

BRIAN SANDOVAL
Governor

STATE OF NEVADA

BRUCE H. BRESLOW
Director



AMY L. PARKS
Acting Commissioner

DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE

1818 East College Pkwy., Suite 103
Carson City, Nevada 89706
(775) 687-0700 • Fax (775) 687-0787
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E-mail: insinfo@doi.nv.gov

December 2, 2015

Rick Combs, Director
State of Nevada Legislative Counsel Bureau
Legislative Building
401 S. Carson Street
Carson City, NV 89701-4747

Via e-mail: director@lcb.state.nv.us

Re: Industrial Insurance – NCCI 2016 Annual Loss-Cost and Rate Filing, Revisions to Basic Manual Classifications, and Revisions to Nevada Rules and Forms for Employee Leasing Arrangements

Dear Director Combs:

Pursuant to NRS 686B.177, the Nevada Division of Insurance is required to “report any changes in rates or in the Uniform Plan for Rating Experience, the Uniform Statistical Plan or the Uniform System of Classification” to the Director of the Legislative Counsel Bureau.

I am hereby reporting three recent sets of changes, filed by the National Council on Compensation Insurance, Inc. (“NCCI”), and approved by the Nevada Division of Insurance (“Division”).

- Approval of NCCI’s 2016 Annual Loss-Cost and Rate Filing (Nevada State tracking number 56702), which will result in an overall average 5.5% decrease in voluntary-market loss costs and an overall average 4.2% decrease in rates for the assigned-risk market, effective March

1, 2016. The approved loss costs and rates have been posted to the Division's website and are publicly available.¹

- Approval of NCCI's item filing B-1431 (Nevada State tracking number 56513), which proposes to eliminate certain rating classifications on account of the low credibility of available experience data. This filing will take effect on March 1, 2017. A PDF version of the entirety of filing B-1431, including correspondence in which NCCI satisfactorily responded to certain requests and concerns from the Division, is enclosed.

- Approval of NCCI's item filing 02-NV-2015 (Nevada State tracking number 56862), which revises the language in various forms and rules pertaining to employee leasing arrangements in order to conform to the changes enacted in Assembly Bill 389 of the 2015 Nevada Legislative Session. This filing will take effect on March 1, 2016. A PDF version of the entirety of filing 02-NV-2015 is enclosed.

If you have any questions or desire additional information, please feel free to contact me via e-mail at gstolyarov@doi.nv.gov.

Sincerely,



Mr. Gennady Stolyarov II, ASA, ACAS, MAAA, CPCU, ARe, ARC, API, AIS, AIE, AIAF
Lead Actuary, Property and Casualty Insurance, Nevada Division of Insurance

cc: Nicole Lamboley, Chief Deputy Commissioner
Rajat Jain, Chief Insurance Examiner, Property & Casualty Section

¹ The new loss costs have been posted on the Division's website at <http://doi.nv.gov/uploadedFiles/doinvgov/public-documents/Insurers/NCCI-2016-VoluntaryLossCosts.pdf>. The new assigned-risk rates have been posted on the Division's website at <http://doi.nv.gov/uploadedFiles/doinvgov/public-documents/Insurers/NCCI-2016-AssignedRiskRates.pdf>. NCCI's approval circular pertaining to the 2016 Nevada Annual Loss-Cost and Rate Filing can be found at <http://doi.nv.gov/uploadedFiles/doinvgov/public-documents/Insurers/NCCI-2016-Circular.pdf>.

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

Filing at a Glance

Company: NCCI
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
State: Nevada
TOI: 16.0 Workers Compensation
Sub-TOI: 16.0004 Standard WC
Filing Type: Rule
Date Submitted: 10/28/2015
SERFF Tr Num: NCCI-130283110
SERFF Status: Closed-Approved
State Tr Num: 56513
State Status: Approved
Co Tr Num: B-1431
Effective Date: 03/01/2017
Requested (New):
Effective Date: 03/01/2017
Requested (Renewal):
Author(s): Lesley O'Brien, Alison Herwig, Frank Gnolfo, Robert Dalton, Michelle Baker, Miguel Joubert
Reviewer(s): Gennady Stolyarov (primary)
Disposition Date: 11/24/2015
Disposition Status: Approved
Effective Date (New):
Effective Date (Renewal):
State Filing Description:

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

General Information

Project Name: Status of Filing in Domicile:
 Project Number: Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 11/24/2015
 State Status Changed: 11/24/2015 Deemer Date:
 Created By: Frank Gnolfo Submitted By: Frank Gnolfo
 Corresponding Filing Tracking Number:
 State TOI: 16.0 Workers Compensation State Sub-TOI: 16.0004 Standard WC

Filing Description:

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 to reflect current business and industry needs

Company and Contact

Filing Contact Information

Maggie Karpuk, State Relations Executive maggie_karpuk@ncci.com
 2815 Townsgate Road 818-707-8374 [Phone]
 Suite 210 818-707-8387 [FAX]
 Westlake Village, CA 91361

Filing Company Information

NCCI CoCode: State of Domicile: Florida
 901 Peninsula Corporate Circle Group Code: Company Type:
 Boca Raton, FL 33487 Group Name: State ID Number:
 (561) 893-3186 ext. [Phone] FEIN Number: 65-0439698

Filing Fees

Fee Required? Yes
 Fee Amount: \$25.00
 Retaliatory? No
 Fee Explanation: Rule
 Per Company: Yes

Company	Amount	Date Processed	Transaction #
NCCI	\$25.00	10/28/2015	102004248

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Gennady Stolyarov	11/24/2015	11/24/2015

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Gennady Stolyarov	10/29/2015	10/29/2015

Response Letters

Responded By	Created On	Date Submitted
Frank Gnolfo	11/24/2015	11/24/2015

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Update: Previous Item 4 Resolved	Note To Filer	Gennady Stolyarov	11/16/2015	11/16/2015

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

Disposition

Disposition Date: 11/24/2015

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Authorization Letter		Yes
Supporting Document	Filing Fees		Yes
Supporting Document	Filing Memorandum		Yes
Supporting Document	Workers' Compensation Rate Filing/Loss Costs Expense Worksheet		Yes
Supporting Document	B-1431 Fact Sheets		Yes
Supporting Document	Response to Objection		Yes
Rate	Exhibit 1A	Reviewed	Yes
Rate	Exhibit 1B	Withdrawn by Insurer	Yes
Rate	Exhibit 1C	Withdrawn by Insurer	Yes
Rate	Exhibit 1D	Withdrawn by Insurer	Yes
Rate	Exhibit 1E	Withdrawn by Insurer	Yes
Rate	Exhibit 1F	Withdrawn by Insurer	Yes
Rate	Exhibit 1G	Reviewed	Yes
Rate	Exhibit 1H	Withdrawn by Insurer	Yes
Rate	Exhibit 1I	Reviewed	Yes
Rate	Exhibit 1J	Withdrawn by Insurer	Yes
Rate	Exhibit 1K	Reviewed	Yes
Rate (revised)	Exhibit 1L		Yes
Rate	Exhibit 1L	Reviewed	Yes
Rate	Exhibit 1M	Withdrawn by Insurer	Yes
Rate	Exhibit 6A	Reviewed	Yes

SERFF Tracking #:

NCCI-130283110

State Tracking #:

56513

Company Tracking #:

B-1431

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	Exhibit 6B	Reviewed	Yes
Rate	Exhibit 6C	Reviewed	Yes
Rate	Exhibit 6D	Reviewed	Yes
Rate	Exhibit 6E	Reviewed	Yes
Rate	Exhibit 6F	Reviewed	Yes
Rate	Exhibit 6G	Reviewed	Yes
Rate	Exhibit 6H	Reviewed	Yes
Rate	Exhibit 6I	Reviewed	Yes
Rate	Exhibit 6J	Reviewed	Yes
Rate	Exhibit 6K	Reviewed	Yes
Rate	Exhibit 6L	Reviewed	Yes
Rate	Exhibit 6M	Reviewed	Yes
Rate	Exhibit 6N	Reviewed	Yes
Rate	Exhibit 6O	Reviewed	Yes
Rate	Exhibit 6P	Reviewed	Yes
Rate	Exhibit 7	Reviewed	Yes
Rate	Exhibit 5	Send Objection	Yes

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	10/29/2015
Submitted Date	10/29/2015
Respond By Date	11/29/2015

Dear Maggie Karpuk,

Introduction:

Thank you for your filing submission. While I do not have concerns with the majority of the proposals in this filing, several components have given rise to a desire for additional, Nevada-specific information. Accordingly, this filing is disapproved, pending NCCI's response to the following requests. The clarifying information requested is intended to enable me to make a decision as to whether to approve the filing as submitted, or whether to request certain Nevada-specific modifications.

Objection 1

- Exhibit 1L, National Classification (Rate)

Comments: Exhibit 1L is marked as "Withdrawn" in the Form Schedule - but it appears from the marked-up version that the only intended substantive revision is to remove references to Classification Code 6260. Was it instead the intent of NCCI to mark this schedule item as a "Replacement" instead of being "Withdrawn"? If so, please amend the designation accordingly within the Form Schedule.

Objection 2

- Exhibit 5, State Special (Rate)

Comments: (i) Please provide the most recent annual payroll in Nevada for Classification Code 7724 National Guard Officers And Members. Please also provide the most current Nevada-specific loss experience for this classification code. Based on my review of the March 2014 A-Sheet previously provided to me by NCCI, this classification code did have very modest payroll and no losses during the five years from 2006 to 2010. I am seeking more up-to-date payroll information and loss experience in order to evaluate whether discontinuing this classification code is justified.

(ii) One concern that has arisen is that the proposed reclassification of Code 7724 to Code 7720 Police Officers & Drivers would result in the loss cost for the affected insured(s) rising from 2.8 (most recent filed loss cost, effective March 1, 2015, for Code 7724) to 4.69 (most recent filed loss cost, effective March 1, 2015, for Code 7720). This would be a major increase to cover the affected National Guard servicepersons, who, intuitively, are not exposed to some of the same kinds of occupational hazards that police officers regularly face (for instance, responding to violent and potentially violent criminals). From an intuitive perspective, it would appear reasonable for the loss costs for National Guard servicepersons to be lower than those of police officers, due to the reduced levels of occupational hazard involved. Furthermore, this change could engender confusion among any affected National Guard servicepersons as to why they are being classified in the same manner as police officers and why the premiums paid for their coverage will have risen substantially as a result of the reclassification. Therefore, if the payroll for Code 7724 in Nevada remains positive, I would be disinclined to recommend discontinuation of this State-specific code, in spite of its low credibility. If no actual payroll remains within Code 7724, however, I would acquiesce to approving its elimination due to the lack of practical impact.

Objection 3

- B-1431 Fact Sheets (Supporting Document)

Comments: Please provide the most recent annual payroll in Nevada for Classification Code 2300 Plush or Velvet Mfg. Please also provide the most current Nevada-specific loss experience for this classification code. Based on my review of the March 2014 A-Sheet previously provided to me by NCCI, this classification code had over \$2,000,000 in payroll in 2010 and over \$3,400,000 in payroll in 2006. However, payroll for this classification code in Nevada appears to have been on a declining trend, and I am curious as to whether this decline has continued, and, if so, to what extent. Reclassification to Classification Code 2501 Cloth, Canvas, and Related Products Mfg. NOC would result in a loss-cost increase from 2.15 to 2.33 (based on the NCCI loss-cost filing effective March 1, 2015). Even given the limited credibility of Nevada payroll and loss experience, I would like to see whether the Nevada data,

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

standing alone, would generate a sufficiently high empirical loss cost for risks currently classified under Code 2300 as to justify the reclassification.

Objection 4

- B-1431 Fact Sheets (Supporting Document)

Comments: NCCI is proposing to reclassify Code 8105StoreHide or Leather Dealer into Code 8018StoreWholesaleNOC. Currently, these classification codes have similar loss costs associated with them (2.32 for Code 8105, 2.33 for Code 8018). I would be interested to know whether, in the forthcoming loss-cost filing (effective March 1, 2016), NCCI plans to file an increase or a decrease to the loss cost for Code 8018. Understanding this would be important in determining the directional effect of the reclassification upon insureds currently classified in Code 8105, as the reclassification would take effect one year after the forthcoming loss-cost filing becomes effective.

Conclusion:

This filing will be closed if no response is received within 30 days. If you have any questions, please feel free to contact me by phone or e-mail.

Mr. Gennady Stolyarov II, ASA, ACAS, MAAA, CPCU, ARe, ARC, API, AIS, AIE, AIAF
Lead Actuary, Property and Casualty Insurance
Nevada Division of Insurance
E-mail: gstolyarov@doi.nv.gov

Sincerely,
Gennady Stolyarov

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	11/24/2015
Submitted Date	11/24/2015

Dear Gennady Stolyarov,

Introduction:

Hello

Response 1

Comments:

Response is in supporting doc folder

Related Objection 1

Applies To:

- Exhibit 1L, National Classification (Rate)

Comments: Exhibit 1L is marked as "Withdrawn" in the Form Schedule - but it appears from the marked-up version that the only intended substantive revision is to remove references to Classification Code 6260. Was it instead the intent of NCCI to mark this schedule item as a "Replacement" instead of being "Withdrawn"? If so, please amend the designation accordingly within the Form Schedule.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection
Comments:	
Attachment(s):	Nevada Interrogatory Response.pdf

No Form Schedule items changed.

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

Rate Schedule Item Changes					
Item No.	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Date Submitted
1	Exhibit 1L	National Classification	Replacement	B-1369	11/24/2015 By: Frank Gnoflo
<i>Previous Version</i>					
1	Exhibit 1L	National Classification	Withdrawn	B-1369	10/28/2015 By: Frank Gnoflo

Response 2

Comments:

Response is in supporting doc folder

Related Objection 2

Applies To:

- Exhibit 5, State Special (Rate)

Comments: (i) Please provide the most recent annual payroll in Nevada for Classification Code 7724 National Guard Officers And Members. Please also provide the most current Nevada-specific loss experience for this classification code. Based on my review of the March 2014 A-Sheet previously provided to me by NCCI, this classification code did have very modest payroll and no losses during the five years from 2006 to 2010. I am seeking more up-to-date payroll information and loss experience in order to evaluate whether discontinuing this classification code is justified.

(ii) One concern that has arisen is that the proposed reclassification of Code 7724 to Code 7720 Police Officers & Drivers would result in the loss cost for the affected insured(s) rising from 2.8 (most recent filed loss cost, effective March 1, 2015, for Code 7724) to 4.69 (most recent filed loss cost, effective March 1, 2015, for Code 7720). This would be a major increase to cover the affected National Guard servicepersons, who, intuitively, are not exposed to some of the same kinds of occupational hazards that police officers regularly face (for instance, responding to violent and potentially violent criminals). From an intuitive perspective, it would appear reasonable for the loss costs for National Guard servicepersons to be lower than those of police officers, due to the reduced levels of occupational hazard involved. Furthermore, this change could engender confusion among any affected National Guard servicepersons as to why they are being classified in the same manner as police officers and why the premiums paid for their coverage will have risen substantially as a result of the reclassification. Therefore, if the payroll for Code 7724 in Nevada remains positive, I would be disinclined to recommend discontinuation of this State-specific code, in spite of its low credibility. If no actual payroll remains within Code 7724, however, I would acquiesce to approving its elimination due to the lack of practical impact.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

No Rate/Rule Schedule items changed.

Response 3

Comments:

Response is in supporting doc folder

Related Objection 3

Applies To:

- B-1431 Fact Sheets (Supporting Document)

Comments: Please provide the most recent annual payroll in Nevada for Classification Code 2300Plush or Velvet Mfg. Please also provide the most current Nevada-specific loss experience for this classification code. Based on my review of the March 2014 A-Sheet previously provided to me by NCCI, this classification code had over \$2,000,000 in payroll in 2010 and over \$3,400,000 in payroll in 2006. However, payroll for this classification code in Nevada appears to have been on a declining trend, and I am curious as to whether this decline has continued, and, if so, to what extent. Reclassification to Classification Code 2501Cloth, Canvas, and Related Products Mfg. NOC would result in a loss-cost increase from 2.15 to 2.33 (based on the NCCI loss-cost filing effective March 1, 2015). Even given the limited credibility of Nevada payroll and loss experience, I would like to see whether the Nevada data, standing alone, would generate a sufficiently high empirical loss cost for risks currently classified under Code 2300 as to justify the reclassification.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Response 4

Comments:

Response is in supporting doc folder

Related Objection 4

Applies To:

- B-1431 Fact Sheets (Supporting Document)

Comments: NCCI is proposing to reclassify Code 8105StoreHide or Leather Dealer into Code 8018StoreWholesaleNOC. Currently, these classification codes have similar loss costs associated with them (2.32 for Code 8105, 2.33 for Code 8018). I would be interested to know whether, in the forthcoming loss-cost filing (effective March 1, 2016), NCCI plans to file an increase or a decrease to the loss cost for Code 8018. Understanding this would be important in determining the directional effect of the reclassification upon insureds currently classified in Code 8105, as the reclassification would take effect one year after the forthcoming loss-cost filing becomes effective.

Changed Items:

SERFF Tracking #:

NCCI-130283110

State Tracking #:

56513

Company Tracking #:

B-1431

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

In addition Exhibit 1L was changed from Withdrawn to Replacement

Sincerely,

Frank Gnolfo

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

Note To Filer

Created By:

Gennady Stolyarov on 11/16/2015 11:35 AM

Last Edited By:

Gennady Stolyarov

Submitted On:

11/16/2015 11:35 AM

Subject:

Update: Previous Item 4 Resolved

Comments:

Having received and approved NCCI's 2016 Loss-Cost and Rate Filing (Nevada State tracking number 56702), I am able to access the information previously requested in my Item 4 of October 29, 2015.

It is my understanding that, as a result of the approved filing, the loss cost for Code 8105 would decrease from 2.32 to 2.10, whereas the loss cost for Code 8018 would decrease from 2.33 to 2.32. I am satisfied that the reclassification to Code 8105 would not appear to increase premiums for insureds currently in Code 8018, relative to the status quo.

The remaining requests (Items 1 through 3) are still outstanding.

Mr. Gennady Stolyarov II, ASA, ACAS, MAAA, CPCU, ARe, ARC, API, AIS, AIE, AIAF
Lead Actuary, Property and Casualty Insurance
Nevada Division of Insurance
E-mail: gstolyarov@doi.nv.gov

SERFF Tracking #:

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State: Nevada **Filing Company:** NCCI
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Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
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Rate/Rule Schedule

State: Nevada

Filing Company: NCCI

TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC

Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group

Project Name/Number: /

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Reviewed 10/29/2015	Exhibit 1A	National Classification	Replacement	B-1369	B-1431 Exhibit 1A.pdf
2	Withdrawn by Insurer 10/29/2015	Exhibit 1B	National Classification	Withdrawn	B-1369	B-1431 Exhibit 1B.pdf
3	Withdrawn by Insurer 10/29/2015	Exhibit 1C	National Classification	Withdrawn	B-1369	B-1431 Exhibit 1C.pdf
4	Withdrawn by Insurer 10/29/2015	Exhibit 1D	National Classification	Withdrawn	B-1369	B-1431 Exhibit 1D.pdf
5	Withdrawn by Insurer 10/29/2015	Exhibit 1E	National Classification	Withdrawn	B-1369	B-1431 Exhibit 1E.pdf
6	Withdrawn by Insurer 10/29/2015	Exhibit 1F	National Classification	Withdrawn	B-1369	B-1431 Exhibit 1F.pdf
7	Reviewed 10/29/2015	Exhibit 1G	National Classification	Replacement	B-1369	B-1431 Exhibit 1G.pdf
8	Withdrawn by Insurer 10/29/2015	Exhibit 1H	National Classification	Withdrawn	B-1369	B-1431 Exhibit 1H.pdf
9	Reviewed 10/29/2015	Exhibit 1I	National Classification	Replacement	B-1369	B-1431 Exhibit 1I.pdf
10	Withdrawn by Insurer 10/29/2015	Exhibit 1J	National Classification	Withdrawn	B-1369	B-1431 Exhibit 1J.pdf
11	Reviewed 10/29/2015	Exhibit 1K	National Classification	Replacement	B-1369	B-1431 Exhibit 1K.pdf
12		Exhibit 1L	National Classification	Replacement	B-1369	B-1431 Exhibit 1L.pdf
13	Withdrawn by Insurer 10/29/2015	Exhibit 1M	National Classification	Withdrawn	B-1369	B-1431 Exhibit 1M.pdf
14	Reviewed 10/29/2015	Exhibit 6A	National Classification	Replacement	B-1369	B-1431 Exhibit 6A.pdf
15	Reviewed 10/29/2015	Exhibit 6B	National Classification	Replacement	B-1369	B-1431 Exhibit 6B.pdf
16	Reviewed 10/29/2015	Exhibit 6C	National Classification	Replacement	B-1369	B-1431 Exhibit 6C.pdf
17	Reviewed 10/29/2015	Exhibit 6D	National Classification	Replacement	B-1369	B-1431 Exhibit 6D.pdf
18	Reviewed 10/29/2015	Exhibit 6E	National Classification	Replacement	B-1369	B-1431 Exhibit 6E.pdf
19	Reviewed 10/29/2015	Exhibit 6F	National Classification	Replacement	B-1369	B-1431 Exhibit 6F.pdf
20	Reviewed 10/29/2015	Exhibit 6G	National Classification	Replacement	B-1369	B-1431 Exhibit 6G.pdf
21	Reviewed 10/29/2015	Exhibit 6H	National Classification	Replacement	B-1369	B-1431 Exhibit 6H.pdf
22	Reviewed 10/29/2015	Exhibit 6I	National Classification	Replacement	B-1369	B-1431 Exhibit 6I.pdf
23	Reviewed 10/29/2015	Exhibit 6J	National Classification	Replacement	B-1369	B-1431 Exhibit 6J.pdf
24	Reviewed 10/29/2015	Exhibit 6K	National Classification	Replacement	B-1369	B-1431 Exhibit 6K.pdf
25	Reviewed 10/29/2015	Exhibit 6L	National Classification	Replacement	B-1369	B-1431 Exhibit 6L.pdf

SERFF Tracking #:

NCCI-130283110

State Tracking #:

56513

Company Tracking #:

B-1431

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

26	Reviewed 10/29/2015	Exhibit 6M	National Classification	Replacement	B-1369	B-1431 Exhibit 6M.pdf
27	Reviewed 10/29/2015	Exhibit 6N	National Classification	Replacement	B-1369	B-1431 Exhibit 6N.pdf
28	Reviewed 10/29/2015	Exhibit 6O	National Classification	Replacement	B-1369	B-1431 Exhibit 6O.pdf
29	Reviewed 10/29/2015	Exhibit 6P	National Classification	Replacement	B-1369	B-1431 Exhibit 6P.pdf
30	Reviewed 10/29/2015	Exhibit 7	Appendix E	Replacement	48400	B-1431 Exhibit 7 Appendix E.pdf
31	Send Objection 10/29/2015	Exhibit 5	State Special	Replacement	B-1369	B-1431 Exhibit 5 NV.pdf

ITEM B-1431—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—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—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—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—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—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—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—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—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—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—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—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—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—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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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—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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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—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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EXHIBIT 6C—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
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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—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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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—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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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—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—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP

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

7228 SCAFFOLDING—DELIVERY OF MATERIALS ONLY—LOCAL HAULING ONLY—NO
INSTALLATION, REPAIR OR REMOVAL—ALL EMPLOYEES & DRIVERS

7229 SCAFFOLDING—DELIVERY OF MATERIALS ONLY—LONG DISTANCE HAULING—NO
INSTALLATION, REPAIR OR REMOVAL—ALL EMPLOYEES & DRIVERS

ITEM B-1431—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—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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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—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—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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EXHIBIT 6J—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
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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—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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EXHIBIT 6K—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
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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.

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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—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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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—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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EXHIBIT 6N—NATIONAL CLASSIFICATIONS
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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—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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EXHIBIT 60—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION
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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—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—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, MT, SD</u> <u>8/1/17: RI</u> <u>9/1/17: SC</u>	D
1219		<u>1/1/17: NM</u>	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 10/1/07: WV <u>3/1/17: AL, GA</u> <u>5/1/17: LA</u>		F

ITEM B-1431—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
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, MT, SD</u> <u>8/1/17: RI</u>	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

ITEM B-1431—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
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, MT, SD</u> <u>8/1/17: RI</u> <u>9/1/17: SC</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> <u>5/1/17: LA</u> <u>7/1/17: AR, MT, SD</u> <u>9/1/17: SC</u>	B
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

ITEM B-1431—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
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	<u>NC, TN</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, 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, MT, SD</u> <u>8/1/17: RI</u> <u>9/1/17: SC</u>	A
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>	A

ITEM B-1431—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, MT, SD</u> <u>8/1/17: RI</u> <u>9/1/17: SC</u>	
3117		<u>3/1/17: AL</u> <u>4/1/17: VA</u>	A
3120		<u>1/1/17: 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
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

ITEM B-1431—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
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 10/1/07: WV 6/1/14: TX 1/1/17: OK		D
4311		1/1/17: OK	D
4417		1/1/10: NH 4/1/16: NC 1/1/17: MD 4/1/17: ME	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 10/1/07: WV 1/1/17: OR		B
4565		11/1/16: WV 1/1/17: OK 5/1/17: LA	E
4582		4/1/17: VA	E
4585		10/1/16: KY 1/1/17: KS 3/1/17: MS	D
4586	KS	1/1/17: FL, OK 3/1/17: MS	F

ITEM B-1431—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
4683	National, IN, NC 10/1/07: WV 7/1/17: TX		C
4716	IN	1/1/17: IL, MO	B
4716		7/1/17: TX	C
4730		1/1/17: IL	E
4750	LA	1/1/17: IL	E
4761	CO	1/1/17: OK 3/1/17: TN	G
4770		3/1/17: GA	G
4775		3/1/17: GA	G
4779		3/1/17: GA	G
4940	IL	1/1/17: MO, OK	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 10/1/07: WV 1/1/17: MO		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 10/1/07: WV 1/1/17: MO		E
5515		1/1/17: MO	D

ITEM B-1431—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, MT, SD</u> <u>8/1/17: RI</u> <u>9/1/17: SC</u>	G
6365		<u>7/1/17: 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—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, MT</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>	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>1/1/17: 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—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—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: NV)

7724 NATIONAL GUARD—OFFICERS AND MEMBERS

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

Supporting Document Schedules

Bypassed - Item:	Authorization Letter
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Filing Fees
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Filing Memorandum
Comments:	
Attachment(s):	B-1431 Memorandum.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Workers' Compensation Rate Filing/Loss Costs Expense Worksheet
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	B-1431 Fact Sheets
Comments:	
Attachment(s):	B-1431 Fact Sheet 1.pdf B-1431 Fact Sheet 5.pdf B-1431 Fact Sheet 6.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response to Objection
Comments:	
Attachment(s):	Nevada Interrogatory Response.pdf

SERFF Tracking #:

NCCI-130283110

State Tracking #:

56513

Company Tracking #:

B-1431

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

Item Status:	
Status Date:	

FILING MEMORANDUM

ITEM B-1431—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 2014 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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ITEM B-1431—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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ITEM B-1431—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—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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State	Anticipated* Effective Date
Maryland	January 1, 2017
Mississippi	March 1, 2017
Missouri	January 1, 2017
Montana	July 1, 2017
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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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, MT, 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, 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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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	
<i>Statistical Plan Coding Values</i>	3, 4, 5	10	GA, OK, TN	
<i>Assigned Carrier Performance Standards</i>	1, 4	11	AK, AR, GA, IN, KS, MS, NH, OR, SD	

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

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—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, MT

* 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.

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

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

**ITEM B-1431—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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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—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	
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*

ITEM B-1431—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)
MO	4716—Lard Refining	4683—Lard Refining
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. 3516—Reed or Loom Harness Mfg.	3515—Loom Harness or Reed Mfg.
TN	8295—Cotton Merchant 8295—Cotton Storage	8103—Cotton Merchant 8103—Cotton Storage
TX	2576—Awning or Tent Mfg.—Fabric—Shop 2576—Canvas Goods Mfg. NOC—Shop 2576—Sail Making 2576—Tent or Awning Mfg.—Shop	2501—Awning or Tent Mfg.—Shop 2501—Cloth, Canvas and Related Products Mfg. NOC 2501—Sailmaking
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.

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.

**ITEM B-1431—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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EXHIBIT 5—FACT SHEET (CONT'D)

* 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—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP**

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:

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

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

**ITEM B-1431—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
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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.



**National Council on
Compensation Insurance**

Magda "Maggie" Karpuk
State Relations Executive
Regulatory Services Division

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November 24, 2015

Department of Business and Industry
Division of Insurance, Property & Casualty Section
1818 East College Parkway, Suite 103
Carson City, NV 89706

Attn: Mr. Gennady Stolyarov II, Lead Actuary

Re: Item B-1431—Revisions to Basic Manual Classifications and Appendix E—Classifications By Hazard Group
SERFF Tracking Number: NCCI-130283110 State Tracking Number: 56513

Dear Mr. Stolyarov:

Thank you for your October 29, 2015 objection regarding the above-referenced item filing. After review and consideration, we offer the following responses to your objections.

Objection 1:

Exhibit 1L is marked as "Withdrawn" in the Form Schedule - but it appears from the marked-up version that the only intended substantive revision is to remove references to Classification Code 6260. Was it instead the intent of NCCI to mark this schedule item as a "Replacement" instead of being "Withdrawn"? If so, please amend the designation accordingly within the Form Schedule.

Response 1:

As a result of the minor revisions to Codes 6306—Sewer Construction—All Operations & Drivers and 6319—Steam Mains or Connections Construction & Drivers, Exhibit 1L should have been marked as "Replacement" on the Form Schedule. NCCI will make this correction and resubmit the Form Schedule.

Objection 2:

(i) Please provide the most recent annual payroll in Nevada for Classification Code 7724 National Guard Officers and Members. Please also provide the most current Nevada-specific loss experience for this classification code. Based on my review of the March 2014 A-Sheet previously provided to me by NCCI, this classification code did have very modest payroll and no losses during the five years from 2006 to 2010. I am seeking more up-to-date payroll information and loss experience in order to evaluate whether discontinuing this classification code is justified.

(ii) One concern that has arisen is that the proposed reclassification of Code 7724 to Code 7720 Police Officers & Drivers would result in the loss cost for the affected insured(s) rising from 2.8 (most recent filed loss cost, effective March 1, 2015, for Code 7724) to 4.69 (most recent filed loss cost, effective March 1, 2015, for Code 7720). This would be a major increase to cover the affected National Guard servicepersons, who, intuitively, are not exposed to some of the same kinds of occupational hazards that police officers regularly face (for instance, responding to violent and potentially violent criminals). From an intuitive perspective, it would appear reasonable for the loss costs for National Guard servicepersons to be lower than those of police officers, due to the reduced levels of occupational hazard involved. Furthermore, this change could engender confusion among any affected National Guard servicepersons as to why they are being classified in the same manner as police officers and why the premiums paid for their coverage will have risen substantially as a result of the reclassification. Therefore, if the payroll for Code 7724 in Nevada remains

positive, I would be disinclined to recommend discontinuation of this State-specific code, in spite of its low credibility. If no actual payroll remains within Code 7724, however, I would acquiesce to approving its elimination due to the lack of practical impact.

Response 2:

In Code 7724, there has been only one policyholder with exposure in the code. Below is a summary of the most recently approved 3/1/2016 A-sheet data for Code 7724, along with the exposure for Code 7720 and the total exposure for the risk. Although the 1/1/2013 and 1/1/2014 policies have not been fully validated, they are included here for informational purposes. Looking back even further than the five years shown, there has only been one risk writing in this class code for the past ten policy periods. As can be seen below, the exposure in Code 7724 makes up less than 0.15% of the total exposure for the policy in any of the seven years listed below. In addition, the risk has exposure in Code 7720. Although the loss cost for Code 7724 is lower than the loss cost for Code 7720, the impact is expected to be insignificant on the policy. It is not NCCI's standard to create loss costs for a class code based on the experience of one risk. Experience rating is a better mechanism to differentiate between the experience of a risk compared to the other risks in the same class code.

Policy Effective Date	(1) 7724 Exposure Amount	(2) 7720 Exposure Amount	(3) Total Policy Exposure	(4) = (1) / (3) % of 7724 Exposure of Total Policy Exposure
1/1/2014	\$ 42,549	\$ 105,911,183	\$ 636,849,539	0.01%
1/1/2013	\$ 325,057	\$ 105,914,252	\$ 613,846,223	0.05%
1/1/2012	\$ 812,550	\$ 103,489,069	\$ 616,582,228	0.13%
1/1/2011	\$ 61,545	\$ 105,211,986	\$ 626,025,632	0.01%
1/1/2010	\$ 5,105	\$ 107,549,677	\$ 645,666,126	0.00%
1/1/2009	\$ 17,263	\$ 108,663,126	\$ 618,742,765	0.00%
1/1/2008	\$ 58,450	\$ 109,142,967	\$ 609,630,435	0.01%

CLASS 7724		NATIONAL GUARD - OFFICERS AND MEMBERS							
Industry Group: Office and Clerical Hazard Group: G		CONVERTED LOSSES							
POLICY PERIOD	PAYROLL	INDEMNITY LIKELY		INDEMNITY NOT-LIKELY		MED LIKELY	MED NOT-LIKELY	TOTAL	TOTAL
		CASES	AMOUNT	CASES	AMOUNT	AMOUNT	AMOUNT	AMOUNT	PURE PREM.
1/08 through 12/08	58,450	0	0	0	0	0	0	0	0.00
1/09 through 12/09	17,263	0	0	0	0	0	0	0	0.00
1/10 through 12/10	5,105	0	0	0	0	0	0	0	0.00
1/11 through 12/11	61,545	0	0	1	791	0	2,356	3,147	5.11
1/12 through 12/12	812,550	0	0	0	0	0	0	0	0.00
5 YR. TOTAL	954,913	0	0	1	791	0	2,356	3,147	0.33
		INDEMNITY				MEDICAL		TOTAL	
		CRED.	PURE PREM.*	CRED.	PURE PREM.*			PURE PREM.*	
Indicated Pure Premium		5%	0.083	6%	0.247			0.33	
Pure Premium Indicated by National Relativity		0%	0.000	0%	0.000			0.00	
Pure Premium Present on Rate Level		95%	1.384	94%	1.104			2.49	
Pure Premium Derived by Formula			1.319		1.053			2.37	

Objection 3:

Please provide the most recent annual payroll in Nevada for Classification Code 2300Plush or Velvet Mfg. Please also provide the most current Nevada-specific loss experience for this classification code. Based on my review of the March 2014 ASheet previously provided to me by NCCI, this classification code had over

\$2,000,000 in payroll in 2010 and over \$3,400,000 in payroll in 2006. However, payroll for this classification code in Nevada appears to have been on a declining trend, and I am curious as to whether this decline has continued, and, if so, to what extent. Reclassification to Classification Code 2501 Cloth, Canvas, and Related Products Mfg. NOC would result in a loss-cost increase from 2.15 to 2.33 (based on the NCCI loss-cost filing effective March 1, 2015). Even given the limited credibility of Nevada payroll and loss experience, I would like to see whether the Nevada data, standing alone, would generate a sufficiently high empirical loss cost for risks currently classified under Code 2300 as to justify the reclassification.

Response 3:

Below is the approved 3/1/2016 A-Sheet data for Code 2300, which contains the most recent annual payroll and loss experience. The latest approved loss costs for Codes 2300 and 2501 along with the first report payroll are included in the second exhibit. Payroll in Code 2300 has remained relatively consistent over the five policy periods making up the experience period shown. There has only been one risk writing in this class code for the past ten policy periods, so the impact of eliminating this class code is limited to one risk.

The present on rate level pure premium is higher due to prior higher losses caused by the volatility in projecting a loss cost based on one risk's data. Note that this class code is being discontinued nationally. If this code is not eliminated in Nevada, the national pure premium will be zero, leaving most of the credibility to the high present on rate level.

CLASS 2300		PLUSH MFG							
Industry Group: Manufacturing Hazard Group: A		CONVERTED LOSSES							
POLICY PERIOD	PAYROLL	INDEMNITY LIKELY		INDEMNITY NOT-LIKELY		MED LIKELY	MED NOT-LIKELY	TOTAL	TOTAL
		CASES	AMOUNT	CASES	AMOUNT	AMOUNT	AMOUNT	AMOUNT	PURE PREM
1/08 through 12/08	2,347,329	0	0	0	0	0	10,849	10,849	0.46
1/09 through 12/09	1,877,230	0	0	0	0	0	4,803	4,803	0.26
1/10 through 12/10	2,066,220	0	0	1	394	0	4,058	4,452	0.22
1/11 through 12/11	2,511,568	0	0	1	1,934	0	8,015	9,949	0.40
1/12 through 12/12	2,453,347	1	1,548	0	0	3,893	6,477	11,918	0.49
5 YR. TOTAL	11,255,694	1	1,548	2	2,328	3,893	34,202	41,971	0.37
		INDEMNITY			MEDICAL			TOTAL	
		CRED.	PURE PREM.*	CRED.	PURE PREM.*	PURE PREM.*			
Indicated Pure Premium		11%	0.034	15%	0.338	0.37			
Pure Premium Indicated by National Relativity		16%	0.675	16%	0.503	1.18			
Pure Premium Present on Rate Level		73%	0.799	69%	1.155	1.95			
Pure Premium Derived by Formula		0.695			0.928			1.62	

Eliminated Code Data				National Code Data			Impact Data		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
							= (6)/(2) - 1	= [(2)*(3)+(6)*(7)] / [(3)+(7)]	= (9)/(2) - 1
Codes to Eliminate	Loss Cost/Rate Code of Proposed Eliminated Code	1st Report Payroll of Proposed Eliminated Code	Policy Count of Proposed Eliminated Code	National Code to Assign	Loss Cost/Rate of National Code	1st Report Payroll of National Code	Loss Cost/Rate Change from Eliminated Code to National Code	Weighted Average Loss Cost	Average Change based on Weighted Average Loss Costs Loss Cost/Rate
2300	1.76	2,453,347		2501	2.05	16,077,632	16%	2.01	14%

Objection 4:

Below are the approved 3/1/2016 loss costs for Codes 8018 and 8015. There was a small decrease for Code 8018 while 8105 experienced a larger decrease. Code 8018 is a larger class hence has more stability in the loss cost. The decrease in Code 8105 is being driven mostly by the lower present on rate level pure premium. The opposite could occur if one loss enters the experience period. Note that the impact of using class 8018 and discontinuing class 8105 would be (2.32/2.10) = +10% which is within the swing limits.

Response 4:

Below are the approved 3/1/2016 loss costs for Codes 8018 and 8015. There was a small decrease for Code 8018 while 8105 experienced a larger decrease. Code 8018 is a larger class hence has more stability in the loss cost. The decrease in Code 8105 is being driven mostly by the lower present on rate level pure premium. The opposite could occur if one loss enters the experience period. Note that the impact of using class 8018 and discontinuing class 8105 would be $(2.32/2.10) = +10\%$ which is within the swing limits.

Advisory Loss Costs Comparison

Class Code	Current 03/01/15	Proposed 03/01/16	Percent Change
8018	2.33	2.32	-0.4%
8105	2.32	2.10	-9.5%

CLASS 8105		STORE: HIDE DEALER							
Industry Group: Goods and Services Hazard Group: B		CONVERTED LOSSES							
POLICY PERIOD	PAYROLL	INDEMNITY LIKELY		INDEMNITY NOT-LIKELY		MED LIKELY	MED NOT-LIKELY	TOTAL	TOTAL
		CASES	AMOUNT	CASES	AMOUNT	AMOUNT	AMOUNT	AMOUNT	PURE PREM.
1/08 through 12/08	225,403	0	0	0	0	0	0	0	0.00
1/09 through 12/09	285,907	0	0	0	0	0	0	0	0.00
1/10 through 12/10	192,490	0	0	0	0	0	0	0	0.00
1/11 through 12/11	243,844	0	0	0	0	0	0	0	0.00
1/12 through 12/12	224,419	0	0	0	0	0	0	0	0.00
5 YR. TOTAL	1,172,063	0	0	0	0	0	0	0	0.00
		INDEMNITY		MEDICAL		TOTAL			
		CRED.	PURE PREM.*	CRED.	PURE PREM.*	PURE PREM.*			
Indicated Pure Premium		5%	0.000	6%	0.000	0.00			
Pure Premium Indicated by National Relativity		14%	1.274	15%	1.135	2.41			
Pure Premium Present on Rate Level		81%	0.836	79%	1.267	2.10			
Pure Premium Derived by Formula			0.856		1.171	2.03			

Thank for your consideration of this item. If you have further questions, please do not hesitate to contact me.

Sincerely,



Magda "Maggie" Karpuk
State Relations Executive

SERFF Tracking #:

NCCI-130283110

State Tracking #:

56513

Company Tracking #:

B-1431

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1431 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group
Project Name/Number: /

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
10/27/2015	Reviewed 10/29/2015	Rate	Exhibit 1L	11/24/2015	B-1431 Exhibit 1L.pdf

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: 02-NV-2015 Revisions to Nevada Rules and Forms for Employee Leasing Arrangements
Project Name/Number: /

Filing at a Glance

Company: NCCI
Product Name: 02-NV-2015 Revisions to Nevada Rules and Forms for Employee Leasing Arrangements
State: Nevada
TOI: 16.0 Workers Compensation
Sub-TOI: 16.0004 Standard WC
Filing Type: Form/Rate/Rule
Date Submitted: 11/16/2015
SERFF Tr Num: NCCI-130327071
SERFF Status: Closed-Approved
State Tr Num: 56862
State Status: Approved
Co Tr Num: 02-NV-2015

Effective Date: 03/01/2016
Requested (New):
Effective Date: 03/01/2016
Requested (Renewal):
Author(s): Lesley O'Brien, Alison Herwig, Frank Gnolfo, Robert Dalton, Michelle Baker, Miguel Joubert
Reviewer(s): Gennady Stolyarov (primary)
Disposition Date: 11/18/2015
Disposition Status: Approved
Effective Date (New):
Effective Date (Renewal):

State Filing Description:

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: 02-NV-2015 Revisions to Nevada Rules and Forms for Employee Leasing Arrangements
Project Name/Number: /

General Information

Project Name: Status of Filing in Domicile:
 Project Number: Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 11/18/2015
 State Status Changed: 11/18/2015 Deemer Date:
 Created By: Frank Gnoflo Submitted By: Robert Dalton
 Corresponding Filing Tracking Number:
 State TOI: 16.0 Workers Compensation State Sub-TOI: 16.0004 Standard WC

Filing Description:
 This item revises rules and endorsements for employers involved in employee leasing arrangements in Nevada.

Company and Contact

Filing Contact Information

Maggie Karpuk, State Relations Executive maggie_karpuk@ncci.com
 2815 Townsgate Road 818-707-8374 [Phone]
 Suite 210 818-707-8387 [FAX]
 Westlake Village, CA 91361

Filing Company Information

NCCI CoCode: State of Domicile: Florida
 901 Peninsula Corporate Circle Group Code: Company Type:
 Boca Raton, FL 33487 Group Name: State ID Number:
 (561) 893-3186 ext. [Phone] FEIN Number: 65-0439698

Filing Fees

Fee Required? Yes
 Fee Amount: \$100.00
 Retaliatory? No
 Fee Explanation: 1 Rule @ \$25 and 3 Forms @\$25 per form
 Per Company: Yes

Company	Amount	Date Processed	Transaction #
NCCI	\$100.00	11/16/2015	102857990

State: Nevada Filing Company: NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: 02-NV-2015 Revisions to Nevada Rules and Forms for Employee Leasing Arrangements
Project Name/Number: /

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Gennady Stolyarov	11/18/2015	11/18/2015

State: Nevada
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: 02-NV-2015 Revisions to Nevada Rules and Forms for Employee Leasing Arrangements
Project Name/Number: /

Filing Company: NCCI

Disposition

Disposition Date: 11/18/2015

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Authorization Letter		Yes
Supporting Document	Filing Fees		Yes
Supporting Document	Filing Memorandum		Yes
Supporting Document	Workers' Compensation Rate Filing/Loss Costs Expense Worksheet		Yes
Form	Nevada Employee Leasing Multiple Coordinated Policies Basis Endorsement		Yes
Form	Nevada Employee Leasing Multiple Coordinated Policies Basis Endorsement		Yes
Form	Nevada Employee Leasing Master Policy Basis Endorsement		Yes
Rate	Exhibit 1		Yes
Rate	Exhibit 2		Yes
Rate	Exhibit 3		Yes

State: Nevada

Filing Company: NCCI

TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC

Product Name: 02-NV-2015 Revisions to Nevada Rules and Forms for Employee Leasing Arrangements

Project Name/Number: /

Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data		Readability Score	Attachments
							Previous Filing Number:	Replaced Form Number:		
1		Nevada Employee Leasing Multiple Coordinated Policies Basis Endorsement	WC 27 03 01 B	1/2016	END	Replaced	01-NV-2011	WC 27 03 01 A		02-NV-2015 Exhibit 4-A.pdf
2		Nevada Employee Leasing Multiple Coordinated Policies Basis Endorsement	WC 27 03 01 C	1/2017	END	Replaced	01-NV-2011	WC 27 03 01 B		02-NV-2015 Exhibit 4-B.pdf
3		Nevada Employee Leasing Master Policy Basis Endorsement	WC 27 03 04 A	1/1/2016	END	Replaced	01-NV-2011	WC 27 03 04		02-NV-2015 Exhibit 5.pdf

Form Type Legend:

ABE	Application/Binder/Enrollment	ADV	Advertising
BND	Bond	CER	Certificate
CNR	Canc/NonRen Notice	DEC	Declarations/Schedule
DSC	Disclosure/Notice	END	Endorsement/Amendment/Conditions
ERS	Election/Rejection/Supplemental Applications	OTH	Other

ITEM 02-NV-2015—REVISIONS TO NEVADA RULES AND FORMS FOR EMPLOYEE LEASING ARRANGEMENTS

EXHIBIT 4-A
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
NEVADA EMPLOYEE LEASING MULTIPLE COORDINATED POLICIES BASIS ENDORSEMENT
(WC 27 03 01 B)
(Applicable to Voluntary and Assigned Risk Policies)

NEVADA EMPLOYEE LEASING MULTIPLE COORDINATED POLICIES BASIS ENDORSEMENT (WC 27 03 01 A B)

This endorsement provides coverage for workers leased from an employee leasing company to the client company named on the policy. It also extends coverage to the employee leasing company shown in the Schedule below.

This endorsement applies only if attached to a policy written on a multiple coordinated policy basis, issued in your name as the primary insured, and only with respect to workers you lease under an employee leasing arrangement from the employee leasing company shown in the Schedule below. This policy does not provide coverage for any other workers, leased or nonleased.

Certain words and phrases in this endorsement are defined as follows:

“Employee leasing company” means a company that provides workers for a fee to a client company, pursuant to a written agreement, through an employee leasing arrangement.

“Client company” means a company that leases employees, for a fee, from an employee leasing company pursuant to a written agreement.

“Employee leasing arrangement” means a written ~~or oral~~ agreement intended by the parties to create an ongoing relationship under which an employee leasing company places any of the regular, full-time employees of a client company on its payroll, and, for a fee, leases them to the client company. ~~Employee leasing arrangements do not include temporary employment service arrangements, or any oral arrangements or agreements of any type on a regular basis without any limitation on the duration of their employment; or under which the company leases to a client company five or more part-time or full-time employees or at least 10% of the total number of the client’s employees within a classification of risk. Employee leasing arrangements do not include temporary employment service arrangements, or any oral arrangements or agreements of any type.~~

“Ongoing relationship” means a relationship where the rights, duties, and obligations of an employer which arise out of an employment relationship are allocated between the employee leasing company and the client company on an ongoing, long-term basis. ~~The term does not include a temporary or project-specific agreement between an employee leasing company and a client company.~~

“Multiple Coordinated Policies (MCP) Basis” means a policy that covers all of the employees leased by the employee leasing company to a client company such that:

1. The policy covers the liability of both the employee leasing company and the client company for payments required by Chapters 616A to 616D, inclusive, or Chapter 617 of Nevada Revised Statutes
2. A separate policy for the leased workers is issued in the name of each client company
3. The employee leasing company controls payments and communications related to the policy

Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply to the employee leasing company that is named as an additional insured on this policy. Under Part One, we will reimburse the employee leasing company for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

ITEM 02-NV-2015—REVISIONS TO NEVADA RULES AND FORMS FOR EMPLOYEE LEASING ARRANGEMENTS

EXHIBIT 4-A (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
NEVADA EMPLOYEE LEASING MULTIPLE COORDINATED POLICIES BASIS ENDORSEMENT
(WC 27 03 01 B)
(Applicable to Voluntary and Assigned Risk Policies)

The workers compensation insurance afforded to the client company under this employee leasing arrangement covers workers leased from the employee leasing company. It does not satisfy the client company's duty to secure its obligations under the workers compensation law for its nonleased workers.

It is the responsibility of the employee leasing company to:

1. Report to us that you have executed a written agreement required by NRS 616B.688 with the employee leasing company to provide coverage for workers compensation for the employees that the employee leasing company leases to you no later than thirty (30) days after the execution of the written agreement.
2. Report to us the termination of the written agreement required by NRS 616B.688 with the employee leasing company to provide coverage for workers compensation for the employees that the employee leasing company leases to you no later than thirty (30) days prior to the termination of the written agreement.

Failure to comply with the reporting requirements described in this endorsement may result in a violation of NRS 687B.325 and mid-term cancellation of your policy, and any such cancellation will be applicable to both you and the employee leasing company that is shown in the Schedule below and named as an additional insured on your policy.

If this policy is cancelled, we will send notice of such cancellation to you and to the employee leasing company.

Premium will be charged for workers you lease from the employee leasing company named in the Schedule below. You must obtain from the employee leasing company and furnish to us a complete payroll record of workers you lease from the employee leasing company listed in the Schedule below, to satisfy your obligations under Part Five (Premium), C. 2. The experience modification, anniversary rating date, classifications, and rates applicable to the client company will apply to this policy.

Part Four (Your Duties If Injury Occurs) applies to you and to the employee leasing company. The employee leasing company will recognize our right to defend under Parts One and Two and our right to inspect under Part Six (Conditions).

Schedule

**Employee Leasing
Company**

Address

ITEM 02-NV-2015—REVISIONS TO NEVADA RULES AND FORMS FOR EMPLOYEE LEASING ARRANGEMENTS

EXHIBIT 4-B

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
NEVADA EMPLOYEE LEASING MULTIPLE COORDINATED POLICIES BASIS ENDORSEMENT
(WC 27 03 01 C)**

(Applicable to Voluntary and Assigned Risk Policies)

(This Exhibit Shows Changes to Be Implemented 5/1/2017 in Nevada due to Item B-1430)

NEVADA EMPLOYEE LEASING MULTIPLE COORDINATED POLICIES BASIS ENDORSEMENT (WC 27 03 01 B C)

This endorsement provides coverage for workers leased from an employee leasing company to the client company named on the policy. It also extends coverage to the employee leasing company shown in the Schedule below.

This endorsement applies only if attached to a policy written on a multiple coordinated policy basis, issued in your name as the primary insured, and only with respect to workers you lease under an employee leasing arrangement from the employee leasing company shown in the Schedule below. This policy does not provide coverage for any other workers, leased or nonleased.

Certain words and phrases in this endorsement are defined as follows:

“Employee leasing company” means a company that provides workers for a fee to a client company, pursuant to a written agreement, through an employee leasing arrangement.

“Client company” means a company that leases employees, for a fee, from an employee leasing company pursuant to a written agreement.

“Employee leasing arrangement” means a written agreement intended by the parties to create an ongoing relationship under which an employee leasing company places any of the regular, full-time employees of a client company on its payroll, and, for a fee, leases them to the client company. Employee leasing arrangements do not include temporary employment service arrangements, or any oral arrangements or agreements of any type.

“Ongoing relationship” means a relationship where the rights, duties, and obligations of an employer which arise out of an employment relationship are allocated between the employee leasing company and the client company on an ongoing, long-term basis. The term does not include a temporary or project-specific agreement between an employee leasing company and a client company.

“Multiple Coordinated Policies (MCP) Basis” means a policy that covers all of the employees leased by the employee leasing company to a client company such that:

1. The policy covers the liability of both the employee leasing company and the client company for payments required by Chapters 616A to 616D, inclusive, or Chapter 617 of Nevada Revised Statutes
2. A separate policy for the leased workers is issued in the name of each client company
3. The employee leasing company controls payments and communications related to the policy

Part One—(Workers Compensation Insurance) and Part Two—(Employers Liability Insurance) will apply to the employee leasing company that is named as an additional insured on this policy. Under Part One, we will reimburse the employee leasing company for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

ITEM 02-NV-2015—REVISIONS TO NEVADA RULES AND FORMS FOR EMPLOYEE LEASING ARRANGEMENTS

**EXHIBIT 4-B (CONT'D)
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
NEVADA EMPLOYEE LEASING MULTIPLE COORDINATED POLICIES BASIS ENDORSEMENT
(WC 27 03 01 C)**

(Applicable to Voluntary and Assigned Risk Policies)

(This Exhibit Shows Changes to Be Implemented 5/1/2017 in Nevada due to Item B-1430)

The workers compensation insurance afforded to the client company under this employee leasing arrangement covers workers leased from the employee leasing company. It does not satisfy the client company's duty to secure its obligations under the workers compensation law for its nonleased workers.

It is the responsibility of the employee leasing company to:

1. Report to us that you have executed a written agreement required by NRS 616B.688 with the employee leasing company to provide coverage for workers compensation for the employees that the employee leasing company leases to you no later than thirty (30) days after the execution of the written agreement.
2. Report to us the termination of the written agreement required by NRS 616B.688 with the employee leasing company to provide coverage for workers compensation for the employees that the employee leasing company leases to you no later than thirty (30) days prior to the termination of the written agreement.

Failure to comply with the reporting requirements described in this endorsement may result in a violation of NRS 687B.325 and mid-term cancellation of your policy, and any such cancellation will be applicable to both you and the employee leasing company that is shown in the Schedule below and named as an additional insured on your policy.

If this policy is cancelled, we will send notice of such cancellation to you and to the employee leasing company.

Premium will be charged for workers you lease from the employee leasing company named in the Schedule below. You must obtain from the employee leasing company and furnish to us a complete payroll record of workers you lease from the employee leasing company listed in the Schedule below, to satisfy your obligations under Part Five—(Premium), Section C. (Remuneration), Item 2. of the policy. The experience rating modification, anniversary rating date, classifications, and rates applicable to the client company will apply to this policy.

Part Four—(Your Duties If Injury Occurs) applies to you and to the employee leasing company. The employee leasing company will recognize our right to defend under Parts One and Part Two and our right to inspect under Part Six—(Conditions).

Schedule

**Employee Leasing
Company**

Address

ITEM 02-NV-2015—REVISIONS TO NEVADA RULES AND FORMS FOR EMPLOYEE LEASING ARRANGEMENTS

EXHIBIT 5

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
NEVADA EMPLOYEE LEASING MASTER POLICY BASIS ENDORSEMENT (WC 27 03 04 A)
(Applicable to Voluntary and Assigned Risk Policies)**

NEVADA EMPLOYEE LEASING MASTER POLICY BASIS ENDORSEMENT (WC 27 03 04 A)

This endorsement provides coverage for workers leased from an employee leasing company to the client company named on the Information Page of the policy. It also extends coverage to the client company.

This endorsement applies only if attached to a policy written on a master policy basis, issued in your name as the primary insured, and only with respect to leased workers provided by you under an employee leasing arrangement to a client company named as an additional insured on this policy.

Certain words and phrases in this endorsement are defined as follows:

“Client Company” means a company that leases employees, for a fee, from an employee leasing company pursuant to a written agreement.

“Employee Leasing Company” means a company that provides workers for a fee to a client company, pursuant to a written agreement, through an employee leasing arrangement.

“Employee Leasing Arrangement” means a written agreement intended by the parties to create an ongoing relationship under which an employee leasing company places any of the regular, full-time employees of a client company on its payroll, and, for a fee, leases them to the client company. ~~Employee leasing arrangements do not include temporary employment service arrangements, or any oral arrangements or agreements of any type on a regular basis without any limitation on the duration of their employment; or under which the company leases to a client company five or more part-time or full-time employees or at least 10% of the total number of the client's employees within a classification of risk. Employee leasing arrangements do not include temporary employment service arrangements, or any oral arrangements or agreements of any type.~~

“Ongoing relationship” means a relationship where the rights, duties, and obligations of an employer which arise out of an employment relationship are allocated between the employee leasing company and the client company on an ongoing, long-term basis. The term does not include a temporary or project-specific agreement between an employee leasing company and a client company.

“Master Policy Basis” means a single standard workers compensation and employers liability policy written in the name of the employee leasing company with one or more client companies of the employee leasing company shown as additional named insureds on the policy.

Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply to only the leased workers of the client company that is named as an additional insured on this policy. Under Part One, we will reimburse you for the benefits required by the workers compensation law if we are not permitted to pay the benefits directly to the persons entitled to them.

The insurance afforded by this endorsement is not intended to satisfy the client company's duty to secure its obligations under the workers compensation law for its nonleased workers.

It is the responsibility of the employee leasing company to:

1. Report to us that you have executed a written agreement required by NRS 616B.688 with the client company to provide coverage for workers compensation for the employees that you lease to the client company no later than thirty (30) days after the execution of the written agreement.

ITEM 02-NV-2015—REVISIONS TO NEVADA RULES AND FORMS FOR EMPLOYEE LEASING ARRANGEMENTS

EXHIBIT 5 (CONT'D)

**FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
NEVADA EMPLOYEE LEASING MASTER POLICY BASIS ENDORSEMENT (WC 27 03 04 A)
(Applicable to Voluntary and Assigned Risk Policies)**

2. Report to us the termination of the written agreement required by NRS 616B.688 with the client company to provide coverage for workers compensation for the employees that you lease to the client company no later than thirty (30) days prior to the termination of the written agreement.

Failure to comply with the reporting requirements described in this endorsement may result in a violation of NRS 687B.325 and mid-term cancellation of your policy, and any such cancellation will be applicable to both you and each client company that is named as an additional insured on your policy.

If this policy is cancelled, we will send notice of such cancellation to you and each client company named as an additional insured on this policy.

Premium will be charged for workers you lease to a client company shown as the client company named insured on this policy. To satisfy your obligations under Part Five (Premium), C.2, you must maintain and furnish to us a complete payroll record by client company of these leased workers.

Part Four (Your Duties If Injury Occurs) applies to you and to the client company. The client company will recognize our right to defend under Parts One and Two and our right to inspect under Part Six (Conditions).

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State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: 02-NV-2015 Revisions to Nevada Rules and Forms for Employee Leasing Arrangements
Project Name/Number: /

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Exhibit 1	Rule 3-D-1, Rule 3-D-2	Replacement	01-NV-2011	02-NV-2015 Exhibit 1.pdf
2		Exhibit 2	Rule 3-D-5	Replacement	01-NV-2011	02-NV-2015 Exhibit 2.pdf
3		Exhibit 3	Rule 3-D-6	Replacement	01-NV-2011	02-NV-2015 Exhibit 3.pdf

ITEM 02-NV-2015—REVISIONS TO NEVADA RULES AND FORMS FOR EMPLOYEE LEASING ARRANGEMENTS

EXHIBIT 1
BASIC MANUAL—2001 EDITION
NEVADA RULE EXCEPTIONS
RULE 3—RATING DEFINITIONS AND APPLICATION OF PREMIUM ELEMENTS
D. EMPLOYEE LEASING ARRANGEMENTS
(Applicable to Voluntary and Assigned Risk Policies)

1. Definitions**a. Employee Leasing Arrangement**

A written agreement intended by the parties to create an ongoing relationship under which an employee leasing company places any of the regular, full-time employees of a client company on its payroll, and, for a fee, leases them to the client company on a regular basis without any limitation on the duration of their employment; or under which the company leases to a client company five or more part-time or full-time employees or at least 10% of the total number of the client's employees within a classification of risk.

For purposes of this rule, employee leasing arrangement does not include temporary or project-specific employment service arrangements, or any oral arrangements or agreements of any type.

b. Ongoing Relationship

A relationship where the rights, duties, and obligations of an employer which arise out of an employment relationship are allocated between the employee leasing company and the client company on an ongoing, long-term basis.

The term does not include a temporary or project-specific agreement between an employee leasing company and a client company.

~~c.~~ ~~b.~~ Temporary Employment Service Arrangement

An arrangement whereby an organization hires its own employees and such workers are provided to work for a client on a temporary basis. A temporary basis is considered to exist when there is a written contract or agreement that states the finite period of time the service will be provided and/or the service provided under one or more of the following work situations, including but not limited to:

- (1) Replace an absent worker who will return, such as during an authorized leave of absence, vacation, jury duty, or illness
- (2) Fill a short-term or temporary professional skill shortage
- (3) Staff a seasonal workload
- (4) Staff a special assignment or project where the worker will be terminated or assigned to another temporary project upon completion
- (5) Satisfy the requirements of the employer's overall employment program, such as a probationary period before new workers are granted permanent employee status

~~d.~~ ~~c.~~ Client Company

A company that leases employees, for a fee, from an employee leasing company pursuant to a written agreement.

~~e.~~ ~~d.~~ Employee Leasing Company or Professional Employer Organization (PEO)

A company that provides workers, for a fee, to a client company pursuant to a written agreement, through an employee leasing arrangement.

Without limitation, an employee leasing company may also be referred to as a professional employer organization, lessor, or other similarly administered entity. If an entity provides workers, by contract or for a fee, to a client and any such workers are not provided on a temporary basis, that entity will be considered an employee leasing company.

ITEM 02-NV-2015—REVISIONS TO NEVADA RULES AND FORMS FOR EMPLOYEE LEASING ARRANGEMENTS

**EXHIBIT 1 (CONT'D)
BASIC MANUAL—2001 EDITION
NEVADA RULE EXCEPTIONS
RULE 3—RATING DEFINITIONS AND APPLICATION OF PREMIUM ELEMENTS
D. EMPLOYEE LEASING ARRANGEMENTS
(Applicable to Voluntary and Assigned Risk Policies)**

f. ~~e.~~ Leased Worker (Leased Employee)

A person performing services for a client company under an employee leasing arrangement. For purposes of this rule, the term “leased worker” does not include a person working on a temporary basis. If a person has been previously employed by the client company prior to working for an employee leasing company, it is presumed that the person is a leased worker and not a temporary worker.

g. ~~f.~~ Direct Worker (Direct Employee)

An employee, executive officer, LLC member, partner, or owner of a client company or employee leasing company that is not a leased worker obtained through an employee leasing arrangement. For purposes of this rule, the employer of the direct worker(s) is responsible for securing workers compensation insurance for the direct worker(s), unless otherwise determined by state law or regulation.

h. ~~g.~~ Master Policy Basis

A single standard workers compensation and employers liability policy written in the name of the employee leasing company with one or more client companies of the employee leasing company named as additional insureds on the policy.

i. ~~h.~~ Multiple Coordinated Policies (MCP) Basis

A policy that covers all of the employees leased by the employee leasing company to a client company such that:

- (1) The policy covers the liability of both the employee leasing company and the client company for payments required by Chapters 616A to 616D, inclusive, or Chapter 617 of Nevada Revised Statutes (NRS).
- (2) A separate policy is issued to or on behalf of each client company
- (3) The employee leasing company controls payments and communications related to the policy

2. Law on Employee Leasing Company and Client Company

- a. An client company of an employee leasing company ~~that complies with the provisions of as defined in NRS 616B.670 to 616B.697, inclusive, and is registered with the Division of Industrial Relations, must be deemed to be the employer of the employees it leases to a client company. The provisions of this rule apply only for the purposes of Chapters 612 and 616A to 617, inclusive of NRS.~~
- b. An employee leasing company must be deemed to be an employer of its leased employees for the purposes of offering, sponsoring, and maintaining any benefit plans. The provisions of this rule do not affect the employer-employee relationship that exists between a leased employee and a client company.
- c. An employee leasing company must not offer, sponsor, or maintain for its leased employees any self-funded insurance program. An employee leasing company must not act as a self-insured employer pursuant to Chapters 616A to 616D, inclusive, or Chapter 617 of NRS or Title 57 of NRS.
- d. If an employee leasing company fails to:
 - (1) Pay any contributions, premiums, forfeits, or interest due; or
 - (2) Submit any reports or other information required, pursuant to this chapter or Chapters ~~612,~~ 616A, 616C, 616D, or 617 of NRS, then

**ITEM 02-NV-2015—REVISIONS TO NEVADA RULES AND FORMS FOR EMPLOYEE LEASING
ARRANGEMENTS**

BASIC MANUAL—2001 EDITION

The client company is jointly and severally liable for the contributions, premiums, forfeits, or interest attributable to the wages of the employees leased to it by the employee leasing company.

ITEM 02-NV-2015—REVISIONS TO NEVADA RULES AND FORMS FOR EMPLOYEE LEASING ARRANGEMENTS

**EXHIBIT 2
BASIC MANUAL—2001 EDITION
NEVADA RULE EXCEPTIONS
3—RATING DEFINITIONS AND APPLICATION OF PREMIUM ELEMENTS
D. EMPLOYEE LEASING ARRANGEMENTS
(Applicable to Voluntary Market Policies Only)**

5. Administration—Master Policy Basis

a. Policy Issuance

- (1) A policy issued to cover the leased employees of an employee leasing arrangement on a master policy basis must be issued in the name and Federal Employer Identification Number (FEIN) of the employee leasing company as the primary insured in accordance with this rule and all other rules governing the issuance of a standard workers compensation insurance policy.
- (2) Each client company must be named as an additional insured on the master policy, with its FEIN and job location included.
- (3) The master policy may also cover any direct employees of the employee leasing company that are not leased to any client company. A separate workers compensation insurance policy must be obtained by the client company for any direct employees of the client company not included in the employee leasing arrangement.
- (4) For Rules 3-D-5-a(1) through (3), refer to NCCI’s *Statistical Plan for Workers Compensation and Employers Liability Insurance* for reporting instructions.

b. Policy Cancellation

If the insurer of the master policy cancels the master policy, the insurer must send notice of such cancellation to both the client company and the employee leasing company.

c. Master Policy Basis Endorsements

The following endorsements apply:

Type of Policy	Endorsement	Purpose
Employee Leasing Company Policy (direct or nonleased workers)	Nevada Employee Leasing Exclusion Endorsement (WC 27 03 03 A)	Excludes coverage for workers leased to specified client companies from the employee leasing company policy that covers its direct workers.
Employee Leasing Company Master Policy (leased and direct workers, if any)	Nevada Employee Leasing Master Policy Basis Endorsement (WC 27 03 04 A)	Provides coverage for workers leased from the employee leasing company to the client company named on the Information Page of the policy. Extends coverage to the client company.
Client Policy (direct or nonleased workers)	Nevada Employee Leasing Client Exclusion Endorsement (WC 27 03 02 A)	Excludes coverage for the client’s leased workers from the employee leasing company named on the endorsement.

ITEM 02-NV-2015—REVISIONS TO NEVADA RULES AND FORMS FOR EMPLOYEE LEASING ARRANGEMENTS

**EXHIBIT 3
 BASIC MANUAL—2001 EDITION
 NEVADA RULE EXCEPTIONS
 RULE 3—RATING DEFINITIONS AND APPLICATION OF PREMIUM ELEMENTS
 D. Employee Leasing Arrangements
 6. Administration—Multiple Coordinated Policies (MCP) Basis
 (Applicable to Voluntary and Assigned Risk Policies)**

b. Multiple Coordinated Policies Basis Endorsements

The following endorsements apply:

Type of Policy	Endorsement	Purpose
Employee Leasing Company Policy (direct or nonleased workers)	Nevada Employee Leasing Exclusion Endorsement (WC 27 03 03 A)	Excludes coverage for workers leased to specified client companies from the employee leasing company policy that covers its direct workers.
Client Policy (leased workers)	Nevada Employee Leasing Multiple Coordinated Policies Basis Endorsement (WC 27 03 01 A B)	Provides coverage for workers leased from the employee leasing company to the client company named on the policy. Extends coverage to the employee leasing company named on the endorsement.
Client Policy (direct or nonleased workers)	Nevada Employee Leasing Client Exclusion Endorsement (WC 27 03 02 A)	Excludes coverage for the client's leased workers from the employee leasing company named on the endorsement.

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Project Name/Number: /

Supporting Document Schedules

Bypassed - Item:	Authorization Letter
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Filing Fees
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Filing Memorandum
Comments:	
Attachment(s):	02-NV-2015 Filing Memorandum.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Workers' Compensation Rate Filing/Loss Costs Expense Worksheet
Bypass Reason:	NA
Attachment(s):	
Item Status:	
Status Date:	

FILING MEMORANDUM

ITEM 02-NV-2015—REVISIONS TO NEVADA RULES AND FORMS FOR EMPLOYEE LEASING ARRANGEMENTS

PURPOSE

This item revises rules and endorsements for employers involved in employee leasing arrangements in Nevada.

BACKGROUND

Nevada Assembly Bill (AB) 389 (2015) amended Nevada Revised Statutes (NRS) 616B.670, and NRS 616B.691 concerning employee leasing arrangements. Among other changes, AB 389 revises the statutory definition of “employee leasing company” to describe the nature of the relevant agreement between the employee leasing company and its clients. It describes the employee leasing agreement between parties as an “ongoing relationship.” AB 389 also deems the client company of an employee leasing company to be the employer of the employees it leases for purposes of unemployment compensation. The employee leasing company is still deemed the employer of its leased employees for the purposes of offering, sponsoring, and maintaining any benefit plans.

Rule 3-D—Employee Leasing Arrangements in NCCI’s *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)* defines an employee leasing agreement as one in which an employee leasing company:

- Places any of the regular, full-time employees of a client company on its payroll, and, for a fee, leases them to the client company on a regular basis without any limitation on the duration of their employment; or
- Leases to a client company five or more part-time or full-time employees or at least ten percent of the total number of the client’s employees within a classification of risk

NCCI’s *Forms Manual of Workers Compensation and Employers Liability Insurance (Forms Manual)* contains the two Nevada endorsements that include definitions for employee leasing arrangements as described in the rules above.

NCCI has determined that certain manual rules and endorsements must be revised to reflect the changes in the recently enacted Nevada AB 389.

PROPOSAL

This item proposes to revise the following Nevada rules in NCCI’s *Basic Manual*:

1. Rule 3-D-1—Definitions to include the definition of “ongoing relationship” as described in NRS 616B.670
2. Rule 3-D-2—Law on Employee Leasing Company and Client Company to deem the client company as employer for purposes of unemployment compensation in accordance with NRS 616B.691
3. Endorsement tables in Rule 3-D-5—Administration—Master Policy Basis and Rule 3-D-6—Administration—Multiple Coordinated Policies (MCP) Basis to show the revised endorsement numbers as a result of the proposed changes in NCCI’s *Forms Manual*. The table in Rule 3-D-6 will also be updated again to reflect the change to form WC 27 03 01 C effective May 1, 2017.

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FILING MEMORANDUM

ITEM 02-NV-2015—REVISIONS TO NEVADA RULES AND FORMS FOR EMPLOYEE LEASING ARRANGEMENTS

Additionally, this item proposes to revise the following endorsements in NCCI's *Forms Manual*:

1. Nevada Employee Leasing Multiple Coordinated Policies Basis Endorsement (WC 27 03 01 A) to include the definition of "ongoing relationship" as described in NRS 616B.670.

Due to the approval of Item B-1430—Elimination of Anniversary Rating Date (ARD), an additional exhibit is being provided to show the Nevada Employee Leasing Multiple Coordinated Policies Basis Endorsement (WC 27 03 01 C). This exhibit displays the changes to be implemented in Nevada effective May 1, 2017.

2. Nevada Employee Leasing Master Policy Basis Endorsement (WC 27 03 04) to include the definition of "ongoing relationship" as described in NRS 616B.670. Minor formatting changes are also proposed for this endorsement.

IMPACT

No statewide premium impact is expected as a result of the changes proposed in this item.

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

Exhibit	Exhibit Comments	Implementation Summary
1	Displays the revisions to Nevada's Rules 3-D-1 and 3-D-2 in NCCI's <i>Basic Manual</i> .	To become effective for new and renewal voluntary and assigned risk policies effective on and after 12:01 a.m. on March 1, 2016.
2	Displays the revisions to Nevada's Rule 3-D-5 in NCCI's <i>Basic Manual</i> .	To become effective for new and renewal voluntary policies only, effective on and after 12:01 a.m. on March 1, 2016.
3	Displays the revisions to Nevada's Rule 3-D-6 in NCCI's <i>Basic Manual</i> .	To become effective for new and renewal voluntary and assigned risk policies effective on and after 12:01 a.m. on March 1, 2016.
4-A	Displays the revisions to the Nevada Employee Leasing Multiple Coordinated Policies Basis Endorsement (WC 27 03 01 A) in NCCI's <i>Forms Manual</i> .	
4-B	Displays the Nevada Employee Leasing Multiple Coordinated Policies Basis Endorsement (WC 27 03 01 C) in NCCI's <i>Forms Manual</i> .	Approved as part of Item B-1430. To be implemented for new and renewal voluntary and assigned risk policies in Nevada effective on and after 12:01 a.m. on May 1, 2017.
5	Displays the revisions to the Nevada Employee Leasing Master Policy Basis Endorsement (WC 27 03 04) in NCCI's <i>Forms Manual</i> .	To become effective for new and renewal voluntary and assigned risk policies effective on and after 12:01 a.m. on March 1, 2016.

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