includes construction, repair, or maintenance of all buildings, structures, or equipment; installation of machinery; and is applicable only to surface quarries operated by lime manufacturers, provided that at least 75% of the stone quarried is used in the actual lime mfg. If more than 25% of the quarry output is used for other than lime mfg., such operations will be classified under Code 1624—Quarry NOC.

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 1B-RULE—NATIONAL CLASSIFICATIONS
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)

- 4744** ~~FLINT OR SPAR GRINDING & DRIVERS-~~
Digging, mining, or quarrying to be separately rated.
- 4744** ~~SILICA GRINDING & DRIVERS-~~
Digging, mining, or quarrying to be separately rated.
- 4744** ~~SPAR OR FLINT GRINDING & DRIVERS-~~
Digging, mining, or quarrying to be separately rated.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 1C-RULE—NATIONAL CLASSIFICATIONS
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)**

- 1701 FLINT OR SPAR GRINDING**
Digging, mining, or quarrying to be separately rated.
- 1701 SILICA GRINDING**
Digging, mining, or quarrying to be separately rated.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 1D-RULE—NATIONAL CLASSIFICATIONS
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)

4853 **~~MICA GOODS MFG. & MICA PREPARING.~~**

~~Mining to be separately rated.~~

1701 **MICA GOODS MFG. & MICA PREPARING**

Mining to be separately rated.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 1E-RULE—NATIONAL CLASSIFICATIONS
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)

4860 ABRASIVE PAPER OR CLOTH PREPARATION

Paper or cloth mfg. to be separately rated.

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 1F-RULE—NATIONAL CLASSIFICATIONS
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)

4279 **ABRASIVE PAPER OR CLOTH PREPARATION**

Paper or cloth mfg. to be separately rated.

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 1G-RULE—NATIONAL CLASSIFICATIONS
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)

~~2534 FEATHER OR FLOWER MFG.—ARTIFICIAL~~

~~2501 FEATHER OR FLOWER MFG.—ARTIFICIAL~~

~~2534 FLOWER OR FEATHER MFG.—ARTIFICIAL~~

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 1H-RULE—NATIONAL CLASSIFICATIONS
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)

- 2534** **HAIR GOODS MFG.**
Applies to products made from human hair.
- 2501** **HAIR GOODS MFG.**
Applies to products made from human hair.

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 11-RULE—NATIONAL CLASSIFICATIONS
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)

- ~~3475~~ ~~HEATER OR RADIATOR MFG.~~
Applies to cast iron heaters or radiators.
- 3169 HEATER OR RADIATOR MFG.
Applies to cast iron heaters or radiators.
- ~~3475~~ ~~RADIATOR OR HEATER MFG.~~
Applies to cast iron radiators or heaters.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 1J-RULE—NATIONAL CLASSIFICATIONS
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)

~~3223 LAMP OR PORTABLE LANTERN MFG.~~

~~Shall not be assigned to a risk engaged in the operations described by another classification unless the operations subject to Code 3223 are conducted as a separate and distinct business.~~

~~3223 PORTABLE LANTERN OR LAMP MFG.~~

~~Shall not be assigned to a risk engaged in the operations described by another classification unless the operations subject to Code 3223 are conducted as a separate and distinct business.~~

3180 LAMP OR PORTABLE LANTERN MFG.

Will not be assigned to an employer engaged in the operations described by another classification unless the operations subject to Code 3180 are conducted as a separate and distinct business.

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 1K-RULE—NATIONAL CLASSIFICATIONS
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, RI, SC, SD, TN, UT, VT, WV)

4053 ~~POTTERY MFG.—CHINA OR TABLEWARE~~

~~Mining, quarrying, or clay digging to be separately rated.~~

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 1L-RULE—NATIONAL CLASSIFICATIONS
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, RI, SC, SD, TN, TX, UT, VT, WV)**

4062 **POTTERY MFG.—CHINA OR TABLEWARE**
Mining, quarrying, or clay digging to be separately rated.

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 1M-RULE—NATIONAL CLASSIFICATIONS
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)

4053 ~~TERRA-COTTA MFG.~~

~~Applies to decorative or architectural terra-cotta. Mining, quarrying, or clay digging to be separately rated.~~

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 1N-RULE—NATIONAL CLASSIFICATIONS
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)**

4062 TERRA-COTTA MFG.

Applies to decorative or architectural terra-cotta. Mining, quarrying, or clay digging to be separately rated.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 10-RULE—NATIONAL CLASSIFICATIONS
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, NV, OK, RI, SC, SD, TN, UT, VT, WV)**

4064 POTTERY MFG.—EARTHENWARE—GLAZED OR PORCELAIN—HAND MOLDED OR CAST
Codes 4064 and 4062—Pottery mfg.—porcelain ware—mechanical press forming shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses. Mining, quarrying, or clay digging to be separately rated.

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 1P-RULE—NATIONAL CLASSIFICATIONS
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, NV, OK, RI, SC, SD, TN, TX, UT, VT, WV)

4062 **POTTERY MFG.—EARTHENWARE—GLAZED OR PORCELAIN—HAND MOLDED OR CAST**
Mining, quarrying, or clay digging to be separately rated.

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 1Q-RULE—NATIONAL CLASSIFICATIONS
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)

4443 **GLASS MFG.—CUT**

4111 **GLASS MFG.—CUT**

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 1R-RULE—NATIONAL CLASSIFICATIONS
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)

4282 ~~BOOT OR SHOE PATTERN MFG.~~

Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 4282 are conducted as a separate and distinct business.

4282 ~~DRESS PATTERN MFG.—PAPER~~

Includes designers, drafting employees, and cutters. Magazine printing to be separately rated as Code 4299—Printing.

4282 ~~SHOE OR BOOT PATTERN MFG.~~

Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 4282 are conducted as a separate and distinct business.

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 1S-RULE—NATIONAL CLASSIFICATIONS
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)

4282 ~~MUSIC ROLL MFG.—PERFORATED PAPER.~~
Paper mfg. to be separately rated as Code 4239.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 1T-RULE—NATIONAL CLASSIFICATIONS
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)

4279 BOOT OR SHOE PATTERN MFG.

Must not be assigned to an employer performing operations described by another classification unless the operations subject to Code 4279 are conducted as a separate and distinct business.

4279 DRESS PATTERN MFG.—PAPER

Includes designers, drafting employees, and cutters. Magazine printing to be separately rated as Code 4299.

4279 MUSIC ROLL MFG.—PERFORATED PAPER

Paper mfg. to be separately rated as Code 4239.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 1U-RULE—NATIONAL CLASSIFICATIONS
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)**

4439 LACQUER OR VARNISH MANUFACTURING

~~Includes mixing of thinners or solvents but not nitrocellulose manufacturing. Assign risks that manufacture nitrocellulose, thinners, or solvents to the appropriate chemical classification, Code 4828 or Code 4829.~~

4558 LACQUER OR VARNISH MANUFACTURING

Includes mixing of thinners or solvents but not nitrocellulose manufacturing. Assign employers that manufacture nitrocellulose, thinners, or solvents to the appropriate chemical classification, Code 4828 or Code 4829.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 1V-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION**

**FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
PART TWO—CLASSIFICATIONS**

(Applies in: AK, AL, AR, AZ, 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)

**5069 • ~~IRON OR STEEL—ERECTION—CONSTRUCTION OF DWELLINGS NOT OVER TWO
STORIES IN HEIGHT~~**

**5069 • ~~MILITARY RESERVATION—CONSTRUCTION—IRON OR STEEL ERECTION—NOT OVER
TWO STORIES IN HEIGHT~~**

~~Applies only to the construction or repair of buildings designed for the housing, welfare, and keep
of personnel. All other operations in the construction or repair of such buildings and all other
construction or repair in connection with military reservations must be assigned to appropriate
classifications.~~

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 1W-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION**

**FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
PART TWO—CLASSIFICATIONS**

(Applies in: AK, AL, AR, AZ, CT, CO, 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)

**5059• IRON OR STEEL—ERECTION—CONSTRUCTION OF DWELLINGS NOT OVER TWO
STORIES IN HEIGHT**

**5059• MILITARY RESERVATION—CONSTRUCTION—IRON OR STEEL ERECTION—NOT OVER
TWO STORIES IN HEIGHT**

Applies only to the construction or repair of buildings designed for the housing and welfare of
personnel. All other operations in the construction or repair of such buildings and all other
construction or repair in connection with military reservations must be assigned to the appropriate
classifications.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 1X-RULE—NATIONAL CLASSIFICATIONS
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, MS, MT,
NE, NH, NM, NV, OK, OR, SC, SD, TN, UT, VT, WV)**

6047• DAM OR LOGG CONSTRUCTION—CONCRETE WORK—ALL OPERATIONS

~~Includes work on foundations, or the making, setting up, or taking down of forms, scaffolds, falsework, or concrete distributing apparatus. With respect to non-pneumatic caisson or non-pneumatic cofferdam operations, the appropriate caisson or cofferdam classification shall apply only to the construction, maintenance, or removal of the caisson or cofferdam. Excavation, pile driving, shaft sinking, tunneling, caisson or cofferdam work to be separately rated.~~

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 1Y-RULE—NATIONAL CLASSIFICATIONS
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)**

5213• DAM OR LOCK CONSTRUCTION—CONCRETE WORK—ALL OPERATIONS

Includes work on foundations, or the making, setting up, or taking down of forms, scaffolds, falsework, or concrete-distributing apparatus. With respect to nonpneumatic caisson or nonpneumatic cofferdam operations, the appropriate caisson or cofferdam classification will apply only to the construction, maintenance, or removal of the caisson or cofferdam. Excavation, pile driving, shaft sinking, tunneling, caisson, or cofferdam work to be separately rated.

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 2—FACT SHEET

STATE SPECIAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED—NO TRANSITION PROGRAM

PURPOSE

The purpose of the proposed changes is to eliminate certain state special classifications that have low credibility.

BACKGROUND

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

These state special 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 state special classifications to be eliminated are listed in the Proposal section of this fact sheet.

PROPOSAL

This item proposes to:

1. Eliminate state special classifications and assign these operations to national classifications as indicated in the following table and exhibits.
2. Revise Appendix E—Table of Classifications by Hazard Group to show codes being eliminated or added. Refer to Exhibit 6-R.
3. Revise state-specific contracting classification credit programs for Illinois, Montana, and Virginia to show the classifications being eliminated and added. Refer to Exhibit 7-R.
4. Revise the **Statistical Plan** to show statistical codes being eliminated. Refer to Exhibit 11-R.
5. Revise **Assigned Carrier Performance Standards** to show classifications being eliminated. Refer to Exhibit 12-R.

State	State Special Classification to Be Eliminated	Proposed National Classification (Unless Otherwise Noted)
AL	8399—Truck or Trailer Body Repair Shop—All Employees & Parts Department Employees, Drivers	3822—Automobile, Bus, Truck or Trailer Body Mfg.—Die—Pressed Steel* 3824—Automobile, Bus, Truck or Trailer Body Mfg. NOC* 7380—Drivers, Chauffeurs, Messengers, and Their Helpers NOC—Commercial*
FL	4710—Candle Mfg. 4710—Sealing Wax Mfg. 4710—Tallow Chandlers 4710—Wax Mfg. 4710—Wax Products Mfg.	4557—Candle Mfg. 4557—Sealing Wax Mfg.*** 4557—Tallow Chandlers*** 4557—Wax Mfg. 4557—Wax Products Mfg.
HI	0078—Plantation—Sugar or Pineapple & Drivers	0037—Plantation—Sugar or Pineapple & Drivers***
ID	8277—Jockeys—Horse 8279—Racetrack Operation—Horse or Dog—Stable Hands or Kennel Employees & Drivers 8279—Stable or Breeding Farm & Drivers	8279—Racetrack Operation—Horse or Dog—Stable Hands or Kennel Employees & Drivers 8279—Stable or Breeding Farm & Drivers

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 2—FACT SHEET (CONT'D)

State	State Special Classification to Be Eliminated	Proposed National Classification (Unless Otherwise Noted)
IL	2942—Crayon, Pencil, or Penholder Mfg.	4432—Pen Mfg.*
	5539—Metal Building Erection—Prefabricated & Drivers	5059—Metal Building Erection—Prefabricated & Drivers***
KS	4586—Ammonium Nitrate Mfg.	4829—Ammonium Nitrate Mfg.***
KY	2741—Cooperage Stock Mfg.	2735—Cooperage Stock Mfg.
LA	2118—Cannery—Crabmeat—All Operations	2111—Cannery—Crabmeat—All Operations***
	4743—Gasoline Recovery & Drivers	4740—Gasoline Recovery & Drivers
MT	9552—Sign Installation, Maintenance, Repair, Removal, or Replacement—Outside of Buildings & Drivers 9552—Sign Manufacturing—With Installation Outside of Buildings & Drivers 9552—Sign Painting or Lettering—Outside of Buildings & Drivers	3064—Sign Manufacturing—Metal 3064—Sign Manufacturing—Neon 3064—Sign Manufacturing—Silk Screen Printing—Metal 9554—Sign Installation, Maintenance, Repair, Removal, or Replacement NOC—Away From Shop & Drivers 9554—Sign Painting or Lettering—Outside of Buildings or Structures & Drivers
OK	1852—Asbestos Goods Mfg.	Multiple equivalent national classifications, depending on the method of manufacturing*
OR	2086—Meat, Fish or Poultry—Poultry Processors	2089—Meat, Fish, or Poultry Butchering, Packing House, or Slaughtering—All Operations****
	6869F—Ship Breaking	6843F—Ship Breaking—Iron or Steel—NOC & Drivers—Coverage Under U.S. Act*** 6854—Ship Breaking—Iron or Steel—NOC & Drivers—Coverage Under State Act Only*** 6845F—Ship Breaking—Naval & Drivers*** 6801F—Ship Breaking—Wood—NOC & Drivers—Coverage Under U.S. Act*** 6811—Ship Breaking—Wood—NOC & Drivers—Coverage Under State Act Only***
SC	1852—Asbestos Goods Mfg.	Multiple equivalent national classifications, depending on the method of manufacturing*
TN	0400—Cotton—Compressing & Drivers	8103—Cotton Compressing 7380—Drivers, Chauffeurs, Messengers, and Their Helpers NOC—Commercial*
	1429—Magnesium Metal Mfg.—All Operations & Drivers	1438—Magnesium Metal Mfg.—All Operations & Drivers

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 2—FACT SHEET (CONT'D)

State	State Special Classification to Be Eliminated	Proposed National Classification (Unless Otherwise Noted)
TX	3639—Explosives or Ammunition—Projectile or Shell Mfg. & Drivers	3632—Explosives or Ammunition Mfg.—Projectile or Shell Mfg. 7380—Drivers, Chauffeurs, Messengers, and Their Helpers NOC—Commercial*
	4743—Gasoline Recovery & Drivers	4740—Gasoline Recovery & Drivers
	9552—Advertising Co. & Drivers 9552—Bill Posting & Drivers 9552—Decorating & Drivers 9552—Flag or Bunting Erection—Decorations for Conventions & Drivers 9552—Highway Sign Erection & Drivers 9552—Sign Erection Overhead, Highways & Drivers 9552—Sign Mfg.—Erection, Repair, or Maintenance & Shop, Drivers 9552—Sign Painting or Lettering—Outside of Building or Structures & Drivers	3064—Sign Manufacturing—Metal 3064—Sign Manufacturing—Neon 3064—Sign Manufacturing—Silk Screen Printing—Metal 9554—Sign Installation, Maintenance, Repair, Removal, or Replacement NOC—Away From Shop & Drivers 9554—Sign Painting or Lettering—Outside of Buildings or Structures & Drivers
VA	1852—Asbestos Goods Mfg.	Multiple equivalent national classifications, depending on the method of manufacturing*
	2055—Peanut Handling	8102—Peanut Handling
	5067—Iron or Steel Erection—Metal Bridges	5040—Iron or Steel Erection—Metal Bridges**

* The proposed national phraseology currently applies in this state. Therefore, no national exhibit is proposed for approval.

** The indicated state special phraseology currently applies in this state. Therefore, no state exhibit is proposed for approval.

*** A state special phraseology and note is proposed for approval in this state.

****Eliminated state special classification and assigned to a different, existing state special.

State	State Special Classification or Statistical Code to Be Eliminated	Proposed National Classification or Statistical Code
CO	4761—Explosives or Ammunition Mfg.—Fireworks Mfg. & Drivers 4771—Explosives or Ammunition Mfg.—NOC & Drivers	4771—Explosives or Ammunition Mfg. NOC & Drivers
	0761—For Reporting Nonratable Portion of Rate for Code 4761	0771—For Reporting Nonratable Portion of Rate for Code 4771*
GA	2942—Crayon, Pencil, or Penholder Mfg.	4432—Pen Mfg.*
	4773—Explosives or Ammunition Mfg.—High Explosives Mfg. & Drivers	4771—Explosives or Ammunition Mfg.—NOC & Drivers*
	0773—For Reporting Nonratable Portion of Rate for Code 4773	0771—For Reporting Nonratable Portion of Rate for Code 4771*

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EXHIBIT 2—FACT SHEET (CONT'D)

State	State Special Classification or Statistical Code to Be Eliminated	Proposed National Classification or Statistical Code
MO	4597—Buffing or Polishing Compounds Mfg. 4597—Dressing or Polish Mfg. 4597—Ink (Writing), Mucilage or Paste Mfg. 4597—Mucilage, Ink (Writing) or Paste Mfg. 4597—Paste, Ink (Writing) or Mucilage Mfg. 4597—Polish or Dressing Mfg. 4597—Saddle Soap Mfg.	4557—Saddle Soap Mfg.** 4557—Buffing or Polishing Compounds Mfg. Dressing or Polish Mfg. Ink Mfg. Mucilage or Paste Mfg.
	9186—Carnival, Circus, or Amusement Device Operator—Traveling—All Employees & Drivers	9186—Carnival, Circus, or Amusement Device Operator—Traveling—All Employees & Drivers

* The proposed national phraseology currently applies in this state. Therefore, no national exhibit is proposed for approval.

** The indicated state special phraseology currently applies in this state. Therefore, no state exhibit is proposed for approval.

*** A state special phraseology and note is proposed for approval in this state.

IMPACT

NCCI conducted a review using the latest approved loss cost/rate filing experience to determine the need for a transition program to minimize the impact of these proposed changes. Based on the result of this review, no transition is being proposed. Historical experience from the discontinued state special 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 or state special codes. Negligible impact to overall statewide premium is expected as a result of these changes.

Virginia Proposal:

NCCI recommends that Virginia adopt the proposed treatment for Codes 1852, 2055, and 5067 (Exhibit 8-R). Accordingly, the Virginia Special Classifications section in NCCI’s *Basic Manual* will be updated for the following codes:

- Code 1852—Asbestos Goods Mfg. will be eliminated. As indicated, multiple equivalent national classifications apply depending on the method of manufacturing.
- Code 2055—Peanut Handling will be eliminated and Peanut Handling will be added to Code 8102 as a cross-reference phraseology.
- Code 5067—Iron or Steel Erection—Metal Bridges will be eliminated. No revision to Code 5040 is required. The phraseology, Iron or Steel Erection—Metal Bridges, is already reflected for Code 5040 as a cross-reference phraseology.

In addition, Form 45-3D—Virginia Contracting Classification Premium Adjustment Program (CCPAP) Workers Compensation Premium Credit Application (Exhibit 13-F) will be updated to reflect the elimination of Code 5067 (Exhibit 8-R).

Virginia Impact:

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

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

- 9552• SIGN INSTALLATION, MAINTENANCE, REPAIR, REMOVAL, OR REPLACEMENT—OUTSIDE OF BUILDINGS & DRIVERS**
Includes sign manufacturing and bill posting. Codes 9521 and 9552 shall not be assigned to the same policy, except for separate and distinct business operations.
- 9552• SIGN MANUFACTURING—WITH INSTALLATION OUTSIDE OF BUILDINGS & DRIVERS**
Codes 3064 and 9552 shall not be assigned to the same policy, except for separate and distinct business operations.
- 9552• SIGN PAINTING OR LETTERING—OUTSIDE OF BUILDINGS & DRIVERS**
- 3064 SIGN MANUFACTURING—WITH NO INSTALLATION OUTSIDE OF BUILDINGS**
Use Code 9521 for installation inside of buildings and the outside of buildings at ground level when only hand tools and stepladders are used.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

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

**9554• SIGN INSTALLATION, MAINTENANCE, REPAIR, REMOVAL, OR REPLACEMENT
NOC—AWAY FROM SHOP & DRIVERS**

Includes the installation, maintenance, and repair of billboard signs. Not advertising display installation service. Shop operations to be separately rated. Codes 9521 and 9554 shall not apply at the same job or location.

3064 SIGN MANUFACTURING—METAL

Sign installation, maintenance, repair, removal, or replacement—away from shop to be separately rated as Codes 9521 or 9554.

3064 SIGN MANUFACTURING—NEON

Sign installation, maintenance, repair, removal, or replacement—away from shop to be separately rated as Codes 9521 or 9554.

3064 SIGN MANUFACTURING—SILK SCREEN PRINTING—METAL

Codes 2501, 3064, and 4299 shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses. Sign installation, maintenance, repair, removal, or replacement—away from shop to be separately rated as Codes 9521 or 9554.

9554• SIGN PAINTING OR LETTERING—OUTSIDE OF BUILDINGS OR STRUCTURES & DRIVERS

Code 9554 shall not be assigned at the same job or location to which Code 9501—Sign painting or lettering inside of buildings applies.

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EXHIBIT 5—FACT SHEET**TRUCKING AND TOWING****PURPOSE**

The purpose of the proposed changes for this industry is to revise the classification treatment for trucking and establish a new classification for towing operations.

BACKGROUND

Item B-1331—Revisions of Basic Manual Classifications and Related Rules discontinued Code 7219—Trucking NOC—All Employees & Drivers in most NCCI states. Code 7219 was replaced with Code 7228—Trucking—Local Hauling Only—All Employees & Drivers and Code 7229—Trucking—Long Distance Hauling—All Employees & Drivers. Item B-1331 became effective in 1996. The established distinction between local and long-distance hauling was a driving radius of 200 miles.

A recent review of the trucking industry found that driving radius is not a useful distinction for classification purposes. Local and long haul trucking have common causes of injury and loss costs do not indicate either as being more hazardous than the other. In addition, it is a challenge to audit driving logs to confirm appropriate classification assignment because many companies and drivers perform both local and long haul trucking.

In addition, while the geographic distance driven may be greater for long haul trucking, the time spent behind the wheel may be similar. Also, local versus long haul trucking does not necessarily distinguish between interstate and intrastate driving.

In addition to trucking, NCCI reviewed the towing industry, which is currently included in the trucking classifications. NCCI found that the “no other operations” restriction was causing primarily towing operations to be assigned to the automobile repair codes. Also, there were several questions regarding what comprised other operations. (For example, roadside assistance is a service provided by wrecker or towing operators and should not be assigned to Code 8380 when performed by towing operators). There was also concern that the towing industry wasn’t being classified consistently, which may create a competitive advantage or disadvantage for some employers in the same business.

PROPOSAL

This item proposes to:

1. Eliminate national Code 7228—Trucking—Local Hauling Only—All Employees & Drivers and associated phraseologies and reassign these operations to Code 7219.
2. Eliminate national Code 7229—Trucking—Long Distance Hauling—All Employees & Drivers and associated phraseologies and reassign these operations to Code 7219.
3. Reestablish national Code 7219—Trucking NOC—All Employees & Drivers and several cross-reference phraseologies nationally. Existing Code 7219 state special phraseologies may be eliminated or revised.
4. Establish national Code 7225—Automobile Towing & Drivers and cross-reference phraseology Roadside Assistance & Drivers.
5. Revise Code 8380—Automobile Service or Repair Center & Drivers and associated phraseologies to separately rate towing for others and roadside assistance.
6. Revise Code 8393—Automobile Body Repair to include drivers and to separately rate towing for others and roadside assistance.
7. Revise Appendix E—Table of Classifications by Hazard Group to show codes being eliminated or added. Refer to Exhibit 6-R.
8. Revise **Assigned Carrier Performance Standards** to show classifications being eliminated or added. Refer to Exhibit 12-R.

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EXHIBIT 5—FACT SHEET (CONT'D)

In some cases, the classification being eliminated or revised is referenced in other classifications. Any national and state special classifications including these references will be revised for consistency. Refer to Exhibits 5-R and 8-R.

IMPACT

NCCI conducted a review of the latest policy periods used for ratemaking in NCCI's 2015 loss cost and rate filing cycle to determine if a transition program was needed to minimize the impact of discontinuing Codes 7228 and 7229 and combining the data into Code 7219. Based on the result of this review, no transition program is required nationally. 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.

In addition, this item proposes to establish national Code 7225. Experience from discontinued Code 7228 will not be reassigned to Code 7225. For AK, FL, ID, LA, MT, OR and TX, the initial loss cost/rate and rating values for new Code 7225 will be established at the same loss cost/rate and rating values of Code 7219 until the new Code 7225 develops data to determine its own loss cost/rate. Experience from Code 7219 will not be reassigned to Code 7225. For all other states, the initial loss cost/rate and rating values for new Code 7225 will be established at the same loss cost/rate and rating values of discontinued Code 7228 until new Code 7225 develops data to determine its own loss cost/rate.

It is possible that some payroll from other towing-related classifications will transfer to the newly established Code 7225 as a result of this change. 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 all towing-related classifications as well as their associated loss cost/rate compared to the newly defined classification's proposed loss cost/rate. Negligible impact to overall statewide premium is expected as a result of these changes.

STATE-SPECIFIC PROPOSALS AND IMPACTS**Alaska Proposal:**

NCCI proposes that Alaska:

- Eliminate Alaska special phraseologies for Code 7219 and adopt the newly proposed national treatment for trucking under Code 7219
- Eliminate several other Alaska state specials that existed only because they referred to Code 7219
- Revise Code 8380 state special phraseologies to separately rate towing for others and roadside assistance

NCCI proposes that Alaska adopt all other national proposals for this industry.

Alaska Impact:

Because Code 7219 currently applies in Alaska, no premium impact is expected as a result of the trucking proposal. The premium impact for the towing proposal in Alaska is expected to be the same as the proposed national treatment.

Arizona Proposal:

NCCI proposes that Arizona discontinue state special Code 7250—Trucking—Hauling Explosives or Ammunition—All Employees due to low credibility and assign these operations to reestablished national Code 7219 for trucking. In addition, NCCI proposes that Statistical Code 0790—For Reporting Nonratable Portion of Rate for Code 7250 be eliminated. Refer to Exhibit 11-R for details on the elimination of Statistical Code 0790.

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EXHIBIT 5—FACT SHEET (CONT'D)

NCCI proposes that Arizona adopt all other national Fact Sheet 5 exhibits.

Arizona Impact:

Historical experience from Codes 7228, 7229 and 7250 will be reassigned to reestablished national Code 7219. The rates and rating values for Code 7219 will be based on the payroll weighted rates of Codes 7228, 7229 and 7250. It is possible that individual employers may experience an increase or decrease in premium from the transfer of payroll to the proposed national classification. The impact to individual employers will depend on the amount of historical payroll, if any, that transfers from the discontinued codes to the national codes.

In addition, there will no longer be a statistical code for reporting the nonratable portion of a rate because there is no load and therefore no reason to report it. Finally, there was only one policy in Arizona from 2009 - 2013 using Code 0790.

Arkansas Proposal:

NCCI proposes that Arkansas eliminate its special phraseologies for Codes 7228 and 7229 for Trucking—Local Hauling and Trucking—Long Distance Hauling, respectively, and establish a new state special for trucking under Code 7219. The Arkansas state special phraseology will continue to include contract requirements currently included in Code 7228.

NCCI proposes that Arkansas adopt all other national Fact Sheet 5 exhibits.

In addition, NCCI proposes that Arkansas implement a two-phase transition program as described in Exhibit 9-R.

Arkansas Impact:

NCCI conducted a review using the latest approved experience filing to determine the need for a loss cost transition program to minimize the impact of eliminating Codes 7228 and 7229 and reestablishing Code 7219. Based on the result of this review, a two-phase transition program is being proposed for Arkansas as described in Exhibit 9-R. Using a transition program will help minimize the impact to individual employer premium charges and overall statewide premium. Rating values will be calculated according to the standard procedure.

Colorado Proposal:

NCCI proposes that Colorado discontinue its special phraseologies for Tow Truck Operators under Codes 7228 and 7229 and adopt the newly proposed national treatment for towing under Code 7225.

NCCI proposes that Colorado adopt all other national proposals for this industry.

Colorado Impact:

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

Connecticut Proposal:

NCCI proposes that Connecticut revise its special phraseologies for Codes 8380 and 8393 to separately rate towing for others and roadside assistance.

NCCI proposes that Connecticut adopt all other national proposals for this industry.

Connecticut Impact:

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

Florida Proposal:

NCCI proposes that Florida:

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EXHIBIT 5—FACT SHEET (CONT'D)

- Eliminate Florida special phraseologies for Code 7219 and adopt the newly proposed national treatment for trucking under Code 7219
- Eliminate several other state special phraseologies that existed only because they referred to Code 7219 for trucking
- Revise special phraseologies for Code 8393 to separately rate towing for others and roadside assistance

NCCI proposes that Florida adopt all other national proposals for this industry.

Florida Impact:

No premium impact is expected as a result of the trucking recommendation in Florida. The premium impact for towing in Florida is expected to be the same as the proposed national treatment.

Hawaii Proposal:

Code 8380 is not applicable in Hawaii. NCCI proposes that Hawaii revise special phraseologies for Codes 8387, 8391, and 8393 to separately rate towing for others and roadside assistance.

NCCI proposes that Hawaii adopt all other national proposals for this industry.

Hawaii Impact:

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

Idaho Proposal:

NCCI proposes that Idaho eliminate:

- Special phraseologies for Code 7219 and adopt the newly proposed national treatment for trucking under Code 7219
- Several other state special phraseologies that existed only because they referred to Code 7219 for trucking

NCCI proposes that Idaho adopt all other national proposals for this industry.

Idaho Impact:

No premium impact is expected as a result of the trucking recommendation in Idaho. The premium impact for towing in Idaho is expected to be the same as the proposed national treatment.

Indiana Proposal:

NCCI proposes that Indiana revise its special phraseologies for Code 8393 to separately rate towing for others and roadside assistance.

NCCI proposes that Indiana adopt all other national proposals for this industry.

Indiana Impact:

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

Kentucky Proposal:

NCCI proposes that Kentucky adopt the national proposals and that Kentucky implement a two-phase transition program, as described in Exhibit 9-R, for the elimination of Codes 7228 and 7229 and reestablishment of Code 7219.

Kentucky Impact:

NCCI conducted a review using the latest approved experience filing to determine the need for a loss cost transition program to minimize the impact of this proposed change. Based on the result of this review, a

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EXHIBIT 5—FACT SHEET (CONT'D)

two-phase transition program is being proposed for Kentucky. Using a transition program will help minimize the impact to individual employer premium charges and overall statewide premium. Rating values will be calculated according to the standard procedure.

Louisiana Proposal:

NCCI proposes that Louisiana:

- Eliminate special phraseologies for Code 7219 and adopt the newly proposed national treatment for trucking under Code 7219
- Eliminate several other state specials that existed only because they referred to Code 7219 for trucking
- Revise special phraseologies for Code 8393 to separately rate towing for others and roadside assistance

In addition, because Code 8380 is not applicable in Louisiana, NCCI proposes that Louisiana revise special phraseologies for Codes 8387 and 8391 to separately rate towing for others and roadside assistance.

NCCI proposes that Louisiana adopt all other national proposals for this industry.

Louisiana Impact:

No premium impact is expected as a result of the trucking recommendation in Louisiana. The premium impact for towing in Louisiana is expected to be the same as the proposed national treatment.

Missouri Proposal:

NCCI proposes that Missouri:

- Eliminate its special phraseologies under Codes 7228 and 7229 and adopt a newly proposed special phraseology for trucking under Code 7219
- Eliminate state special Code 7250—Trucking—Hauling Explosives or Ammunition—All Employees & Drivers due to low credibility and assign these operations to reestablished national Code 7219 for trucking. In addition, NCCI proposes that Statistical Code 0790—For Reporting Nonratable Portion of Rate for Code 7250 be eliminated. Refer to Exhibit 11-R for details on the elimination of Statistical Code 0790.
- Revise special phraseologies for Code 8393 to separately rate towing for others and roadside assistance

In addition, because Code 8380 is not applicable in Missouri, NCCI proposes that Missouri revise special phraseologies for Codes 8387 and 8391 to separately rate towing for others and roadside assistance.

NCCI proposes that Missouri adopt all other national proposals for this industry.

Missouri Impact:

Historical experience from Codes 7228, 7229 and 7250 will be reassigned to reestablished national Code 7219. The loss cost and rating values for Code 7219 will be based on the payroll weighted loss cost of Codes 7228, 7229 and 7250. It is possible that individual employers may experience an increase or decrease in premium from the transfer of payroll to the proposed national classifications. The impact to individual employers will depend on the amount of historical payroll, if any, that transfers from the discontinued codes to the national code.

In addition, there will no longer be a statistical code for reporting the nonratable portion of a rate because there is no load and therefore no reason to report it. Finally, there were only seven policies in Missouri from 2009 - 2013 using state Code 0790.

Montana Proposal:

NCCI proposes that Montana:

- Eliminate special phraseologies for Code 7219 and adopt the newly proposed national treatment for trucking under Code 7219

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EXHIBIT 5—FACT SHEET (CONT'D)

- Eliminate several other state specials that existed only because they referred to Code 7219 for trucking
- NCCI proposes that Montana adopt all other national proposals for this industry.

Montana Impact:

No premium impact is expected as a result of the trucking recommendation in Montana. The premium impact for towing in Montana is expected to be the same as the proposed national treatment.

New Mexico Proposal:

NCCI proposes that New Mexico:

- Eliminate its special phraseology for Water Hauling Operations under Codes 7228 and 7229
- Establish a new state special for Water Hauling under Code 7219
- Revise its state special for Code 8393 to separately rate towing for others and roadside assistance

NCCI proposes that New Mexico adopt all other national proposals for this industry.

New Mexico Impact:

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

Oklahoma Proposal:

Code 8380 is not applicable in Oklahoma. NCCI proposes that Oklahoma revise special phraseologies for Codes 8387, 8391, and 8393 to separately rate towing for others and roadside assistance.

NCCI proposes that Oklahoma adopt all other national proposals for this industry.

Oklahoma Impact:

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

Oregon Proposal:

NCCI proposes that Oregon:

- Create state special phraseologies for Code 7219 to indicate that garage, dock, and warehouse employees are to be separately rated to Code 9328
 1. Code 7219—Automobile Haulaway or Driveaway—& Drivers
 2. Code 7219—Scaffolding—Delivery of Materials Only—No Installation, Repair, or Removal—& Drivers
 3. Code 7219—Snow Removal—Hauling Snow Under Contract—No Snow Clearing—& Drivers
 4. Code 7219—Trucking—Hauling Explosives or Ammunition—& Drivers
- Revise existing state special phraseology for Code 7219—Trucking NOC—Drivers and Their Helpers to clarify that garage, dock, and warehouse employees are to be separately rated to Code 9328
- Revise its note for the automobile codes to reference Code 7225 for towing operations and roadside assistance
- Maintain its state exceptions for Codes 8380, 3822, 3824, 8393, 8046, and 8748 because of the automobile note
- Eliminate state special phraseology for Code 8232 that existed only because it referred to Code 7219 for trucking

NCCI proposes that Oregon adopt all other national proposals for this industry.

Oregon Impact:

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EXHIBIT 5—FACT SHEET (CONT'D)

No statewide premium impact is expected as a result of the trucking recommendation in Oregon. The premium impact for towing in Oregon is expected to be the same as the proposed national treatment.

Rhode Island Proposal:

Code 8380 is not applicable in Rhode Island. NCCI proposes that Rhode Island revise special phraseologies for Codes 8387, 8391, and 8393 to separately rate towing for others and roadside assistance.

NCCI proposes that Rhode Island adopt all other national proposals for this industry.

Rhode Island Impact:

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

South Dakota Proposal:

NCCI proposes that South Dakota eliminate its special phraseologies for Codes 7228 and 7229 for Trucking—Local Hauling and Trucking—Long Distance Hauling, respectively, and establish a new state special for trucking under Code 7219.

NCCI proposes that South Dakota adopt all other national proposals for this industry.

South Dakota Impact:

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

Tennessee Proposal:

NCCI proposes that Tennessee revise its special phraseology for Code 8380 to separately rate towing for others and roadside assistance. Also, this phraseology was revised to include the national note in addition to the Tennessee exception regarding tire salespersons for consistency of treatment.

NCCI proposes that Tennessee adopt all other national proposals for this industry.

Tennessee Impact:

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

Texas Proposal:

NCCI proposes that Texas eliminate special phraseologies for Code 7219 and adopt the proposed national trucking Code 7219 treatment.

In addition, because Code 8380 is not applicable in Texas, NCCI proposes that Texas revise its special phraseologies for Codes 8387 and 8391 to separately rate towing for others and roadside assistance.

NCCI proposes that Texas adopt all other national Fact Sheet 5 exhibits.

Texas Impact:

No premium impact is expected as a result of the trucking recommendation in Texas. The premium impact for towing 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 trucking. Accordingly, the Virginia Special Classifications in NCCI's *Basic Manual* will be updated for the following codes:

- Revise Code 3821—Automobile Recycling & Drivers
- Revise Code 5057—Iron or Steel—Erection NOC
- Revise Code 7133—Railroad Operation: NOC—All Employees & Drivers
- Revise Code 7151—Railroad Operation—All Employees Including Drivers—Program I

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EXHIBIT 5—FACT SHEET (CONT'D)

- Revise Code 7152—Railroad Operation—All Employees Including Drivers—Program II—USL Act Benefits
- Revise Code 7153—Railroad Operation—All Employees Including Drivers—Program II—State Act Benefits
- Reestablish Code 7219—Trucking NOC—All Employees & Drivers
- Establish Code 7225—Automobile Towing & Drivers and cross-reference phraseology, Roadside Assistance & Drivers
- Eliminate Code 7228—Trucking: Local Hauling Only—All Employees and Drivers
- Eliminate Code 7229—Trucking: Long Distance Hauling—All Employees and Drivers
- Revise Code 7230—Trucking: Parcel or Package Delivery—All Employees & Drivers
- Revise Code 7231—Mail, Parcel or Package Delivery and Courier or Messenger Service Companies—All Employees & Drivers
- Revise Code 7232—Trucking: Mail, Parcel or Package Delivery—Under Contract With the US Postal Service—All Employees & Drivers
- Revise Code 7380—Drivers, Chauffeurs, Messengers, and Their Helpers NOC—Commercial
- Revise Code 7382—Bus Co.: All Other Employees & Drivers
- Revise Code 7390—Beer or Ale Dealer—Wholesale & Drivers
- Revise Code 7600—Telephone or Telegraph Co.: All Other Employees & Drivers
- Revise Code 7705—Ambulance Service Companies and EMS (Emergency Medical Service) Providers & Drivers
- Revise Code 7710—Firefighters & Drivers
- Revise Code 7711—Firefighters, Ambulance Service Companies, and EMS (Emergency Medical Service) Providers—All Employees & Drivers—Volunteer
- Revise Code 7720—Police Officers & Drivers
- Revise Code 8002—Automobile Rental Co.: All Other Employees & Counter Personnel, Drivers
- Revise Code 8232—Lumberyard—New Materials Only—All Other Employees & Yard, Warehouse, Drivers
- Revise Code 8292—Storage Warehouse NOC
- Revise Code 8350—Gasoline Dealer & Drivers
- Revise Code 8380 to separately rate towing for others and roadside assistance
- Revise Code 8385—Bus Co.: Garage Employees
- Revise Code 8393 to add drivers and to separately rate towing for others and roadside assistance
- Revise Code 9403—Garbage, Ashes or Refuse Collection & Drivers
- Revise Code 9534—Mobile Crane and Hoisting Service Contractors—NOC—All Operations—Including Yard Employees and Drivers

Virginia Impact:

The premium impact in Virginia is equivalent to the impact determined by the proposed national treatment. 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-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 5A-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
PART TWO—CLASSIFICATIONS**

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

**8380 AIR CONDITIONING SYSTEMS—AUTOMOBILE—INSTALLATION, SERVICE OR REPAIR &
DRIVERS**

Towing for others and roadside assistance to be separately rated.

8380 AUTOMOBILE—CAR WASH & DRIVERS

Includes incidental greasing, polishing, and servicing. Codes 8380 and 8392—Automobile storage garage ~~must~~ shall not be assigned to the same employer risk unless the operations described by these classifications are conducted as separate and distinct businesses. Towing for others and roadside assistance to be separately rated.

**8380 AUTOMOBILE—LEASING COMPANY—LONG-TERM—ALL OTHER EMPLOYEES &
DRIVERS**

Towing for others and roadside assistance to be separately rated.

8380 AUTOMOBILE—MUFFLER—INSTALLATION OR REPAIR & DRIVERS

Towing for others and roadside assistance to be separately rated.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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**EXHIBIT 5B-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
PART TWO—CLASSIFICATIONS**

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

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

Automobile salespersons to be separately rated as Code 8748. Towing for others and roadside assistance to be separately rated.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 5C-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
PART TWO—CLASSIFICATIONS**

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

8380 AUTOMOBILE—SERVICE OR REPAIR CENTER & DRIVERS

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

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 5D-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
PART TWO—CLASSIFICATIONS

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

8393 **AUTOMOBILE—BODY REPAIR & DRIVERS**

Applies to the repair of metal, fiberglass, and plastic automobile bodies and includes upholstering and painting. Codes 8393, 3822, and 3824—Automobile body mfg., Code 3808—Automobile mfg., and Code 8380—Automobile service or repair center shall not be assigned to the same risk/employer unless the operations described by these classifications are conducted as separate and distinct businesses. Towing for others and roadside assistance to be separately rated.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 5F-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
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, TX, UT, VT, WV)**

7219 AUTOMOBILE—HAULAWAY OR DRIVEAWAY—ALL EMPLOYEES & DRIVERS

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 5H-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
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)**

7225 AUTOMOBILE TOWING & DRIVERS

Includes towing or wrecker companies, road rangers, or freeway patrol companies providing towing, roadside service, or repairs, and automobile recovery or repossession companies. Includes mechanics and the operation of an impound lot operated by a towing company.

7225 ROADSIDE ASSISTANCE & DRIVERS

Includes operations such as road rangers or freeway patrol companies providing roadside service, repairs, or assistance regardless of whether or not towing services are offered.

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 5J-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
PART TWO—CLASSIFICATIONS

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

8380 GASOLINE STATION NOC—RETAIL & DRIVERS

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

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 5L-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
PART TWO—CLASSIFICATIONS

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

8380 RUBBER TIRE DEALER—RETAIL & DRIVERS

Includes repairing, vulcanizing, and the adjustment of tires to vehicles away from the premises of the ~~insured~~ employer. Codes 8380 and 8392—Automobile storage garage ~~must~~ not be assigned to the same ~~risk~~ employer unless the operations described by these classifications are conducted as separate and distinct businesses. Towing for others and roadside assistance to be separately rated.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 5N-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
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, TX, UT, VT, WV)**

**7219 SCAFFOLDING—DELIVERY OF MATERIALS ONLY—NO INSTALLATION, REPAIR, OR
REMOVAL—ALL EMPLOYEES & DRIVERS**

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 5P-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
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, TX, UT, VT, WV)

7219 SNOW REMOVAL—HAULING SNOW UNDER CONTRACT—NO SNOW CLEARING—ALL
EMPLOYEES & DRIVERS

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 5Q-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
PART TWO—CLASSIFICATIONS

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

8380 STORAGE BATTERY SERVICE STATION & DRIVERS-

Codes 8380 and 8392—~~Automobile storage garage~~ must not be assigned to the same ~~risk~~employer unless the operations described by these classifications are conducted as separate and distinct businesses. Towing for others and roadside assistance to be separately rated.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 5T-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
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, TX, UT, VT, WV)**

7219 TRUCKING—HAULING EXPLOSIVES OR AMMUNITION—ALL EMPLOYEES & DRIVERS

Truckers engaged in hauling under contract, whether for one or more individuals or concerns, must under no circumstances be classified and rated except in accordance with the appropriate "Trucking" classification. Exception: When trucking operations are a secondary business and conducted as a separate undertaking or enterprise, the payroll of an individual employee may be divided and allocated to other than a "Trucking" classification. Refer to Rule 1-E. Each classification includes miscellaneous employees such as terminal employees, garage employees, and repairers.

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 5U-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
PART TWO—CLASSIFICATIONS
(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, IA, ID, IL, IN, KS, KY, MD, ME, MS, MT,
NE, NH, NM, NV, SC, SD, TN, UT, VT, WV)

8380 TRUCK LEASING—LONG-TERM—ALL OTHER EMPLOYEES & DRIVERS
Towing for others and roadside assistance to be separately rated.

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING**

**EXHIBIT 5W-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
PART TWO—CLASSIFICATIONS**

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

7219 TRUCKING NOC—ALL EMPLOYEES & DRIVERS

Truckers engaged in hauling under contract, whether for one or more individuals or concerns, must under no circumstances be classified and rated except in accordance with the appropriate "Trucking" classification. Exception: When trucking operations are a secondary business and conducted as a separate undertaking or enterprise, the payroll of an individual employee may be divided and allocated to other than a "Trucking" classification. Refer to Rule 1-E. Each classification includes miscellaneous employees such as terminal employees, garage employees, and repairers.

Storage warehouse employees to be separately rated.

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 6-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
0078	HH	<u>1/1/18: HI</u>	C
1429	FN	<u>3/1/18: TN</u>	E
1655	National, IN 10/1/07: WV	<u>10/1/17: KY</u> <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CT, HI, IA, ID, IL, IN, KS,</u> <u>MD, NH, NM, OR</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, NV, TN</u> <u>4/1/18: ME, VT, VA</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>1/1/19: OK</u> <u>3/1/19: MS</u> <u>1/1/20: CO, FL, MO</u>	E
1741	National, IN 10/1/07: WV	<u>11/1/17: DC</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CO, CT, FL, HI, IA, ID,</u> <u>IL, IN, MD, NH, NM, OK, OR</u> <u>2/1/18: NE</u> <u>3/1/18: MS, NV, TN</u> <u>4/1/18: ME, VT</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>10/1/18: KY</u> <u>1/1/19: MO</u> <u>3/1/19: AL, GA</u> <u>11/1/19: WV</u> <u>1/1/20: KS</u> <u>4/1/20: VA</u>	G
1745	VF	<u>1/1/10: NH</u> <u>4/1/17: VA</u> <u>7/1/17: AR</u> <u>4/1/20: VT</u>	E

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
1853	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, OK, RI, SG, SD, TN, UT, VT, VA 40/4/07: WV	<u>11/1/17: DC</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, MD, NH, NM, OK, OR</u> <u>2/1/18: NE</u> <u>3/1/18: MS, NV, TN</u> <u>4/1/18: ME, VT</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>10/1/18: KY</u> <u>1/1/19: MO</u> <u>3/1/19: AL, GA</u> <u>11/1/19: WV</u> <u>1/1/20: KS</u> <u>4/1/20: VA</u>	D
1860	National, IN 40/4/07: WV	<u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, CT, HI, IA, ID, MD, NH, NM, OK</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, TN</u> <u>4/1/18: ME, VA</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD</u> <u>8/1/18: RI</u> <u>10/1/18: KY</u> <u>1/1/19: IN, KS, MO</u> <u>3/1/19: NV</u> <u>9/1/19: SC</u> <u>1/1/20: AZ, CO, FL, IL, OR</u> <u>4/1/20: VT</u>	B
2055	VA	<u>4/1/18: VA</u>	B
2086	OR	<u>1/1/18: OR</u>	C
2118	LA	<u>5/1/18: LA</u>	E

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
2534	National, IN 10/1/07: WV 6/1/14: TX	<u>10/1/17: KY</u> <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, HI, ID, IL, KS, MD, MO, NH, NM, OK</u> <u>2/1/18: NE</u> <u>3/1/18: MS, NV, TN</u> <u>4/1/18: ME, VT</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD</u> <u>1/1/19: FL, IA, IN, OR</u> <u>8/1/19: RI</u> <u>1/1/20: CO, CT</u> <u>3/1/20: AL, GA</u> <u>4/1/20: VA</u> <u>9/1/20: SC</u>	B
2560	GF	<u>4/1/17: VA</u> <u>7/1/17: TX</u> <u>1/1/20: CT</u>	A
2576	VA	<u>4/1/20: VA</u>	B
2740	VA	<u>4/1/20: VA</u>	B
2741	KY	<u>10/1/17: KY</u>	A
2791	MO	<u>1/1/17: MD, OK</u> <u>4/1/17: VA, VT</u> <u>1/1/19: MO</u>	A
3175	National, IN 10/1/07: WV	<u>10/1/17: KY</u> <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT, VA</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u>	C

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
3223	National, IN 10/1/07: WV 6/1/14: TX	<u>10/1/17: KY</u> <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT, VA</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD, TX</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u>	A
3516	SG	<u>4/1/17: VA</u> <u>8/1/17: RI</u> <u>9/1/20: SC</u>	B
3571	OK	<u>1/1/17: IL</u> <u>1/1/20: OK</u>	B
3639	TN	<u>1/1/17: AZ, CO, IL</u> <u>3/1/17: MS</u> <u>3/1/20: TN</u>	G
3639	6/1/14: TX	<u>7/1/18: TX</u>	B
4053	National, IN 10/1/07: WV	<u>10/1/17: KY</u> <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CO, CT, FL, HI, IA, ID, IL, KS, MO, NH, NM, OK, OR</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT, VA</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>1/1/19: MD</u> <u>1/1/20: IN</u>	C

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
4061	National, IN 40/4/07: WV	10/1/17: KY 11/1/17: DC, WV 12/1/17: UT 1/1/18: AK, AZ, CO, CT, FL, HI, IA, ID, IL, KS, MO, NH, NM, OK, OR 2/1/18: NE 3/1/18: AL, GA, MS, NV, TN 4/1/18: ME, VT, VA 5/1/18: LA 7/1/18: AR, MT, SD 8/1/18: RI 9/1/18: SC 1/1/19: MD 1/1/20: IN	B
4113	National, IN 40/4/07: WV	11/1/17: DC 12/1/17: UT 1/1/18: AK, AZ, CO, CT, FL, HI, IA, ID, IL, KS, MD, MO, NH, NM, OK, OR 2/1/18: NE 3/1/18: AL, MS, NV, TN 4/1/18: ME, VA 5/1/18: LA 7/1/18: AR, MT, SD 8/1/18: RI 9/1/18: SC 10/1/18: KY 1/1/19: IN 11/1/19: WV 3/1/20: GA 4/1/20: VT	C
4282	National, IN 40/4/07: WV 6/1/14: TX	11/1/17: DC, WV 12/1/17: UT 1/1/18: AK, CT, HI, IA, ID, MD, NH, NM, OK 2/1/18: NE 3/1/18: AL, GA, MS, TN 4/1/18: ME, VA 5/1/18: LA 7/1/18: AR, MT, SD, TX 8/1/18: RI 10/1/18: KY 1/1/19: IN, KS, MO 3/1/19: NV 9/1/19: SC 1/1/20: AZ, CO, FL, IL, OR 4/1/20: VT	B
4417	6/1/14: TX	7/1/20: TX	C

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
4439	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 10/1/07: WV	<u>1/1/10: FL</u> <u>10/1/17: KY</u> <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CO, CT, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT, VA</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u>	D
4439	6/1/14: TX	<u>7/1/20: TX</u>	E
4586	KS	<u>1/1/17: FL, OK</u> <u>3/1/17: MS</u> <u>1/1/18: KS</u>	F
4597	GA, MO	<u>1/1/18: MO</u> <u>3/1/20: GA</u>	B
4710	FL	<u>1/1/18: FL</u>	B
4716	IN	<u>1/1/17: IL, MO</u> <u>1/1/20: IN</u>	B
4716	6/1/14: TX	<u>7/1/17: TX</u>	C
4743	KS, LA, NM 6/1/14: TX	<u>5/1/18: LA</u> <u>7/1/18: TX</u> <u>1/1/20: KS, NM</u>	E
4750	LA	<u>1/1/17: IL</u> <u>5/1/20: LA</u>	E
4761	CO	<u>1/1/17: OK</u> <u>3/1/17: TN</u> <u>1/1/18: CO</u>	G
4773	GA	<u>3/1/18: GA</u>	G
5067	MO, VA	<u>4/1/18: VA</u> <u>1/1/20: MO</u>	G

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
5069	AL, AK, AZ, AR, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, OK, RI, SC, SD, TN, UT, VT, VA 40/4/07: WV	<u>10/1/17: KY</u> <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CT, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV</u> <u>4/1/18: ME, VT</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>1/1/19: HI</u> <u>3/1/19: TN</u> <u>4/1/19: VA</u> <u>1/1/20: FL</u>	G
5505	MO	<u>1/1/20: MO</u>	E
5539	IL, TN	<u>1/1/18: IL</u> <u>3/1/19: TN</u>	E
6017	AL, AK, 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, SC, SD, TN, UT, VT, VA 40/4/07: WV	<u>10/1/17: KY</u> <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CO, CT, HI, IA, IN, KS, MD, NH, NM</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT, VA</u> <u>5/1/18: LA</u> <u>7/1/18: MT, SD</u> <u>9/1/18: SC</u> <u>1/1/19: ID, IL, OR</u> <u>1/1/20: FL, OK</u> <u>7/1/20: AR</u>	E
6869	OR	<u>1/1/18: OR</u>	G
7219	AK, FL, ID, LA, MT, OR <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AZ, CO, CT, HI, IA, IL, IN, KS, MD, MO, NH, NM, OK</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT</u> <u>7/1/18: SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>10/1/18: KY</u> <u>7/1/19: AR</u>	3/4/2014: TN	F

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EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
7219	<u>6/1/14: TX</u>		E
7225	<u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT, VA</u> <u>5/1/18: LA</u> <u>7/1/18: MT, SD, TX</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>10/1/18: KY</u> <u>7/1/19: AR</u>		E
7228	AL, AZ, AR, CO, CT, DC, GA, HI, IA, IL, IN, KS, KY, ME, MD, MS, MO, NE, NV, NH, NM, OK, RI, SC, SD, UT, VT, VA 10/1/07: WV 3/1/11: TN	<u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AZ, CO, CT, HI, IA, IL, IN, KS, MD, MO, NH, NM, OK</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT</u> <u>7/1/18: SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>10/1/18: KY</u> <u>7/1/19: AR</u>	E
7229	AL, AZ, AR, CO, CT, DC, GA, HI, IA, IL, IN, KS, KY, ME, MD, MS, MO, NE, NV, NH, NM, OK, RI, SC, SD, UT, VT, VA 10/1/07: WV 3/1/11: TN	<u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AZ, CO, CT, HI, IA, IL, IN, KS, MD, MO, NH, NM, OK</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT</u> <u>7/1/18: SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>10/1/18: KY</u> <u>7/1/19: AR</u>	F
7250	AZ, MO	<u>1/1/18: AZ, MO</u>	G
7500	GA, TN	<u>3/1/17: AL</u> <u>3/1/19: GA</u> <u>3/1/20: TN</u>	E
8048	OK	<u>1/1/20: OK</u>	B

ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
8105	IL	10/1/16: KY 11/1/16: DC, WV 12/1/16: UT 1/1/17: AK, AZ, CO, CT, FL, HI, IA, ID, IN, KS, MD, MO, NH, NM, OK, OR 2/1/17: NE 3/1/17: AL, GA, MS, NV, TN 4/1/17: ME, VA, VT 5/1/17: LA 7/1/17: AR, SD 8/1/17: RI 9/1/17: SC 7/1/18: MT 1/1/19: IL	B
8277	1/1/2013: ID	1/1/13: CO 1/1/18: ID	D
8399	AL	1/1/17: CT 3/1/18: AL	C
8753	OK	1/1/13: CO 1/1/19: OK	B
9552	MT	7/1/18: MT	E
9552	6/1/14: TX	7/1/18: TX	F
9554	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MD, MS, MO, NE, NV, NH, NM, OK, OR, RI, SC, SD, TN, UT, VT, VA 10/1/07: WV 7/1/18: MT, TX		F

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

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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**EXHIBIT 7-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:

5069

6017

9552

9554

¹ The content in this exhibit proposes to remove Codes 5069, 6017, and 9552 from the Construction Premium Credit Program Table. In addition, this exhibit proposes to add Code 9554 to 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-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 8-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
SPECIAL CLASSIFICATIONS
(Applies in: MT)

- 7219 AUTOMOBILE HAULAWAY OR DRIVEAWAY—ALL EMPLOYEES & DRIVERS**
- 7219 AUTOMOBILE TOWING COMPANIES—NO OTHER OPERATIONS—ALL EMPLOYEES & DRIVERS**
- 8232◆ CONCRETE READY-MIX DEALER & YARD EMPLOYEES, DRIVERS**
Delivery of concrete not owned by the insured either in storage or while in transit including all operations incidental to the loading of trucks and delivery of such concrete shall be assigned to Code 7219—Trucking.
- 7360 REFRIGERATOR CAR LOADING OR UNLOADING**
Includes caring for freight in cars during transit. Stevedoring to be separately rated. Drivers to be rated as Code 7219—Trucking.
- 7219 SNOW REMOVAL—HAULING SNOW UNDER CONTRACT—NO SNOW CLEARING—ALL EMPLOYEES & DRIVERS**
- 8292 STORAGE WAREHOUSE NOG**
Applies to general merchandise. Drivers to be separately rated as Code 7219—Trucking.
- 7219 TRUCKING—HAULING EXPLOSIVES OR AMMUNITION—ALL EMPLOYEES & DRIVERS**
- 7219 TRUCKING NOG—ALL EMPLOYEES & DRIVERS**
Storage warehouse employees to be separately rated.
- 8292 WAREHOUSING NOG**
Applies to general merchandise. Drivers to be separately rated as Code 7219—Trucking.

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E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

EXHIBIT 8-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
NATIONAL CLASSIFICATIONS TO BE APPLICABLE
(Applies in: MT)

- 8232◆** **CONCRETE READY-MIX DEALER & YARD EMPLOYEES, DRIVERS**
Delivery of concrete not owned by the employer, either in storage or while in transit, including all operations incidental to the loading of trucks and delivery of such concrete, must be assigned to the appropriate trucking classification.
- 7360** **REFRIGERATOR CAR LOADING OR UNLOADING**
Includes caring for freight in cars during transit. Stevedoring to be separately rated. Drivers to be separately rated to the appropriate trucking classification.
- 8292** **STORAGE WAREHOUSE NOC**
Applies to general merchandise. Drivers to be separately rated to the appropriate trucking classification.
- 8292** **WAREHOUSING NOC**
Applies to general merchandise. Drivers to be separately rated to the appropriate trucking classification.