



## Pennsylvania Compensation Rating Bureau

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### **BUREAU CIRCULAR NO. 1422**

To All Members of the Bureau:

Re: **MANUAL REVISIONS - SECTIONS 1, 2 AND 5**  
**EFFECTIVE OCTOBER 1, 2001**

- 1) Code 860, Scrap Metal Dealer, Class Study Results**
- 2) Codes 660, Alarm or Sound System, Installation or Repair, and 662, Household Appliances, Service or Repair, Class Study Results**
- 3) Third Small Class Study Result Revisions**
- 4) Housekeeping Revisions**
- 5) Codes 451, Automobile, Truck Or Trailer Body Mfg., and 463, Automobile Mfg. Or Assembling, Class Study Results**
- 6) Premium Due Date Endorsement – WC 00 04 19 – (NCCI Item Filing No. P-1370)**

The Bureau has filed and the Insurance Commissioner has approved Manual revisions to Sections 1, 2 and 5 pertaining to changes in classification procedure in Pennsylvania. These revisions become **effective as of 12:01 a.m., October 1, 2001** with respect to new and renewal business only.

The revisions, as referenced above, are discussed below.

#### **1) Code 860, Scrap Metal Dealer, Class Study Results**

The Code 860 Manual revisions are the result of a Bureau study of Code 860, Scrap Metal Dealer, which was undertaken to define the classification by reviewing the feasibility of creating new, separate classifications based on certain segments such as the principal type of materials collected. The study found the existing definition to be overly broad. The following revisions are being implemented:

- Code 858, Ferrous Scrap Metal Dealer, has been created for scrap metal dealers principally engaged in collecting and handling ferrous metals.
- Code 859, Nonferrous Scrap Metal Dealer, has been created for scrap metal dealers principally engaged in collecting and handling nonferrous metals.
- All employers principally engaged in melting of nonferrous metals into ingots have been reassigned to Code 402.

- Code 860 has been retitled to “Junk Dealer” and revised to include dealers collecting and handling a combination of scrap metals and other used materials with no principal line of merchandise.
- The language for Code 862 has been revised to include all employers principally engaged in collecting of recyclable materials other than scrap metals.

The Manual revisions are shown below with new wording underlined and deleted wording bracketed.

## SECTION 2

### ADDITIONS

#### 858 FERROUS SCRAP METAL DEALER

Applicable to businesses principally engaged in collecting and handling ferrous metals. Ferrous metals contain iron and include any type of steel or any steel alloy such as stainless steel.

The term “principally engaged” means more than 50 percent of the employer’s gross receipts.

#### 859 NONFERROUS SCRAP METAL DEALER

Applicable to businesses principally engaged in collecting and handling nonferrous metals. Nonferrous metals contain no iron and include but are not limited to: aluminum, copper, brass, lead or zinc.

The term “principally engaged” means more than 50 percent of the employer’s gross receipts.

Businesses principally engaged in the melting of nonferrous scrap to produce ingots shall be assigned to Code 402.

### **Hazard Groups**

<u>Class</u>	<u>Group</u>
858	III
859	III

### CHANGES

#### 402 SMELTING of nonferrous metals OR hot-dip GALVANIZING.

Also includes employers principally engaged in melting nonferrous scrap metal to produce ingots.

Not available for [risks] businesses principally engaged in the handling of ferrous metals [nor to smelters whose principal business consists of dealing in non-ferrous scrap metals]. Such [risks] businesses must be assigned to [Class] Code [860] 858[, Scrap Metal Dealers].

Galvanizing by..... the process.

860 [SCRAP METAL DEALER, Shop and Outside - including smelting or refining of soft metal scrap]JUNK DEALER.

For businesses collecting and handling a combination of ferrous and/or non-ferrous scrap metal and other secondhand commodities (e.g., paper, glass, rubber, rags or bottles) with no principal line of merchandise.

Also includes..... Section 2.

862 RECYCLING CENTER.

[Includes the collecting, sorting, packaging and shipping of recyclable material such as cloth clippings, wiping rags, paper, glass, plastic, rubber stock or beverage cans. The collecting or handling of building materials or metals other than beverage cans shall be classified by Code 860.]Applicable to businesses principally engaged in collecting or handling recyclable materials such as: cloth clippings, rags, paper, glass, plastic, rubber stock and aluminum beverage cans. Assign businesses collecting a combination of recyclable products and scrap metals with no principal line of merchandise to Code 860.

Dealers in cloth clippings, new goods only, shall be assigned to Code 924[,Wholesale Store, N.O.C.]

### SECTION 5

#### Rulings and Interpretations

#### CHANGES

#### **METAL SERVICE CENTER (FERROUS OR NONFERROUS METALS) - Code 857**

Applicable to insured..... of the gross receipts.

[Operations Not Covered]OPERATIONS NOT COVERED:

Not applicable to [iron, steel or nonferrous scrap metal dealers which are assigned to Code 860]scrap metal dealers principally engaged in collecting or handling either ferrous or nonferrous scrap metal. Assign ferrous scrap dealers to Code 858. Assign nonferrous scrap dealers to Code 859.

#### **Underwriting Guide**

#### ADDITIONS

Scrap Metal Dealer-Ferrous Metals.....	858
Steel And Steel Alloy Scrap Dealer (Including Stainless Steel).....	858
Scrap Metal Dealer-Nonferrous Metals.....	859
Aluminum Scrap Metal Dealers (Other than beverage cans).....	859
Copper Scrap Dealer.....	859
Brass Scrap Dealer.....	859
Lead Scrap Dealer.....	859
Secondhand/Used Material Dealer (Including Scrap Metals).....	860

Junk Dealers.....	860
Secondhand Building Material Dealer.....	860
Melting Of Nonferrous Scrap Metals.....	402

CHANGE

Iron or Steel Scrap Dealer.....	[860]858
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DELETIONS

Metal Scrap Baling.....	860
Metal Scrap Dealer.....	860
Salvage Material Dealer.....	860
Separable Used Material Yard.....	860
Smelting Of Scrap Metal By Scrap Metal Dealer.....	860
Refining of Soft Metal Scrap.....	860
Recycling Center - No Collecting Or Handling Of Building Materials (Except Beverage Cans).....	862

The following are the approved loss costs, expected loss factors and hazard group assignments:

CODE	APPROVED EFF. 10/1/01 LOSS COST	EXPERIENCE RATING PLAN <u>Expected Loss Factors Table</u>			HAZARD GROUP
		A-1	A-2	A-3	
402	5.97	2.87	3.57	4.06	III
858	8.89	4.45	5.52	6.31	III
859	9.61	4.82	5.97	6.83	III
860	9.24	4.63	5.74	6.56	III

**2) Codes 660, Alarm or Sound System, Installation or Repair, and 662, Household Appliances, Service or Repair, Class Study Results**

The Bureau undertook a study of Code 660 with two objectives in mind, i.e., first, to establish a consistent classification procedure for businesses principally engaged in the service or repair of commercial appliances, and, second, to review the feasibility of reassigning such firms from Code 662 to Code 661, Electrical Wiring. The study disclosed that the classification is properly structured and that there is no need to revise its scope. The study showed that Code 662 is the appropriate classification for commercial appliance service and/or repair firms, and household and commercial appliance firms are statistically similar. The report thus concluded that Code 661 should not be applied to commercial appliance service/repair firms. Based on the study results, the Bureau recommended and the Insurance Commissioner approved the following:

- Language for Code 662 has been revised to specifically include commercial appliance service/repair firms (i.e., “Commercial Appliance - Electrical Service or Repair”).
- “Tower erection” (regarding operations to be separately rated) has been deleted from the Code 662 Section 2 listing.

- Code 662 Section 2 language has been amended to add “plumbing” (regarding operations to be separately rated).
- Several Underwriting Guide entries were added to Code 675, Machinery or Equipment Erection or Repair, in the Section 5 Manual language to clarify the scope of this classification.
- Commercial appliance repair/service firms that had been assigned to Code 661 have been reassigned to Code 662.

The Manual revisions are shown below with new wording underlined and deleted wording bracketed.

### SECTION 2

#### CHANGE

662 [HOUSEHOLD] APPLIANCE[S] - Electrical - SERVICE OR REPAIR.

Includes [but is not necessarily limited to] the service or repair of window unit type air conditioners, domestic refrigerators~~[,]~~ and/or commercial or domestic appliances, including but not necessarily limited to: stoves, dishwashers, washing machines or clothes dryers. Also includes incidental shop or parts department employees. Electrical wiring or [tower erection]plumbing to be separately rated.

Separately-staffed store operations shall be assigned to the appropriate store class. Assign Code 664 to the installation, service or repair of central air conditioning units or commercial refrigeration (including walk-in) units. Assign Code 675 to the installation, service or repair of industrial equipment (e.g., conveyor ovens).

### SECTION 5

#### Underwriting Guide

#### ADDITIONS

Laundry Equipment Installation, Service or Repair - Industrial.....	675
Conveyor Oven Installation, Service or Repair.....	675
Oven (Conveyor) Installation, Service or Repair.....	675

#### CHANGES

Appliances, Major Household <del>[,]</del> <u>Or Commercial</u> , Electrical <u>Or Gas</u> -Service Or Repair.....	662
Dryers, Household <del>[,]</del> <u>Or Commercial</u> , Electrical Or Gas - Service or Repair.....	662
Electrical <u>Or Gas</u> Household Major <u>Or Commercial</u> Appliances - Service or Repair.....	662
Household Major <u>Or Commercial</u> Appliances, Electrical Or Gas - Service Or Repair.....	662
Refrigerator, <u>[Stove, Washing Machine]Household</u> - Service Or Repair.....	662
Stoves, Household <del>[,]</del> <u>or Commercial</u> , Electric Or Gas - Service Or Repair.....	662
Washing Machines, <u>Household or Commercial</u> , Electrical <u>Or Gas</u> - Service Or Repair.....	662

These revisions did not alter the rating values for Codes 660, 661 and 662; therefore, the current rating values, as per the April 1, 2001 Loss Cost Filing, will continue. For your convenience, these existing loss costs, expected loss factors and hazard group assignments are shown below:

CODE	<u>CURRENT</u> LOSS COST (effective 4/1/01)	<u>EXPERIENCE RATING PLAN</u> <u>Expected Loss Factors Table</u>			HAZARD GROUP
		A-1	A-2	A-3	
661	4.46	2.02	2.49	2.80	III
662	3.67	1.77	2.18	2.45	II
695	4.46	2.02	2.49	2.80	III

### 3) Third Small Class Study Result Revisions

The Bureau undertook and completed a third serial review of small payroll classes defined in the Manual. Below are references to the five classifications addressed in this review, along with the approved actions for each and the associated rating value impact. The cited rating values are based upon the Bureau's April 1, 2001 comprehensive loss cost filing.

- Code 439, Chain Mfg., has been discontinued and the operations previously assignable thereto have been reassigned to Code 435, Spring Mfg. – Hot Wound.
- Codes 4773, High Explosive Mfg., 4774, Smokeless Powder Mfg., 4776, Projectile, Bomb, Mine or Grenade Loading, and 4779, Cap, Primer, Fuse or Detonator Assembly, along with each of their separate catastrophe reserve classes (0773, 0774, 0776 and 0779), have been discontinued and the operations previously assignable thereto have been reassigned to a new class, Code 4771, Explosives or Ammunition Mfg., N.O.C., and a new catastrophe reserve class, 0771.

The Manual revisions are shown below with new wording underlined and deleted wording bracketed.

## SECTION 2

### ADDITION

#### 4771 EXPLOSIVES Or Ammunition MFG., N.O.C.

Includes but is not necessarily limited to: bag loading - propellant charges; black powder mfg.; cap, primer, fuse, booster or detonator assembly; cartridge charging or loading; fireworks mfg.; high explosives mfg.; projectile, bomb, mine or grenade loading; projectile or shell mfg.; shell case loading or smokeless powder mfg. - single base.

Employees exclusively engaged in product delivery shall be classified by Code 811.

Code 0771 must be applied to Class 4771 payroll to determine the mandatory catastrophe reserve, which is not subject to experience or retrospective rating.

Businesses or separately located and staffed facilities engaged in the preparation and/or distribution of blasting agents and/or the distribution of high explosives shall be classified by Code 4777.

## Hazard Group

<u>Class</u>	<u>Group</u>
4771	IV
0771	IV

## CHANGES

- 435 SPRING MFG. - Hot Wound.  
Also includes chain mfg.

### **EXPLOSIVES AND AMMUNITION MFG.**

[The classifications described under this class group may be used as payroll divisions within a single plant in which standard distances and separation of employees are maintained. Except for Code 4777 employees exclusively engaged in delivery shall be classified by Code 811.

When noted, an explosives classification allows use of an associated classification for designation of a mandatory non-ratable catastrophe reserve.]

- 4775 CARTRIDGE LOADING OR CHARGING.

Includes all operations involving the handling of explosives or mixing of fulminate. Separately staffed and located [E]explosives or fulminate manufacturing shall be [separately rated]classified as provided for in this Manual.

Also applies to shell case loading, propelling charge and/or bag loading, to 20 m.m. and over and/or assembling with the loaded projectile. Separately staffed and located [P]projectile or primer loading shall be [separately rated]classified as provided for in this Manual.

Employees exclusively engaged in product delivery shall be classified by Code 811.

Code 0775 must be applied to Class 4775 payroll to determine the mandatory catastrophe reserve, which is not subject to experience or retrospective rating.

- 4777 EXPLOSIVES DISTRIBUTOR.

Includes the preparation and/or distribution of blasting agents and/or the distribution of high explosives. Blasting operations conducted by a separate crew shall be [separately rated by]assigned to Code 609. No high explosives manufacturing.

## DELETIONS

- 439 CHAIN MFG.

- 4773 HIGH EXPLOSIVES MFG.

Includes the manufacturing of explosives recognized by the Bureau of Explosives as "high explosives" such as dinitrotoluene, double base powders, dynamite, fulminates, nitroglycerin, nitrostarch, picrates, picric acid, tetryl and trinitrotoluene (TNT). Also includes black powder manufacturing.

Code 0773 must be applied to Class 4773 payroll to determine the mandatory catastrophe reserve which is not subject to experience or retrospective rating.

- 4774 SMOKELESS POWDER MFG. - single base.  
Includes the manufacturing of pyro or nitro-cotton. High explosives manufacturing shall be separately rated as Code 4773.  
Code 0774 must be applied to Class 4774 payroll to determine the mandatory catastrophe reserve which is not subject to experience or retrospective rating.
- 4776 PROJECTILE, BOMB MINE OR GRENADE LOADING.  
Cap, primer, fuse, booster or detonator assembly shall be separately rated by Code 4779.  
Code 0776 must be applied to Class 4776 payroll to determine the mandatory catastrophe reserve which is not subject to experience or retrospective rating.
- 4779 CAP, PRIMER, FUSE OR DETONATOR ASSEMBLY.  
Includes mixing of charges or loading. Explosives manufacturing shall be separately rated.  
Code 0779 must be applied to Class 4779 payroll to determine the mandatory catastrophe reserve which is not subject to experience or retrospective rating.

**Hazard Groups**

<u>Class</u>	<u>Group</u>	<u>Class</u>	<u>Group</u>
439	II	4773	IV
0773	IV	4774	IV
0774	IV	4776	IV
0776	IV	4779	IV
0779	IV		

**SECTION 5**

ADDITIONS

Explosives Or Ammunition Mfg., N.O.C. - Nonrateable Catastrophe Element..... 0771  
Explosives Or Ammunition Mfg., N.O.C..... 4771

CHANGES

Chain Mfg..... [439]435  
Black Powder Mfg. .... [4773]4771  
Blasting Cap Mfg. .... [4779]4771  
Cordite Mfg. .... [4774]4771  
Dynamite Mfg. .... [4773]4771  
Fireworks Mfg. .... [4779]4771  
Fuse Mfg., Explosive..... [4779]4771  
High Explosives Mfg. .... [4773]4771  
Nitroglycerin Mfg. .... [4773]4771  
Projectile Loading..... [4776]4771  
Smokeless Powder Mfg. .... [4774]4771  
Fireworks Distributor And/Or Exhibitor..... 4777



DELETIONS

High Explosives Mfg. - Nonrateable Catastrophe Element.....	0773
Smokeless Powder Mfg. - Nonrateable Catastrophe Element.....	0774
Projectile, Bomb, Mine Or Grenade Loading - Nonrateable Catastrophe Element.....	0776
Cap, Primer, Fuse Or Detonator Assembly - Nonrateable Catastrophe Element.....	0779
Blasting Powder Mfg.....	4773
Gunpowder Mfg.....	4773

The following is a table of the approved loss costs, expected loss factors and hazard group assignments:

CODE	APPROVED EFF. 10/1/01 LOSS COST	EXPERIENCE RATING PLAN			HAZARD GROUP
		<u>Expected Loss Factors Table</u>			
		A-1	A-2	A-3	
435	5.72	2.75	3.42	3.90	II
4771	8.89	4.27	5.32	6.05	IV
4775	2.79	1.34	1.67	1.90	IV
0771	2.23	-	-	-	IV
0775	0.51	-	-	-	IV

**4) Housekeeping Revisions**

The revisions in this item are intended to make the Manual less ambiguous by clarifying classification procedures, updating class language to bring it into alignment with other Manual provisions or recognizing technological or industrial change. The update to the Section 5 Employment Contractor – Temporary Staffing Cross-Reference Chart incorporates all the needed revisions pursuant to all items that were included in the filing in order to place all revisions together and be less confusing.

None of the revisions in Sections 1 or 2 involved a change to existing classification procedure, although there are two revisions involved in the Section 5 Underwriting Guide. The first reassigns “Motor Controller Assembly” and “Power Controller Assembly” from Code 477, Electrical Motor Mfg. Or Repair, to Code 476, Industrial Controls Or Systems Manufacture/ Assembly, bringing Section 5 into alignment with Code 476 as described in Section 2. The second reassigns “Towel Or Toilet Supply Dealer – Not Connected With Laundry” from Code 924, Wholesale Store, N.O.C., to Code 916, Clothing Or Dry Goods Store. A review of files has shown that such businesses are principally engaged in the rental of linen products which are collected and laundered by an unrelated concern, making Code 916 a more appropriate class assignment.

The Manual revisions are shown below with new wording underlined and deleted wording bracketed.

## SECTION 1

### CHANGE

#### **RULE XIII - THE ADMIRALTY LAW AND THE FEDERAL EMPLOYERS LIABILITY ACT**

##### F. WATERS NOT UNDER ADMIRALTY JURISDICTION

###### 1. Coverage

An insured may conduct operations on waters not subject to admiralty jurisdiction. Insurance for such operations shall be provided by the Standard Policy and endorsement forms and is subject to the rules which apply to statutory workers' compensation insurance. [Rates are on the state rate pages. See Section 2, Classifications and Rates.]

###### [2. Premium Determination

The admiralty classifications and rates for Program II apply to operations described in 1. above. Rates are on the state rate pages. See Section 2, Classifications and Rates.]

###### [3]2. Admiralty Law or U.S.L.&H.W. Act Liability

If there is..... to Rule XII.

## SECTION 2

### CHANGES

028 OIL or GAS PRODUCTION ..... casing-head gas.

As provided for in this Manual separately [rate]classify: erecting or dismantling of derricks, drilling, re-drilling or deepening, installation or recovery of casing, well shooting, cementing, tank building or tapping operations.

222 PLASTIC Articles MFG., N.O.C.

Includes all plastic molding techniques except injection molding which is assigned to Code 221 and the molding of plastic composite products which is assigned to Code 227.

403 ROLLING, DRAWING or EXTRUDING NON-FERROUS METALS. Also includes making non-ferrous pipe or tubes or forging non-ferrous metals.

Subsequent product(s) manufacturing operations conducted by a separate crew(s) of employees in a physically separate department(s) shall be separately classified as provided for in this Manual.

483 OFFICE MACHINE MFG. - Installation or repair conducted by a separate crew to be separately [rated]classified by Code 952.

651 CARPENTRY - [N.O.C.]COMMERCIAL Structures.

652 CARPENTRY - [DETACHED]RESIDENTIAL [one or two family] DWELLING[S].

[Also i]Includes one or two family detached houses, townhouses or new dwellings or buildings designed primarily for multiple dwelling occupancy three stories or less in height or garages, constructed in connection with the dwellings.

This classification..... separately classified.

- 665 PAINTING and Decorating, including shop  
[Excluding t]The painting of steel structures [and]or bridges shall be assigned to Code 655.
- 682 EMPLOYMENT CONTRACTOR - TEMPORARY LABOR - Construction [and]Or Erection Operations.  
Applies to temporary employees provided to a construction or erection contractor except for temporary excavation, commercial [(non-residential)]structure carpentry or electrical wiring (within buildings) staff which are subject to **Codes 691, 693 or 695,** respectively.  
Please see..... temporary staff.
- 693 EMPLOYMENT CONTRACTOR - Temporary COMMERCIAL Structure CARPENTRY, [N.O.C.] Staff  
Applicable only ..... temporary staff.
- 716 MARINA.  
Applicable to all waterfront operations, including but not necessarily limited to: the operation of boat docks, storage facilities, repair shops or marine railways, the sale or repair of boats or engines, the sale of parts or accessories, dockside snack bars and all dockside employees. The operation of separately-staffed showrooms in towns or the operation of separately-staffed motels, restaurants, swimming pools, bowling lanes or other recreational facilities shall be separately classified as provided for in this Manual. Separate staff engaged in boat building are assignable to Code 718.  
Coverage under State Act only.
- 751 GAS UTILITY.  
Payroll developed..... Code 951.  
As provided for in this Manual separately [rate]classify: geophysical exploration, drilling for gas deposits, the operation of gas wells and the construction or operation of cross-country pipe lines.
- 752 OIL OR GAS PIPELINE OPERATION - Construction, Operation of Wells or Oil Refining shall be separately [rated]classified.
- 806 FURNITURE MOVING and/or STORAGE.  
Includes the..... premises.  
The transporting or delivery and the setting into place at customers' locations of furniture and/or major household appliances under contract for a manufacturer or store shall be assigned to Code 811[, Trucking, N.O.C].
- 809 FUEL DISTRIBUTION - retail or wholesale.  
For [establishments]businesses [primarily]principally engaged in the sale of processed coal, fuel oil, liquefied petroleum (LP), gas (bottled gas or in bulk), or any combination of these lines. Separate crews engaged in installing and/or servicing fuel oil or gas [burners]heating units may be separately [rated]classified as provided for in this Manual. This classification is not available [for risks]to businesses operating coal or oil docks or to truckers hauling fuel for others.

811 TRUCKING, N.O.C.

Includes dispatchers and/or clerks on loading platforms, drivers, chauffeurs and helpers[, garage men, and repairmen]and employees repairing vehicles.

Applicable to hauling contractors [primarily to exclusively]principally engaged in hauling or delivering for unrelated concerns. [However, p]Payroll developed in the hauling of unprepared coal shall be assigned in accordance with the rules for [Class]Code 810. [Coal Trucking.]

Also includes the rental of cranes with operator by a specialist contractor.

946 EMPLOYMENT CONTRACTOR - TEMPORARY MEDICAL STAFFING.

Applicable to employers providing employees to staff unrelated health care facilities on a temporary basis. The type of employees include but are not necessarily limited to: registered nurses, licensed practical nurses, aides, orderlies, attendants or medical technicians[, and paramedics].

[Separately rate p]Payroll developed by [employees]separate staff(s) performing home health care services shall be separately classified as provided in this Manual.

Payroll developed..... temporary staff

955 ENGINEERING[, ] CONSULTING FIRM, - mechanical, civil, electrical [and]or mining engineer[s]ing consulting firms, or architect[s]ural firms.

Engineers or..... enterprise.

Clerical or drafting employees of consulting architects or engineers are properly assigned to Code 953 provided they meet the conditions described in Section 1, Rule [IVB]IV – B. 2. a. and b.

Separate staff performing [T]test boring for soil samples shall be [separately rated as] assigned to Code 607[, Drilling, N.O.C].

956 [ATTORNEY – All employees including office]LAW FIRM.

This classification is..... employer's business.

957 PHYSICIAN or DENTIST, all..... service employees.

This classification..... Code 946.

Payroll developed by [employees]separate staff(s) performing home health care services shall be separately classified as provided in this Manual.

960 NURSING and Convalescent HOME..... care services.

Includes Retirement..... location/campus.

Payroll developed by [employees]separate staff(s) performing home health care services shall be separately classified as provided in this Manual.

961 HOSPITAL - all employees..... care services.

Workfare..... Manual.

Payroll developed by [employees]separate staff(s) performing home health care services shall be separately classified as provided in this Manual.

974 RETIREMENT OR LIFE CARE COMMUNITY – with..... care services.  
There shall..... location/campus.  
Payroll developed by [employees]separate staff(s) performing home health care services shall be separately classified as provided for in this Manual.

976 Y.M.C.A, Y.W.C.A..... services employees.  
Payroll developed by [employees]separate staff(s) performing home health care services shall be separately classified as provided for in this Manual.

979 RESIDENTIAL FACILITY FOR THE ELDERLY – NON-MEDICAL..... location/campus.  
Payroll developed by [employees]separate staff(s) performing home health care services shall be separately classified as provided for in this Manual.

980 CITY, TOWNSHIP, Borough or County - all employees, excluding only the following which must be separately [rated]classified as provided in this Manual: Auxiliary Police, Golf Courses, Health Clubs, Housing Authorities, Municipal Authorities, Nursing Homes, Salaried Policemen or [Firemen]Firefighters, Volunteer Ambulance Corps, Volunteer Fire Cos., Volunteer Hazardous Materials Response Teams, Workfare Program Employees [and]or Clerical Office. Inspectors shall be assigned to Code 951.

0008 MUSHROOM [GROWER]RAISING [- no commercial farming].  
Applies to [risks]businesses engaged in [the growing of]raising mushrooms, including the incident<sup>[al]</sup> production of hay or other materials for compost. [It may not be applied to risks engaged in commercial farming who also grow mushrooms, unless such operations are conducted at separate locations, with no interchange of employment.]  
Separately staffed mushroom canning operations shall be assigned to Code 113.

0011 FLOWER [GROWING]RAISING.  
Applicable only to businesses [who grow]raising flowers[,] in fields or under glass<sup>[,]</sup> flowers<sup>]</sup> to be marketed on a commercial basis as cut flowers or living plants.  
A store.....or department.

6826F MARINA.  
Applicable to all waterfront operations including but not necessarily limited to: the operation of boat docks, storage facilities, repair shops or marine railways<sup>].</sup> Also applicable to<sup>],</sup> the sale or repair of boats [and]or engines, [including]the sale of parts or accessories, dockside snack bars[,] and all dockside employees[, except that]. [t]The operation of separately-staffed boat showrooms in towns<sup>[,]</sup> or the operation of separately-staffed motels, restaurants, swimming pools, bowling lanes [and]or other recreational facilities shall be separately [rated]classified as provided for in this Manual. [Boat building shall be separately rated as Code 6824F.]  
Separate staff engaged in boat building are assignable to Code 6824F.

7366F FREIGHT HANDLERS - On piers or in terminals in areas adjoining piers.  
Applies to handling cargo on piers or adjoining areas or terminals, incident<sup>[al]</sup> to loading or unloading vessels. [It]Such cargo handling includes but is not necessarily limited to: freight checks, stuffing and<sup>[or]</sup> stripping containers, [other processing of waterborne cargo and] loading and<sup>[or]</sup> unloading trucks and<sup>[or]</sup> railroad cars [on piers or in adjoining areas or terminals].  
Freight handling not on piers or in terminals [or]in areas adjoining piers (Stevedoring),

conducted by a separate staff shall [have a division of payroll under Class 811, Trucking, N.O.C.] be assigned in accordance with the class or classes appropriate to the business of the employer.

## SECTION 5

### Rulings and Interpretations

#### CHANGES

#### AGRICULTURE

Agriculture, the art..... by the farmer.  
Code 917 may also be assigned when a retail store is operated by a separate crew of employees with no interchange of labor with the [insured's]employer's other operations[,] and when separate payroll records are kept [and the store is under the full-time supervision of a store manager].

#### EMPLOYMENT CONTRACTOR – TEMPORARY STAFFING

Employers engaged in..... any other business classification(s).  
Code 544 chart **additions:** 4771  
Code 544 chart **deletions:** [439, 4773, 4774, 4776, 4779]  
Code 682 chart unchanged  
Code 929 chart unchanged  
Code 937 chart **additions:** 858, 859  
Code 947 chart unchanged  
Code 949 chart unchanged

#### HARDWARE STORE - RETAIL - 925

Applies to retail..... of the gross receipts.

#### [Operations Not Covered]OPERATIONS NOT COVERED:

Except as provided for above, separately-staffed installation, service or repair operations shall be separately classified including but not necessarily limited to the example listed below:

1. The [installation,] service or repair of televisions, video and/or audio equipment shall be assigned to Code 966.
2. The service or repair of major household appliances shall be assigned to Code 662.

#### HARDWARE STORE[S] - WHOLESALE - 926

Applies to dealers..... of the gross receipts.

**[Operations Not Covered]OPERATIONS NOT COVERED:**

1. Wholesale dealers principally engaged in selling wire rope or cable assign to Code 857.
2. Retail or wholesale establishments principally engaged in selling building materials such as roofing (including shingles), siding, wallboard, brick and/or lumber assign to Code 855.
3. Wholesale dealers principally engaged in selling plumbing supplies or pipe shall be assigned to Code 885.
4. Wholesale dealers principally engaged in selling electrical supplies (e.g., electric wire, fuses, circuit breakers) shall be assigned to Code 886.

**FLORIST STORE - 919**

Applies to a [store]business principally engaged in the retail and/or wholesale selling of fresh cut flowers, potted plants, fresh cut floral arrangements or florist store supplies. Also includes service away from the store premises such as floral decoration of homes, churches or other buildings for weddings, banquets and parties.

Also includes plantscaping which is the maintenance of living (typically potted) plants inside a customer's premises. The living, potted plants may be used to decorate the interiors of malls, offices or other businesses as well as residences. Plantscaping duties include watering, fertilizing, trimming and/or spraying of the interior living, potted plants.

Employers who [grow]raise in fields or under glass flowers to be marketed on a commercial basis as cut flowers or living plants are assigned to Code 0011[, Flower Growing]. Stores or outlets of such employers at the same or contiguous location may be separately classified by [this c]Code 919, provided there is no interchange of labor between the store or outlet and the growing of flowers and the store or outlet is located in a physically separate area or department.

Where a store..... of the gross receipts.

**[Operations Not Covered]OPERATIONS NOT COVERED:**

1. A garden supply [store or dealer]business principally engaged in the sale of fertilizer, sod, grass seed, flower pots, birdbaths and statuary [may also sell]with incidental potted plants, trees, shrubs, bulbs or bedding plants[. such risk]shall be assigned to the [appropriate] N.O.C. store classification depending on whether the sales are principally to retail customers (Code 928) or wholesale customers (Code 924).
2. A business principally engaged in the arranging, assembling and/or the wholesale selling of artificial or dried flowers shall be assigned to Code 924.
3. A business principally engaged in the raising and/or planting and/or care of trees, shrubs, bushes, hedges, or other outdoor living/growing plants or performing landscaping, lawn care services or other similar operations shall be assigned to Code 0013.

**GROCERY - WHOLESALE - 911**

Applies to dealers..... of the gross receipts.

**[Operations Not Covered]OPERATIONS NOT COVERED:**

1. Wholesale dealers principally engaged in selling fresh fruits or vegetables shall be assigned to Code 907[, Fruit or Vegetable Dealer - Wholesale].
2. Wholesale dealers [engaged primarily]principally engaged in selling beer in bottles, cans, kegs or barrels and/or soft drinks in bottles or cans shall be assigned to Code 821[, Beverage Distributor - Wholesale].
3. Wholesale dealers [engaged primarily]principally engaged in candling or distributing eggs shall be assigned to Code 924[, Wholesale Store, N.O.C].
4. For Bakery..... and interpretation.

### CLEARING OF LAND

[Payroll developed in clearing of land or the clearing of rights of ways shall be classified as indicated below:]Below find the class typically assigned to payroll developed in each of four different but common land or right-of-way clearing projects. Such class listing does not waive either the underwriting or payroll division rules delineated in Sections 1 or 2 of this Manual.

1. [Use]Assign Code 009[, Logging,] for tree removal using hand or power tools in bucking, falling or limbing of standing timber - new right-of-ways.
2. [Use]Assign Code 609[, Excavation,] for clearing or removal of brush using mechanical equipment such as bulldozers, hydroaxes, etc., including stump removal - new or existing.
3. [Use]Assign Code 005[, Tree Pruning,] for tree pruning, spraying, trimming using hand or power tools with or without aerial buckets, including [incidental] tree removal incident thereto and all operations in connection therewith - existing right-of-ways.
4. [Used]Assign Code 0013[, Gardeners, Nurserymen,] for brush or weed control using chemicals dispensed from portable or mechanical ground spraying equipment – existing right-of-ways.

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**5) Codes 451, Automobile, Truck Or Trailer Body Mfg., and 463, Automobile Mfg. Or Assembling, Class Study Results**

The Bureau study of Codes 451, Automobile, Truck Or Trailer Body Mfg., and 463, Automobile Mfg. Or Assembling, was undertaken for two related purposes, i.e., to determine whether classification procedures were being consistently applied to fabricators of truck bodies who then attach the manufactured bodies onto a customer supplied or purchased chassis and to determine the most appropriate classification assignment for these operations based on operational analogy and statistical analysis of historical loss experience.

The study first found that classification procedures have not been consistently applied to the operations described above. Substantial numbers of these businesses have been assigned to each of the Classification Codes 451 and 463. The study further found that these operations are operationally more similar to those presently assigned to Code 451 than to Code 463. Finally, the report showed that these operations have prior loss experience that is statistically more compatible to that of Code 451 than to Code 463. Accordingly, the report recommended that all employers engaged in fabricating automobile, truck or trailer bodies and then attaching those truck bodies onto a customer supplied or purchased chassis be assigned to Code 451. In order to properly and commonly classify all operations of this type, the following will be implemented:

1. All employers engaged in operations of this type who were assigned to Code 451 remain assigned to Code 451.
2. All employers engaged in operations of this type who were assigned to Code 463, in fact, were misclassified and have been reassigned to Code 451.

The report also recommended that Bicycle Mfg. remain assigned to Code 463. In addition, the Manual entries Carriage Mfg. & Wagon Mfg. will continue to be listed in the Underwriting Guide section of the Bureau’s Manual pending further review.

The Manual revisions are shown below with new wording underlined and deleted wording bracketed.

**SECTION 2**

**CHANGES**

451 AUTOMOBILE, Truck or Trailer BODY MFG.

Also includes an employer principally engaged in fabricating an automobile, truck or trailer body and then attaching the fabricated body onto a customer supplied or purchased chassis.

This class is not available for payroll division with Code 463[, Automobile Mfg.] Code 463 shall be assigned to an [insured]employer engaged in both the making of the automobile, truck, or trailer body and chassis and then assembling the complete motor vehicle.

463 AUTOMOBILE MFG. [or Assembling].

Code 463 shall be assigned to an employer engaged in both the making of the automobile, truck or trailer body and chassis and then assembling the complete motor vehicle.

This class is not available for payroll division with Code 451. Code 451 shall be assigned to an employer principally engaged in fabricating an automobile, truck, or trailer body and then attaching the fabricated body onto a customer supplied or purchased chassis.

**SECTION 5**

**Underwriting Guide**

**ADDITIONS**

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The following is a table of proposed loss costs, expected loss factors and hazard group assignments:

CODE	APPROVED EFF. 10/1/01 LOSS COST	EXPERIENCE RATING PLAN <u>Expected Loss Factors Table</u>			HAZARD GROUP
		A-1	A-2	A-3	
451	5.38	2.59	3.22	3.66	II
463	2.25	1.08	1.34	1.53	II
495	5.38	2.59	3.22	3.66	II

**6) Premium Due Date Endorsement – WC 00 04 19 – (NCCI Item Filing No. P1370)**

This endorsement, WC 00 04 19, complies with the National Association of Insurance Commissioners (NAIC) Statement of Statutory Accounting Principles No. 6, which was issued effective for years beginning January 1, 2001. This statement establishes statutory accounting principles for direct and group billed uncollected premiums, bills receivable for premiums and amounts due from agents and brokers.

A copy of the endorsement is attached.

Manual reprints will be distributed at a later date in the usual manner.

Timothy L. Wisecarver  
President

kg  
D  
Attachment: Premium Due Date Endorsement

***Remember to visit our web site at [www.pcrb.com](http://www.pcrb.com) for more information about this and other topics.***

**PENNSYLVANIA WORKERS COMPENSATION MANUAL**  
**Effective Date: October 1, 2001**

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**Workers Compensation and Employers Liability Insurance Policy**

**WC 00 04 19**

**PREMIUM DUE DATE ENDORSEMENT**

Section D of Part Five of the policy is replaced by this provision:

**PART FIVE**  
**PREMIUM**

- D. **Premium** is amended to read:  
You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**