

BRIAN SANDOVAL
Governor

STATE OF NEVADA

BRUCE H. BRESLOW
Director

BARBARA D. RICHARDSON
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
Website: doi.nv.gov
E-mail: insinfo@doi.nv.gov

January 25, 2017

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 Revisions to Basic Manual Classifications and Appendix E -
Classifications by Hazard Group, Including Trucking and Towing

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.

Enclosed, please find a PDF copy of the entirety of the recently approved filing made by the National Council on Compensation Insurance, Inc. (“NCCI”), with NCCI tracking number B-1435 and Nevada State tracking number 65143.

Per NCCI’s description, “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.”

The elimination of the classification codes in question and reassignment of payroll in those classification codes will take effect on March 1, 2018. It is also important to note that the Division, on November 4, 2016, approved a major 10.7 percent decrease in workers’ compensation voluntary-market loss costs that was proposed by NCCI. The loss-cost decrease will take effect on March 1, 2017, and will

provide significant premium relief for any insureds that would otherwise be adversely affected by the classification reassignment.

With regard to Nevada-specific revisions, my discussions with NCCI have helped to elicit a display of impacts pertaining to Nevada-specific classification codes proposed to be eliminated, for which the insured payroll would be assigned to the closest-fitting national classification codes. Only six classification codes proposed to be eliminated have any insured payroll in Nevada.

Please see the attached NCCI B-1435 Informational Exhibits 1A and 1B for more details. Insureds in four of the to-be-eliminated classification codes (Codes 1655, 4061, 5069, and 7229) would experience premium decreases due to lower loss costs for the new codes to which they will be assigned (Codes 1642, 4062, 5059, and 7219, respectively).

For the other two classification codes that would be eliminated and that have nonzero Nevada payroll, the impact is the following:

- **Code 7228 – Trucking – Local Hauling Only – All Employees & Drivers** – would be consolidated into the new national Code 7219 – Trucking NOC (Not Otherwise Classified). In itself, this change would result in an increase to the loss cost per \$100 of payroll from 5.68 to 6.07. However, the previous loss cost for Code 7228, effective until March 1, 2017, is 6.77. Thus, the combined net effect of the approved loss-cost decrease and the re-classification of insureds from Code 7228 to Code 7219 would be a net *decrease* in the loss cost applicable to those insureds from the present 6.77 per \$100 of payroll to a future 6.07 per \$100 of payroll.

- **Code 4113 – Glass Manufacturing – Cut** – has only one existing policy in Nevada, with payroll of \$83,398. This classification code would be reassigned to national Code 4111, also named Glass Manufacturing – Cut. In itself, this change would result in an increase to the loss cost per \$100 of payroll from 1.36 to 1.66. However, the previous loss cost for Code 4113, effective until March 1, 2017, is 1.55. Thus, the combined net effect of the approved loss-cost decrease and the re-classification of this insured from Code 4113 to Code 4111 would be a more modest net increase in the loss cost applicable to this insured from the present 1.55 per \$100 of payroll to a future 1.66 per \$100 of payroll.

Given that the affected classification codes are a small minority of the total insured exposure in Nevada, Filing B-1435 is expected to have only a minor impact on overall premiums paid by Nevada employers for workers' compensation insurance.

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, AIAP
Lead Actuary, Property and Casualty Insurance, Nevada Division of Insurance

cc: Barbara D. Richardson, Commissioner of Insurance
Nick J. Stosic, Insurance Regulation Liaison
Rajat Jain, Chief Insurance Examiner, Property & Casualty Section
Erin Summers, Insurance Actuarial Analyst II, Property & Casualty Section

State: Nevada
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing
Project Name/Number: /

Filing at a Glance

Company: NCCI
Product Name: B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing
State: Nevada
TOI: 16.0 Workers Compensation
Sub-TOI: 16.0004 Standard WC
Filing Type: Rule
Date Submitted: 11/22/2016
SERFF Tr Num: NCCI-130775836
SERFF Status: Closed-Approved
State Tr Num: 65143
State Status: Approved
Co Tr Num: B-1435
Effective Date: 03/01/2018
Requested (New):
Effective Date: 03/01/2018
Requested (Renewal):
Author(s): Lesley O'Brien, Alison Herwig, Frank Gnolfo, Robert Dalton, Michelle Baker, Miguel Joubert, Jessica Epley
Reviewer(s): Gennady Stolyarov (primary), Erin Summers
Disposition Date: 12/16/2016
Disposition Status: Approved
Effective Date (New):
Effective Date (Renewal):
State Filing Description:

State: Nevada
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing
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: 12/16/2016
State Status Changed: 12/16/2016 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 eliminates both national and state special classifications with low credibility. In addition, this item revises the classification treatment of the trucking industry and proposes a new classification specific to the towing industry.

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

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

Company and Contact

Filing Contact Information

Jessica Epley, State Relations Executive jessica_epley@ncci.com
1 Lincoln Center 503-892-8919 [Phone]
10300 SW Greenburg Rd.
Suite 550
Portland, OR 97223

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	11/22/2016	117017513

State:	Nevada	Filing Company:	NCCI
TOI/Sub-TOI:	16.0 Workers Compensation/16.0004 Standard WC		
Product Name:	B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing		
Project Name/Number:	/		

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Gennady Stolyarov	12/16/2016	12/16/2016

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Gennady Stolyarov	11/29/2016	11/29/2016

Response Letters

Responded By	Created On	Date Submitted
Frank Gnolfo	12/16/2016	12/16/2016

State:	Nevada	Filing Company:	NCCI
TOI/Sub-TOI:	16.0 Workers Compensation/16.0004 Standard WC		
Product Name:	B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing		
Project Name/Number:	/		

Disposition

Disposition Date: 12/16/2016

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-1435 Fact Sheets		Yes
Supporting Document	B-1435 Transition Prog Exhibits		Yes
Supporting Document	Response to Objection		Yes
Rate	Exhibit 1A	Reviewed	Yes
Rate	Exhibit 1B	Reviewed	Yes
Rate	Exhibit 1C	Reviewed	Yes
Rate	Exhibit 1D	Reviewed	Yes
Rate	Exhibit 1E	Reviewed	Yes
Rate	Exhibit 1F	Reviewed	Yes
Rate	Exhibit 1G	Reviewed	Yes
Rate	Exhibit 1H	Reviewed	Yes
Rate	Exhibit 1I	Reviewed	Yes
Rate	Exhibit 1J	Reviewed	Yes
Rate	Exhibit 1K	Reviewed	Yes
Rate	Exhibit 1L	Reviewed	Yes
Rate	Exhibit 1M	Reviewed	Yes
Rate	Exhibit 1N	Reviewed	Yes

State:	Nevada	Filing Company:	NCCI
TOI/Sub-TOI:	16.0 Workers Compensation/16.0004 Standard WC		
Product Name:	B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing		
Project Name/Number:	/		

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	Exhibit 1O	Reviewed	Yes
Rate	Exhibit 1P	Reviewed	Yes
Rate	Exhibit 1Q	Reviewed	Yes
Rate	Exhibit 1R	Reviewed	Yes
Rate	Exhibit 1S	Reviewed	Yes
Rate	Exhibit 1T	Reviewed	Yes
Rate	Exhibit 1U	Reviewed	Yes
Rate	Exhibit 1V	Reviewed	Yes
Rate	Exhibit 1W	Reviewed	Yes
Rate	Exhibit 1X	Reviewed	Yes
Rate	Exhibit 1Y	Reviewed	Yes
Rate	Exhibit 5A	Reviewed	Yes
Rate	Exhibit 5B	Reviewed	Yes
Rate	Exhibit 5C	Reviewed	Yes
Rate	Exhibit 5D	Reviewed	Yes
Rate	Exhibit 5E	Reviewed	Yes
Rate	Exhibit 5F	Reviewed	Yes
Rate	Exhibit 5G	Reviewed	Yes
Rate	Exhibit 5H	Reviewed	Yes
Rate	Exhibit 5I	Reviewed	Yes
Rate	Exhibit 5J	Reviewed	Yes
Rate	Exhibit 5K	Reviewed	Yes
Rate	Exhibit 5L	Reviewed	Yes
Rate	Exhibit 5M	Reviewed	Yes
Rate	Exhibit 5N	Reviewed	Yes
Rate	Exhibit 5O	Reviewed	Yes
Rate	Exhibit 5P	Reviewed	Yes
Rate	Exhibit 5Q	Reviewed	Yes
Rate	Exhibit 5R	Reviewed	Yes
Rate	Exhibit 5S	Reviewed	Yes
Rate	Exhibit 5T	Reviewed	Yes

State:	Nevada	Filing Company:	NCCI
TOI/Sub-TOI:	16.0 Workers Compensation/16.0004 Standard WC		
Product Name:	B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing		
Project Name/Number:	/		

Schedule	Schedule Item	Schedule Item Status	Public Access
Rate	Exhibit 5U	Reviewed	Yes
Rate	Exhibit 5V	Reviewed	Yes
Rate	Exhibit 5W	Reviewed	Yes
Rate	Exhibit 5X	Reviewed	Yes
Rate	Exhibit 6	Reviewed	Yes

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing
Project Name/Number: /

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	11/29/2016
Submitted Date	11/29/2016
Respond By Date	12/29/2016

Dear Jessica Epley,

Introduction:

Thank you for your filing submission. In order for us to more fully comprehend the impact of this filing on Nevada insureds, we request the following information to render the filing complete.

Objection 1

Comments: Please include in this filing an exhibit showing the latest known Nevada payroll in each classification proposed to be eliminated, the number of policies affected, and a comparison between the latest approved (effective 3/1/2017) loss costs for each classification proposed to be eliminated and the corresponding classification into which it is proposed to transition. This would help us with evaluating the impact of the filing and determining whether we should focus on any particular areas.

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

SERFF Tracking #:	NCCI-130775836	State Tracking #:	65143	Company Tracking #:	B-1435
State:	Nevada	Filing Company:	NCCI		
TOI/Sub-TOI:	16.0 Workers Compensation/16.0004 Standard WC				
Product Name:	B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing				
Project Name/Number:	/				

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	12/16/2016
Submitted Date	12/16/2016

Dear Gennady Stolyarov,

Introduction:

Hello

Response 1

Comments:

Response is in supporting doc tab

Related Objection 1

Comments: Please include in this filing an exhibit showing the latest known Nevada payroll in each classification proposed to be eliminated, the number of policies affected, and a comparison between the latest approved (effective 3/1/2017) loss costs for each classification proposed to be eliminated and the corresponding classification into which it is proposed to transition. This would help us with evaluating the impact of the filing and determining whether we should focus on any particular areas.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response to Objection
Comments:	
Attachment(s):	B-1435_Interrog Response_NV.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Thank you

Sincerely,

Frank Gnolfo

SERFF Tracking #:	NCCI-130775836	State Tracking #:	65143	Company Tracking #:	B-1435
State:	Nevada	Filing Company:	NCCI		
TOI/Sub-TOI:	16.0 Workers Compensation/16.0004 Standard WC				
Product Name:	B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing				
Project Name/Number:	/				

Rate/Rule Schedule

SERFF Tracking #:

NCCI-130775836

State Tracking #:

65143

Company Tracking #:

B-1435

State:

Nevada

Filing Company:

NCCI

TOI/Sub-TOI:

16.0 Workers Compensation/16.0004 Standard WC

Product Name:

B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing

Project Name/Number:

/

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	Reviewed 11/29/2016	Exhibit 1A	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 1A.pdf
2	Reviewed 11/29/2016	Exhibit 1B	Classifications	Withdrawn	B-1369	B-1435_Final_Exhibit 1B.pdf
3	Reviewed 11/29/2016	Exhibit 1C	Classifications	New		B-1435_Final_Exhibit 1C.pdf
4	Reviewed 11/29/2016	Exhibit 1D	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 1D.pdf
5	Reviewed 11/29/2016	Exhibit 1E	Classifications	Withdrawn	B-1369	B-1435_Final_Exhibit 1E.pdf
6	Reviewed 11/29/2016	Exhibit 1F	Classifications	New		B-1435_Final_Exhibit 1F.pdf
7	Reviewed 11/29/2016	Exhibit 1G	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 1G.pdf
8	Reviewed 11/29/2016	Exhibit 1H	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 1H.pdf
9	Reviewed 11/29/2016	Exhibit 1I	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 1I.pdf
10	Reviewed 11/29/2016	Exhibit 1J	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 1J.pdf
11	Reviewed 11/29/2016	Exhibit 1K	Classifications	Withdrawn	B-1369	B-1435_Final_Exhibit 1K.pdf
12	Reviewed 11/29/2016	Exhibit 1L	Classifications	New		B-1435_Final_Exhibit 1L.pdf
13	Reviewed 11/29/2016	Exhibit 1M	Classifications	Withdrawn	B-1369	B-1435_Final_Exhibit 1M.pdf
14	Reviewed 11/29/2016	Exhibit 1N	Classifications	New		B-1435_Final_Exhibit 1N.pdf
15	Reviewed 11/29/2016	Exhibit 1O	Classifications	Withdrawn	B-1369	B-1435_Final_Exhibit 1O.pdf
16	Reviewed 11/29/2016	Exhibit 1P	Classifications	New		B-1435_Final_Exhibit 1P.pdf
17	Reviewed 11/29/2016	Exhibit 1Q	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 1Q.pdf
18	Reviewed 11/29/2016	Exhibit 1R	Classifications	Withdrawn	B-1369	B-1435_Final_Exhibit 1R.pdf
19	Reviewed 11/29/2016	Exhibit 1S	Classifications	Withdrawn	B-1369	B-1435_Final_Exhibit 1S.pdf
20	Reviewed 11/29/2016	Exhibit 1T	Classifications	New		B-1435_Final_Exhibit 1T.pdf
21	Reviewed 11/29/2016	Exhibit 1U	Classifications	Replacement	B-1412	B-1435_Final_Exhibit 1U.pdf
22	Reviewed 11/29/2016	Exhibit 1V	Classifications	Withdrawn	56513	B-1435_Final_Exhibit 1V.pdf
23	Reviewed 11/29/2016	Exhibit 1W	Classifications	New		B-1435_Final_Exhibit 1W.pdf
24	Reviewed 11/29/2016	Exhibit 1X	Classifications	Withdrawn	B-1369	B-1435_Final_Exhibit 1X.pdf
25	Reviewed 11/29/2016	Exhibit 1Y	Classifications	New		B-1435_Final_Exhibit 1Y.pdf
26	Reviewed 11/29/2016	Exhibit 5A	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 5A.pdf
27	Reviewed 11/29/2016	Exhibit 5B	Classifications	Replacement	B-1410	B-1435_Final_Exhibit 5B.pdf
28	Reviewed 11/29/2016	Exhibit 5C	Classifications	Replacement	B-1410	B-1435_Final_Exhibit 5C.pdf
29	Reviewed 11/29/2016	Exhibit 5D	Classifications	Replacement	B-1410	B-1435_Final_Exhibit 5D.pdf
30	Reviewed 11/29/2016	Exhibit 5E	Classifications	Withdrawn	B-1410	B-1435_Final_Exhibit 5E.pdf
31	Reviewed 11/29/2016	Exhibit 5F	Classifications	New		B-1435_Final_Exhibit 5F.pdf

State: Nevada **Filing Company:** NCCI
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC
Product Name: B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing
Project Name/Number: /

32	Reviewed 11/29/2016	Exhibit 5G	Classifications	Withdrawn	B-1410	B-1435_Final_Exhibit 5G.pdf
33	Reviewed 11/29/2016	Exhibit 5H	Classifications	New		B-1435_Final_Exhibit 5H.pdf
34	Reviewed 11/29/2016	Exhibit 5I	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 5I.pdf
35	Reviewed 11/29/2016	Exhibit 5J	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 5J.pdf
36	Reviewed 11/29/2016	Exhibit 5K	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 5K.pdf
37	Reviewed 11/29/2016	Exhibit 5L	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 5L.pdf
38	Reviewed 11/29/2016	Exhibit 5M	Classifications	Withdrawn	56513	B-1435_Final_Exhibit 5M.pdf
39	Reviewed 11/29/2016	Exhibit 5N	Classifications	New		B-1435_Final_Exhibit 5N.pdf
40	Reviewed 11/29/2016	Exhibit 5O	Classifications	Withdrawn	B-1369	B-1435_Final_Exhibit 5O.pdf
41	Reviewed 11/29/2016	Exhibit 5P	Classifications	New		B-1435_Final_Exhibit 5P.pdf
42	Reviewed 11/29/2016	Exhibit 5Q	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 5Q.pdf
43	Reviewed 11/29/2016	Exhibit 5R	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 5R.pdf
44	Reviewed 11/29/2016	Exhibit 5S	Classifications	Withdrawn	B-1369	B-1435_Final_Exhibit 5S.pdf
45	Reviewed 11/29/2016	Exhibit 5T	Classifications	New		B-1435_Final_Exhibit 5T.pdf
46	Reviewed 11/29/2016	Exhibit 5U	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 5U.pdf
47	Reviewed 11/29/2016	Exhibit 5V	Classifications	Withdrawn	B-1369	B-1435_Final_Exhibit 5V.pdf
48	Reviewed 11/29/2016	Exhibit 5W	Classifications	New		B-1435_Final_Exhibit 5W.pdf
49	Reviewed 11/29/2016	Exhibit 5X	Classifications	Replacement	B-1369	B-1435_Final_Exhibit 5X.pdf
50	Reviewed 11/29/2016	Exhibit 6	Appendix E	Replacement	56513	B-1435_Final_Exhibit 6.pdf

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

**EXHIBIT 1A—RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION****FACT SHEET 1—NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED
PART TWO—CLASSIFICATIONS**

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

4655 QUARRY—LIMESTONE—SURFACE & DRIVERS

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

1642 LIME MFG.

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

4655

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

1642 LIME MFG.—QUARRY—SURFACE

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

1642 QUARRY—LIMESTONE—SURFACE

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

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

EXHIBIT 1B-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

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

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

EXHIBIT 1C-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

1701 **FLINT OR SPAR GRINDING**

Digging, mining, or quarrying to be separately rated.

1701 **SILICA GRINDING**

Digging, mining, or quarrying to be separately rated.

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

EXHIBIT 1D-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

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

Mining to be separately rated-

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

Mining to be separately rated.

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

EXHIBIT 1E-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

4860 ABRASIVE PAPER OR CLOTH PREPARATION

Paper or cloth mfg. to be separately rated.

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

EXHIBIT 1F-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

4279 ABRASIVE PAPER OR CLOTH PREPARATION

Paper or cloth mfg. to be separately rated.

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

EXHIBIT 1G-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

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

2501 FEATHER OR FLOWER MFG.—ARTIFICIAL

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

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

EXHIBIT 1H-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

2534 **HAIR GOODS MFG.**

Applies to products made from human hair.

2501 **HAIR GOODS MFG.**

Applies to products made from human hair.

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

EXHIBIT 11—RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

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

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

EXHIBIT 1J-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

3223 ~~LAMP OR PORTABLE LANTERN MFG.~~

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

3223 ~~PORTABLE LANTERN OR LAMP MFG.~~

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

3180 LAMP OR PORTABLE LANTERN MFG.

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

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

EXHIBIT 1K-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

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

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

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

EXHIBIT 1L-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

4062 **POTTERY MFG.—CHINA OR TABLEWARE**

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

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

EXHIBIT 1M-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

4053 ~~TERRA-COTTA MFG.~~

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

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

EXHIBIT 1N-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

4062 **TERRA-COTTA MFG.**

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

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

EXHIBIT 10—RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

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

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

EXHIBIT 1P-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

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

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

EXHIBIT 1Q-RULE—NATIONAL CLASSIFICATIONS

BASIC MANUAL—2001 EDITION

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

PART TWO—CLASSIFICATIONS

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

~~4443~~ ~~GLASS MFG.—CUT~~

4111 GLASS MFG.—CUT

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

EXHIBIT 1R-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

4282 ~~BOOT OR SHOE PATTERN MFG.~~

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

4282 ~~DRESS PATTERN MFG.—PAPER~~

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

4282 ~~SHOE OR BOOT PATTERN MFG.~~

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

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

EXHIBIT 1S-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

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

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

EXHIBIT 1T-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

4279 **BOOT OR SHOE PATTERN MFG.**

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

4279 **DRESS PATTERN MFG.—PAPER**

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

4279 **MUSIC ROLL MFG.—PERFORATED PAPER**

Paper mfg. to be separately rated as Code 4239.

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

EXHIBIT 1U-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

4439 LACQUER OR VARNISH MANUFACTURING

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

4558 LACQUER OR VARNISH MANUFACTURING

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT 1X-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

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

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

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

EXHIBIT 1Y-RULE—NATIONAL CLASSIFICATIONS
BASIC MANUAL—2001 EDITION

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

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

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

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

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

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

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

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

Towing for others and roadside assistance to be separately rated.

8380 AUTOMOBILE—CAR WASH & DRIVERS

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

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

Towing for others and roadside assistance to be separately rated.

8380 AUTOMOBILE—MUFFLER—INSTALLATION OR REPAIR & DRIVERS

Towing for others and roadside assistance to be separately rated.

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

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

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

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

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

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

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

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

8380 AUTOMOBILE—SERVICE OR REPAIR CENTER & DRIVERS

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

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

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

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

8393 AUTOMOBILE—BODY REPAIR & DRIVERS

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

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

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

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

- 7228 **AUTOMOBILE—HAULAWAY OR DRIVEAWAY—LOCAL HAULING ONLY—ALL EMPLOYEES
& DRIVERS**
- 7229 **AUTOMOBILE—HAULAWAY OR DRIVEAWAY—LONG DISTANCE HAULING—ALL
EMPLOYEES & DRIVERS**

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

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

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

7219 AUTOMOBILE—HAULAWAY OR DRIVEAWAY—ALL EMPLOYEES & DRIVERS

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

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

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

**7228 AUTOMOBILE—TOWING COMPANIES—LOCAL HAULING ONLY—NO OTHER
OPERATIONS—ALL EMPLOYEES & DRIVERS**

**7229 AUTOMOBILE—TOWING COMPANIES—LONG HAUL—NO OTHER OPERATIONS—ALL
EMPLOYEES & DRIVERS**

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

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

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

7225 **AUTOMOBILE TOWING & DRIVERS**

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

7225 **ROADSIDE ASSISTANCE & DRIVERS**

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

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

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

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

8232◆ CONCRETE READY-MIX DEALER & YARD EMPLOYEES, DRIVERS

Delivery of concrete not owned by the employer, insured either in storage or while in transit,
including all operations incidental to the loading of trucks and delivery of such concrete, ~~shall~~ must
be assigned to Codes 7228 and 7229—Trucking the appropriate trucking classification.

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

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

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

8380 GASOLINE STATION NOC—RETAIL & DRIVERS

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

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

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

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

7360 REFRIGERATOR CAR LOADING OR UNLOADING-

Includes caring for freight in cars during transit. Stevedoring to be separately rated. Drivers to be separately rated to the appropriate trucking classification. as Codes 7228 and 7229—Trucking-

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

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

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

8380 RUBBER TIRE DEALER—RETAIL & DRIVERS

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

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

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

(Applies in: AL, AR, AZ, CO, CT, DC, GA, HI, IA, IL, IN, KS, KY, MD, ME, MO, MS, 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-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING

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

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

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

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

EXHIBIT 50-RULE
BASIC MANUAL—2001 EDITION
FACT SHEET 5—TRUCKING & TOWING
PART TWO—CLASSIFICATIONS

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

**7228 SNOW REMOVAL—HAULING SNOW UNDER CONTRACT—LOCAL HAULING ONLY—NO
SNOW CLEARING—ALL EMPLOYEES & DRIVERS**

**7229 SNOW REMOVAL—HAULING SNOW UNDER CONTRACT—LONG DISTANCE
HAULING—NO SNOW CLEARING—ALL EMPLOYEES & DRIVERS**

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

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

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

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

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

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

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

8380 STORAGE BATTERY SERVICE STATION & DRIVERS-

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

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

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

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

8292 STORAGE WAREHOUSE NOC

Applies to general merchandise. Drivers to be separately rated as Codes 7228 and
7229—Trucking to the appropriate trucking classification.

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

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

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

**7228 TRUCKING—HAULING EXPLOSIVES OR AMMUNITION—LOCAL HAULING ONLY—ALL
EMPLOYEES & DRIVERS**

Truckers engaged in hauling under contract, whether for one or more individuals or concerns, shall under no circumstances be classified and rated except in accordance with the appropriate "Trucking" classification.

Exception: When trucking operations are a secondary business and conducted as a separate undertaking or enterprise, the payroll of an individual employee may be divided and allocated to other than a "Trucking" classification. Refer to Rule 4-E.

Each classification includes miscellaneous employees such as terminal employees, garage employees, and repairers.

**7229 TRUCKING—HAULING EXPLOSIVES OR AMMUNITION—LONG DISTANCE HAULING—ALL
EMPLOYEES & DRIVERS**

Truckers engaged in hauling under contract, whether for one or more individuals or concerns, shall under no circumstances be classified and rated except in accordance with the appropriate "Trucking" classification.

Exception: When trucking operations are a secondary business and conducted as a separate undertaking or enterprise, the payroll of an individual employee may be divided and allocated to other than a "Trucking" classification. Refer to Rule 4-E.

Each classification includes miscellaneous employees such as terminal employees, garage employees, and repairers.

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

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

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

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

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

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

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

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

8380 TRUCK LEASING—LONG-TERM—ALL OTHER EMPLOYEES & DRIVERS

Towing for others and roadside assistance to be separately rated.

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

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

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

7228 TRUCKING—LOCAL HAULING ONLY—ALL EMPLOYEES & DRIVERS

The term “local hauling” as used in this classification means hauling within a radius of two hundred (200) miles from the point of principal garaging. The term “principal garaging” as used above means base terminal. When a base terminal is not utilized, principal garaging means a permanent maintenance garage where vehicles are serviced or stored on a regular basis. When a permanent maintenance garage is not utilized, principal garaging means the residence of the employee. Storage warehouse employees to be separately rated.

Truckers engaged in hauling under contract, whether for one or more individuals or concerns, shall under no circumstances be classified and rated except in accordance with the appropriate “Trucking” classification.

Exception: When trucking operations are a secondary business and conducted as a separate undertaking or enterprise, the payroll of an individual employee may be divided and allocated to other than a “Trucking” classification. Refer to Rule 4-E.

Each classification includes miscellaneous employees such as terminal employees, garage employees, and repairers.

7229 TRUCKING—LONG DISTANCE HAULING—ALL EMPLOYEES & DRIVERS

The term “long distance hauling” as used in this classification means hauling outside a radius of two hundred (200) miles from the point of principal garaging. The term “principal garaging” as used above means base terminal. When a base terminal is not utilized, principal garaging means a permanent maintenance garage where vehicles are serviced or stored on a regular basis. When a permanent maintenance garage is not utilized, principal garaging means the residence of the employee. Storage warehouse employees to be separately rated.

Truckers engaged in hauling under contract, whether for one or more individuals or concerns, shall under no circumstances be classified and rated except in accordance with the appropriate “Trucking” classification.

Exception: When trucking operations are a secondary business and conducted as a separate undertaking or enterprise, the payroll of an individual employee may be divided and allocated to other than a “Trucking” classification. Refer to Rule 4-E.

Each classification includes miscellaneous employees such as terminal employees, garage employees, and repairers.

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

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

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

7219 **TRUCKING NOC—ALL EMPLOYEES & DRIVERS**

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

Storage warehouse employees to be separately rated.

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

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

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

8292 WAREHOUSING NOC

Applies to general merchandise. Drivers to be separately rated as Codes 7228 and
7229—Trucking to the appropriate trucking classification.

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

EXHIBIT 6-RULE

BASIC MANUAL—2001 EDITION

APPENDIX E

CLASSIFICATIONS BY HAZARD GROUP

TABLE OF CLASSIFICATIONS BY HAZARD GROUP

Class Code	Applies In: [±]	Discontinued In: [±]	Hazard Group A–G
0078	HI	<u>1/1/18: HI</u>	C
0400	AZ, MT, 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, VA, VT</u> <u>5/1/17: LA</u> <u>7/1/17: AR, SD</u> <u>8/1/17: RI</u> <u>9/1/17: SC</u> <u>3/1/18: TN</u> <u>1/1/19: AZ</u>	D
1429	TN	<u>3/1/18: TN</u>	E
1655	National, IN 10/1/07: WV	<u>10/1/17: KY</u> <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CO, CT, HI, IA, ID, IL, IN, KS, MD, NH, NM, OR</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, NV, TN</u> <u>4/1/18: ME, VT, VA</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>1/1/19: OK</u> <u>3/1/19: MS</u> <u>1/1/20: FL, MO</u>	E

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

EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
1741	National, IN 10/1/07: WV	11/1/17: DC 12/1/17: UT 1/1/18: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, MD, NH, NM, OK, OR 2/1/18: NE 3/1/18: MS, NV, TN 4/1/18: ME, VT 5/1/18: LA 7/1/18: AR, MT, SD 8/1/18: RI 9/1/18: SC 10/1/18: KY 1/1/19: MO 3/1/19: AL, GA 11/1/19: WV 1/1/20: KS 4/1/20: VA	G
1745	VT	1/1/10: NH 4/1/17: VA 7/1/17: AR 4/1/20: VT	E
1852	MT, OK, SC, VA	10/1/16: KY 11/1/16: DC, WV 12/1/16: UT 1/1/17: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OR 2/1/17: NE 3/1/17: AL, GA, MS, NV, TN 4/1/17: ME, VT 5/1/17: LA 7/1/17: AR, SD 8/1/17: RI 1/1/18: OK 4/1/18: VA 9/1/18: SC	G
1853	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, OK, RI, SC, SD, TN, UT, VT, VA 10/1/07: WV	11/1/17: DC 12/1/17: UT 1/1/18: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, MD, NH, NM, OK, OR 2/1/18: NE 3/1/18: MS, NV, TN 4/1/18: ME, VT 5/1/18: LA 7/1/18: AR, MT, SD 8/1/18: RI 9/1/18: SC 10/1/18: KY 1/1/19: MO	D

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING****EXHIBIT 6-RULE (CONT'D)**

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
		<u>3/1/19: AL, GA</u> <u>4/1/19: VA</u> <u>11/1/19: WV</u> <u>1/1/20: KS</u>	
1860	National, IN 40/4/07: WV	<u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, CT, HI, IA, ID, MD, NH, NM, OK</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, TN</u> <u>4/1/18: ME, VA</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD</u> <u>8/1/18: RI</u> <u>10/1/18: KY</u> <u>1/1/19: CO, IN, KS, MO</u> <u>3/1/19: NV</u> <u>9/1/19: SC</u> <u>1/1/20: AZ, FL, IL, OR</u> <u>4/1/20: VT</u>	B
2055	VA	<u>4/1/18: VA</u>	B
2086	OR	<u>1/1/18: OR</u>	C
2118	LA	<u>5/1/18: LA</u>	E
2386	CT, MT, RI	<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, SD</u> <u>9/1/17: SC</u> <u>8/1/19: RI</u> <u>1/1/20: CT</u>	B

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING****EXHIBIT 6-RULE (CONT'D)**

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
2534	National, IN 10/1/07: WV 6/1/14: TX	10/1/17: KY 11/1/17: DC, WV 12/1/17: UT 1/1/18: AK, AZ, HI, ID, IL, KS, MD, MO, NH, NM, OK 2/1/18: NE 3/1/18: MS, NV, TN 4/1/18: ME, VT 5/1/18: LA 7/1/18: AR, MT, SD 1/1/19: CO, FL, IA, IN, OR 8/1/19: RI 1/1/20: CT 3/1/20: AL, GA 4/1/20: VA 9/1/20: SC	B
2560	GT	4/1/17: VA 7/1/17: TX 1/1/20: CT	A
2576	VA	4/1/20: VA	B
2740	VA	4/1/18: VA	B
2741	KY	10/1/17: KY	A
2791	MO	1/1/17: MD, OK 4/1/17: VA, VT 1/1/19: MO	A
2913	MT, TN	10/1/16: KY 11/1/16: DC, WV 12/1/16: UT 1/1/17: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR 2/1/17: NE 3/1/17: AL, GA, MS, NV 4/1/17: ME, VA, VT 5/1/17: LA 7/1/17: AR, SD 8/1/17: RI 9/1/17: SC 3/1/20: TN	A

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

EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
2942	GA, IL, MT	10/1/16: KY 11/1/16: DC, WV 12/1/16: UT 1/1/17: AK, AZ, CO, CT, FL, HI, IA, ID, IN, KS, MD, MO, NH, NM, OK, OR 2/1/17: NE 3/1/17: AL, MS, NV, TN 4/1/17: ME, VA, VT 5/1/17: LA 7/1/17: AR, SD 8/1/17: RI 9/1/17: SC 1/1/18: IL 3/1/18: GA	A
3175	National, IN 10/1/07: WV	10/1/17: KY 11/1/17: DC, WV 12/1/17: UT 1/1/18: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR 2/1/18: NE 3/1/18: AL, GA, MS, NV, TN 4/1/18: ME, VT, VA 5/1/18: LA 7/1/18: AR, MT, SD 8/1/18: RI 9/1/18: SC	C
3223	National, IN 10/1/07: WV 6/1/14: TX	10/1/17: KY 11/1/17: DC, WV 12/1/17: UT 1/1/18: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR 2/1/18: NE 3/1/18: AL, GA, MS, NV, TN 4/1/18: ME, VT, VA 5/1/18: LA 7/1/18: AR, MT, SD, TX 8/1/18: RI 9/1/18: SC	A
3516	SC	4/1/17: VA 8/1/17: RI 9/1/20: SC	B
3571	OK	1/1/17: IL 1/1/20: OK	B
3639	TN	1/1/17: AZ, CO, IL 3/1/17: MS 3/1/20: TN	G

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

EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:[±]	Discontinued In:[±]	Hazard Group A–G
3639	6/1/14: TX	<u>7/1/18:</u> TX	B
4053	National, IN 10/1/07: WV	<u>10/1/17:</u> KY <u>11/1/17:</u> DC, WV <u>12/1/17:</u> UT <u>1/1/18:</u> AK, AZ, CO, CT, FL, HI, IA, ID, IL, KS, MO, NH, NM, OK, OR <u>2/1/18:</u> NE <u>3/1/18:</u> AL, GA, MS, NV, TN <u>4/1/18:</u> ME, VT, VA <u>5/1/18:</u> LA <u>7/1/18:</u> AR, MT, SD <u>8/1/18:</u> RI <u>9/1/18:</u> SC <u>1/1/19:</u> MD <u>1/1/20:</u> IN	C
4061	National, IN 10/1/07: WV	<u>10/1/17:</u> KY <u>11/1/17:</u> DC, WV <u>12/1/17:</u> UT <u>1/1/18:</u> AK, AZ, CO, CT, FL, HI, IA, ID, IL, KS, MO, NH, NM, OK, OR <u>2/1/18:</u> NE <u>3/1/18:</u> AL, GA, MS, NV, TN <u>4/1/18:</u> ME, VT, VA <u>5/1/18:</u> LA <u>7/1/18:</u> AR, MT, SD <u>8/1/18:</u> RI <u>9/1/18:</u> SC <u>1/1/19:</u> MD <u>1/1/20:</u> IN	B
4113	National, IN 10/1/07: WV	<u>11/1/17:</u> DC <u>12/1/17:</u> UT <u>1/1/18:</u> AK, AZ, CO, CT, FL, HI, IA, ID, IL, KS, MD, MO, NH, NM, OK, OR <u>2/1/18:</u> NE <u>3/1/18:</u> AL, MS, NV, TN <u>4/1/18:</u> ME, VA <u>5/1/18:</u> LA <u>7/1/18:</u> AR, MT, SD <u>8/1/18:</u> RI <u>9/1/18:</u> SC <u>10/1/18:</u> KY <u>1/1/19:</u> IN <u>11/1/19:</u> WV <u>3/1/20:</u> GA <u>4/1/20:</u> VT	C

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

EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
4282	National, IN 10/1/07: WV 6/1/14: TX	<u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, CT, HI, IA, ID, MD, NH, NM, OK</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, TN</u> <u>4/1/18: ME, VA</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD, TX</u> <u>8/1/18: RI</u> <u>10/1/18: KY</u> <u>1/1/19: CO, IN, KS, MO</u> <u>3/1/19: NV</u> <u>9/1/19: SC</u> <u>1/1/20: AZ, FL, IL, OR</u> <u>4/1/20: VT</u>	B
4417	6/1/14: TX	<u>7/1/20: TX</u>	C
4439	AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT 10/1/07: WV	<u>1/1/10: FL</u> <u>10/1/17: KY</u> <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CO, CT, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT, VA</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u>	D
4439	6/1/14: TX	<u>7/1/20: TX</u>	E
4586	KS	<u>1/1/17: FL, OK</u> <u>3/1/17: MS</u> <u>1/1/18: KS</u>	F
4597	GA, MO	<u>1/1/18: MO</u> <u>3/1/20: GA</u>	B
4710	FL	<u>1/1/18: FL</u>	B
4716	IN	<u>1/1/17: IL, MO</u> <u>1/1/20: IN</u>	B
4716	6/1/14: TX	<u>7/1/17: TX</u>	C
4743	KS, LA, NM 6/1/14: TX	<u>5/1/18: LA</u> <u>7/1/18: TX</u> <u>1/1/20: KS, NM</u>	E

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

EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
4750	LA	<u>1/1/17: IL</u> <u>5/1/20: LA</u>	E
4761	GO	<u>1/1/17: OK</u> <u>3/1/17: TN</u> <u>1/1/18: CO</u>	G
4773	GA	<u>3/1/18: GA</u>	G
5067	MO, VA	<u>4/1/18: VA</u> <u>1/1/20: MO</u>	G
5069	AL, AK, AZ, AR, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MD, MS, MO, MT, NE, NV, NH, NM, OK, RI, SC, SD, TN, UT, VT, VA 40/4/07: WV	<u>10/1/17: KY</u> <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CT, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV</u> <u>4/1/18: ME, VT</u> <u>5/1/18: LA</u> <u>7/1/18: AR, MT, SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>1/1/19: HI</u> <u>3/1/19: TN</u> <u>4/1/19: VA</u> <u>1/1/20: FL</u>	G
5505	MO	<u>1/1/20: MO</u>	E
5539	IL, TN	<u>1/1/18: IL</u> <u>3/1/19: TN</u>	E
6017	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MD, MS, MT, NE, NV, NH, NM, OK, OR, SC, SD, TN, UT, VT, VA 40/4/07: WV	<u>10/1/17: KY</u> <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CO, CT, HI, IA, IN, KS, MD, NH, NM</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT, VA</u> <u>5/1/18: LA</u> <u>7/1/18: MT, SD</u> <u>9/1/18: SC</u> <u>1/1/19: ID, IL, OR</u> <u>1/1/20: FL, OK</u> <u>7/1/20: AR</u>	E
6869	OR	<u>1/1/18: OR</u>	G

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

EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
7219	AK, FL, ID, LA, MT, OR <u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AZ, CO, CT, HI, IA, IL, IN, KS, MD, MO, NH, NM, OK</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT, VA</u> <u>7/1/18: SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>10/1/18: KY</u> <u>7/1/19: AR</u>	3/1/2014: TN	F
7219	<u>6/1/14: TX</u>		E
7225	<u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AK, AZ, CO, CT, FL, HI, IA, ID, IL, IN, KS, MD, MO, NH, NM, OK, OR</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT, VA</u> <u>5/1/18: LA</u> <u>7/1/18: MT, SD, TX</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>10/1/18: KY</u> <u>7/1/19: AR</u>		E
7228	AL, AZ, AR, CO, CT, DC, GA, HI, IA, IL, IN, KS, KY, ME, MD, MS, MO, NE, NV, NH, NM, OK, RI, SC, SD, UT, VT, VA 10/1/07: WV 3/1/14: TN	<u>11/1/17: DC, WV</u> <u>12/1/17: UT</u> <u>1/1/18: AZ, CO, CT, HI, IA, IL, IN, KS, MD, MO, NH, NM, OK</u> <u>2/1/18: NE</u> <u>3/1/18: AL, GA, MS, NV, TN</u> <u>4/1/18: ME, VT, VA</u> <u>7/1/18: SD</u> <u>8/1/18: RI</u> <u>9/1/18: SC</u> <u>10/1/18: KY</u> <u>7/1/19: AR</u>	E

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

EXHIBIT 6-RULE (CONT'D)

Class Code	Applies In:±	Discontinued In:±	Hazard Group A–G
7229	AL, AZ, AR, CO, CT, DC, GA, HI, IA, IL, IN, KS, KY, ME, MD, MS, MO, NE, NV, NH, NM, OK, RI, SC, SD, UT, VT, VA 40/4/07: WV 3/4/11: TN	11/1/17: DC, WV 12/1/17: UT 1/1/18: AZ, CO, CT, HI, IA, IL, IN, KS, MD, MO, NH, NM, OK 2/1/18: NE 3/1/18: AL, GA, MS, NV, TN 4/1/18: ME, VT, VA 7/1/18: SD 8/1/18: RI 9/1/18: SC 10/1/18: KY 7/1/19: AR	F
7250	AZ, MO	1/1/18: AZ, MO	G
7500	GA, TN	3/1/17: AL 3/1/19: GA 3/1/20: TN	E
8048	OK	1/1/20: OK	B
8105	IL, MT	10/1/16: KY 11/1/16: DC, WV 12/1/16: UT 1/1/17: AK, AZ, CO, CT, FL, HI, IA, ID, IN, KS, MD, MO, NH, NM, OK, OR 2/1/17: NE 3/1/17: AL, GA, MS, NV, TN 4/1/17: ME, VA, VT 5/1/17: LA 7/1/17: AR, SD 8/1/17: RI 9/1/17: SC 7/1/18: MT 1/1/19: IL	B
8277	4/1/2013: ID	1/1/13: CO 1/1/18: ID	D
8399	AL	1/1/17: CT 3/1/18: AL	C
8753	OK	1/1/13: CO 1/1/19: OK	B
8862	SD	7/1/20: SD	C
9552	MT	7/1/18: MT	E

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING****EXHIBIT 6-RULE (CONT'D)**

Class Code	Applies In:[±]	Discontinued In:[±]	Hazard Group A–G
9552	6/1/14: TX	<u>7/1/18: TX</u>	F
9554	AL, AK, AZ, AR, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MD, MS, MO, NE, NV, NH, NM, OK, OR, RI, SC, SD, TN, UT, VT, VA <u>10/1/07: WV</u> <u>7/1/18: MT, TX</u>		F

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

State:	Nevada	Filing Company:	NCCI
TOI/Sub-TOI:	16.0 Workers Compensation/16.0004 Standard WC		
Product Name:	B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing		
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-1435 Filing Memo.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-1435 Fact Sheets
Comments:	
Attachment(s):	B-1435_Final_Fact Sheet 1.pdf B-1435_Final_Fact Sheet 5.pdf
Item Status:	
Status Date:	

Satisfied - Item:	B-1435 Transition Prog Exhibits
Comments:	
Attachment(s):	B-1435_Exhibit 9.pdf
Item Status:	

State:	Nevada	Filing Company:	NCCI
TOI/Sub-TOI:	16.0 Workers Compensation/16.0004 Standard WC		
Product Name:	B-1435 Revisions to Basic Manual Classifications and Appendix E - Classifications by Hazard Group, including Trucking and Towing		
Project Name/Number:	/		

Status Date:	
Satisfied - Item:	Response to Objection
Comments:	
Attachment(s):	B-1435_Interrog Response_NV.pdf
Item Status:	
Status Date:	

FILING MEMORANDUM

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

PURPOSE

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

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

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

BACKGROUND

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

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

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

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

Classifications With Low Credibility to Be Eliminated

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

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

NCCI reviewed the credibility for all classifications based on the latest policy periods used for ratemaking in NCCI's 2015 loss cost and rate filing cycle. As a result of this review, NCCI identified a number of national

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

FILING MEMORANDUM

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

and state special classifications that have national and state credibility of 25% or less. NCCI considers these classifications to have low credibility.

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

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

In general, the use and length of a transition program is determined in such a manner as to avoid having the rates/loss costs for codes exceed state swing limits to the extent possible while ensuring that the rates/loss costs are fully transitioned within a maximum of three phases. In cases where two codes are being eliminated and reassigned to the same retained code, a single transition length is determined to apply to both eliminated codes.

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

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

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

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

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

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

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

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

FILING MEMORANDUM

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

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

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

- The proposed classification to be eliminated has an identical match to an existing classification. The only difference is the code number under which the data will be reported.
- In cases where the proposed classification to be eliminated does not map directly to an existing classification, NCCI has identified an alternate classification that most closely describes the business.
- Some eliminated classifications will map to multiple classifications. In these instances, there is not a single classification that best describes the business. Multiple classifications must be considered, depending on the operations of the employer.

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

Trucking and Towing

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

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

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

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

PROPOSAL

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

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

FILING MEMORANDUM

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

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

IMPACT

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

IMPLEMENTATION

This item is applicable to new and renewal policies only, and will become effective concurrent with each state's approved loss cost/rate filing effective on and after October 1, 2017, unless otherwise noted. For example, this item will become effective January 1, 2018, for approved loss cost/rate filings that have a January 1, 2018 effective date. If there is no loss cost/rate filing for a state in a given year, this item will take effect on that state's regular loss cost/rate effective date. The regular loss cost/rate effective date is the date of the state's previous year's loss cost/rate effective date.

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

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

Some proposals related to Fact Sheet 1, National Classifications with Low Credibility to be Eliminated, and Fact Sheet 5, Trucking and Towing, include a transition program, subject to a maximum of three phases. The details corresponding to the initiation and final implementation dates of the transition programs are provided in Exhibits 9-R and 10-R for the following states:

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

Anticipated Effective Dates by State

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

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

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

FILING MEMORANDUM

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

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

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

FILING MEMORANDUM

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

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

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

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

Exhibits		Fact Sheet	Exhibit #	Proposal Applicable in:
Basic Manual	National Classifications With Low Credibility to Be Eliminated	1	1A-R	All States Except TX, VA
			1B-R	All States Except TX, VA
			1C-R	All States Except TX, VA
			1D-R	All States Except TX, VA
			1E-R	All States Except TX, VA
			1F-R	All States Except VA
			1G-R	All States Except TX, VA

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

FILING MEMORANDUM

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

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

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

FILING MEMORANDUM

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

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

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

FILING MEMORANDUM

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

Exhibits		Fact Sheet	Exhibit #	Proposal Applicable in:
			5H-R	All States Except VA
			5I-R	All States Except AK, FL, ID, LA, MT, NM, OR, TX, VA
			5J-R	All States Except HI, LA, MO, OK, OR, RI, TX, VA
			5K-R	All States Except AK, FL, ID, LA, MT, OR, TX, VA
			5L-R	All States Except HI, LA, MO, OK, OR, RI, TX, VA
			5M-R	All States Except AK, FL, ID, LA, MT, OR, TX, VA
			5N-R	All States Except VA
			5O-R	All States Except AK, FL, ID, LA, MT, OR, TX, VA
			5P-R	All States Except VA
			5Q-R	All States Except HI, LA, MO, OK, OR, RI, TX, VA
			5R-R	All States Except AK, FL, ID, LA, MT, OR, TX, VA
			5S-R	All States Except AK, AZ, FL, ID, LA, MO, MT, OR, TX, VA
			5T-R	All States Except VA
			5U-R	All States Except HI, LA, MO, OK, OR, RI, TX, VA

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

FILING MEMORANDUM

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

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

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

FILING MEMORANDUM

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

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

Note: Form and rule filings must be filed separately in Florida. For filing purposes, this memorandum and applicable fact sheets are being provided for both the rule and form exhibits. The rule exhibits are filed with the regulatory authority as Item B-1435-R. The form exhibit is filed with the regulatory authority as Item B-1435-F.

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

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING****EXHIBIT 1—FACT SHEET****NATIONAL CLASSIFICATIONS WITH LOW CREDIBILITY TO BE ELIMINATED****PURPOSE**

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

BACKGROUND

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

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

The national classifications to be eliminated are listed in the Proposal section of this fact sheet. For those states where the difference between the loss costs or rates for the eliminated classification and the proposed classification exceeds the swing limits used for ratemaking within the state, a transition program, subject to a three-phase maximum, is being proposed. States with a transition program are indicated in the following table. Details of the transition programs are provided in Exhibits 9-R and 10-R.

PROPOSAL

This item proposes to:

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

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

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

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

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

EXHIBIT 1—FACT SHEET (CONT'D)

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

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

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

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

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

NCCI conducted a review of the latest policy periods used for ratemaking in NCCI's 2015 loss cost and rate filing cycle to determine if a transition program was needed to minimize the impact of these proposed changes. Based on the result of this review, codes in most states will receive no transition and codes in some states will receive a two-phase or three-phase transition program. Where applicable, using a transition program will help minimize the impact to both individual employer premium charges and overall statewide premium. Historical experience from the discontinued national codes will be reassigned to the corresponding national codes when the eliminated code maps primarily to one corresponding national code. The loss costs/rates and rating values for the national codes will be based on the combined historical data of the discontinued codes and the corresponding national codes. Negligible impact to overall statewide premium is expected as a result of these changes.

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

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

Colorado Impact:

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

Florida Proposal:

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

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

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

Florida Impact:

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

Louisiana Proposal:

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

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

EXHIBIT 1—FACT SHEET (CONT'D)

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

Louisiana Impact:

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

Missouri Proposal:

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

Missouri Impact:

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

New Mexico Proposal:

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

New Mexico Impact:

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

Oregon Proposal:

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

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

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

EXHIBIT 1—FACT SHEET (CONT'D)

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

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

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

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

Oregon Impact:

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

Rhode Island Proposal:

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

Rhode Island Impact:

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

Texas Proposal:

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

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

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

EXHIBIT 1—FACT SHEET (CONT'D)

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

Texas Impact:

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

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

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

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

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

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

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

Virginia Impact:

Because NCCI is proposing the same changes in Virginia as what is being proposed nationally but in a different format, the national impact detailed above applies in Virginia. The proposed updates to the Virginia Special Classifications in NCCI's **Basic Manual** descriptions are not expected to have an additional premium impact.

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

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

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

BACKGROUND

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

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

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

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

PROPOSAL

This item proposes to:

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

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

EXHIBIT 5—FACT SHEET (CONT'D)

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

IMPACT

NCCI conducted a review of the latest policy periods used for ratemaking in NCCI's 2015 loss cost and rate filing cycle to determine if a transition program was needed to minimize the impact of discontinuing Codes 7228 and 7229 and combining the data into Code 7219. Based on the result of this review, no transition program is required nationally. Historical experience from the discontinued national codes will be reassigned to the corresponding national codes when the eliminated code maps primarily to one corresponding national code. The loss costs/rates and rating values for the national codes will be based on the combined historical data of the discontinued codes and the corresponding national codes. Negligible impact to overall statewide premium is expected as a result of these changes.

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

It is possible that some payroll from other towing-related classifications will transfer to the newly established Code 7225 as a result of this change. The amount of payroll transferred cannot be identified using current industry data sources. The impact to individual employers will depend on the amount of payroll (if any) that transfers from all towing-related classifications as well as their associated loss cost/rate compared to the newly defined classification's proposed loss cost/rate. Negligible impact to overall statewide premium is expected as a result of these changes.

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

NCCI proposes that Alaska:

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

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

Alaska Impact:

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

Arizona Proposal:

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

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

EXHIBIT 5—FACT SHEET (CONT'D)

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

Arizona Impact:

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

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

Arkansas Proposal:

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

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

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

Arkansas Impact:

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

Colorado Proposal:

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

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

Colorado Impact:

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

Connecticut Proposal:

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

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

Connecticut Impact:

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

Florida Proposal:

NCCI proposes that Florida:

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

EXHIBIT 5—FACT SHEET (CONT'D)

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

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

Florida Impact:

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

Hawaii Proposal:

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

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

Hawaii Impact:

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

Idaho Proposal:

NCCI proposes that Idaho eliminate:

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

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

Idaho Impact:

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

Indiana Proposal:

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

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

Indiana Impact:

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

Kentucky Proposal:

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

Kentucky Impact:

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

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

EXHIBIT 5—FACT SHEET (CONT'D)

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

Louisiana Proposal:

NCCI proposes that Louisiana:

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

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

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

Louisiana Impact:

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

Missouri Proposal:

NCCI proposes that Missouri:

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

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

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

Missouri Impact:

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

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

Montana Proposal:

NCCI proposes that Montana:

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

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

EXHIBIT 5—FACT SHEET (CONT'D)

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

Montana Impact:

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

New Mexico Proposal:

NCCI proposes that New Mexico:

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

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

New Mexico Impact:

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

Oklahoma Proposal:

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

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

Oklahoma Impact:

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

Oregon Proposal:

NCCI proposes that Oregon:

- Discontinue special phraseologies for Code 7219 and adopt the newly proposed national treatments
- Retain 7219—Trucking NOC—Drivers and Their Helpers to reference existing state special Code 9328 for garage, dock, and warehouse employees
- Revise its note for the automobile codes to reference Code 7225 for towing operations and roadside assistance
- Maintain its state exceptions for Codes 8380, 3822, 3824, 8393, 8046, and 8748 because of the automobile note
- Eliminate several other state special phraseologies that existed only because they referred to Code 7219 for trucking

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

Oregon Impact:

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

Rhode Island Proposal:

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

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

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

EXHIBIT 5—FACT SHEET (CONT'D)

Rhode Island Impact:

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

South Dakota Proposal:

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

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

South Dakota Impact:

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

Tennessee Proposal:

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

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

Tennessee Impact:

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

Texas Proposal:

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

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

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

Texas Impact:

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

Virginia Proposal:

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

- Revise Code 3821—Automobile Recycling & Drivers
- Revise Code 5057—Iron or Steel—Erection NOC
- Revise Code 7133—Railroad Operation: NOC—All Employees & Drivers
- Revise Code 7151—Railroad Operation—All Employees Including Drivers—Program I
- Revise Code 7152—Railroad Operation—All Employees Including Drivers—Program II—USL Act Benefits
- Revise Code 7153—Railroad Operation—All Employees Including Drivers—Program II—State Act Benefits
- Reestablish Code 7219—Trucking NOC—All Employees & Drivers
- Establish Code 7225—Automobile Towing & Drivers and cross-reference phraseology, Roadside Assistance & Drivers

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

EXHIBIT 5—FACT SHEET (CONT'D)

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

Virginia Impact:

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

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

EXHIBIT 9—RULE—STATE-SPECIFIC TRANSITION PROGRAM**TWO-PHASE TRANSITION PROGRAM**

(Applies in: AL, AR, AZ, CO, FL, GA, HI, IA, ID, IL, IN, KS, KY, MD, MO, MS, NV, OK, OR, RI, SC, TN, VA)

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

Phase 1 of the transition program will be made effective with each state's approved loss cost/rate filing effective on and after October 1, 2017 unless otherwise noted. For example, Phase 1 will become effective January 1, 2018 for approved loss cost/rate filings that have a January 1, 2018 effective date. If there is no loss cost/rate filing for a state in a given approved implementation year, Phase 1 will take effect on that state's regular loss cost/rate effective date. The regular loss cost/rate effective date is the anniversary date of the state's previous years' loss cost/rate effective date. The same rule would apply to Phase 2 in the following year.

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

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

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

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

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING****EXHIBIT 9-RULE—STATE-SPECIFIC TRANSITION PROGRAM****EXAMPLE OF TWO-PHASE TRANSITION PROGRAM CALCULATION**

(Applies in: AL, AR, AZ, CO, FL, GA, HI, IA, ID, IL, IN, KS, KY, MD, MO, MS, NV, OK, OR, RI, SC, TN, VA)

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

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

The following assumptions are made for this example:

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

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

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

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

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

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

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

**ITEM B-1435—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX
E—CLASSIFICATIONS BY HAZARD GROUP, INCLUDING TRUCKING AND TOWING****EXHIBIT 9-RULE—STATE-SPECIFIC TRANSITION PROGRAM (CONT'D)****EXAMPLE OF TWO-YEAR WEIGHT VALUE CALCULATION**

(Applies in: AL, AR, AZ, CO, FL, GA, HI, IA, ID, IL, IN, KS, KY, MD, MO, MS, NV, OK, OR, RI, SC, TN, VA)

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

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

The following assumptions are made for this example:

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

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

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



**National Council on
Compensation Insurance**

Jessica Epley
State Relations Executive
Regulatory Services Division
(P) 503-892-8919 (F) 503-224-7570
Email: Jessica_Epley@ncci.com

December 16, 2016

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-1435—Revisions to Basic Manual Classifications and Appendix E—Classifications
by Hazard Group, Including Trucking and Towing
SERFF Tracking Number: NCCI-130775836 State Tracking Number: 65143**

Dear Mr. Stolyarov:

Thank you for your November 29, 2016 objection regarding the above-referenced item filing. After review and consideration, we offer the following responses to your objection.

Objection 1:

Please include in this filing an exhibit showing the latest known Nevada payroll in each classification proposed to be eliminated, the number of policies affected, and a comparison between the latest approved (effective 3/1/2017) loss costs for each classification proposed to be eliminated and the corresponding classification into which it is proposed to transition. This would help us with evaluating the impact of the filing and determining whether we should focus on any particular areas.

Response 1:

Attached is the requested information provided as B-1435 Informational Exhibit 1A, for codes proposed to be discontinued from Item B-1435 Exhibits 1-4. The information is based on 3/1/2017 Nevada loss costs and first report payroll.

In addition, B-1435 Informational Exhibit 1B is provided for Item B-1435 Exhibit 5, also based on 3/1/2017 Nevada loss costs and first report payroll. Note that Codes 7228 and 7229 are proposed to be discontinued and combined into proposed Code 7219.

December 16, 2016

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Jessica Epley', with a long horizontal flourish extending to the right.

Jessica Epley
State Relations Executive

B-1435 Informational Exhibit 1A

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) =(6)/(2) - 1	(9) =([(2)*(3)+(6)*(7)]/ [(3)+(7)]/(2)
Transition	Effective Date	Codes to Eliminate	LC of Code Proposed to Eliminate	1st Report Payroll of Proposed Eliminated Code	Policy Count of Proposed Eliminated Code	National Code to Assign	Loss Cost of National Code	1st Report Payroll of National Code	Percent Difference Between LC of National Code and Eliminated Code	Percent Difference Between Payroll Weighted Average and Eliminated Code
none	3/1/2017	1655	4.42	2,794,947	2	1642	2.63	7,704,754	-40%	-30%
none	3/1/2017	1741	4.93	-	-	1701	3.85	4,577,387	-22%	-22%
none	3/1/2017	1853	1.77	-	-	1701	3.85	4,577,387	118%	118%
2 year	3/1/2017	1860	1.80	-	-	4279	2.30	20,591,555	28%	28%
none	3/1/2017	2534	1.88	-	-	2501	1.72	16,361,777	-9%	-9%
none	3/1/2017	3175	3.20	-	-	3169	2.69	525,913	-16%	-16%
none	3/1/2017	3223	3.39	-	-	3180	2.09	1,363,116	-38%	-38%
none	3/1/2017	4053	1.76	-	-	4062	1.83	954,900	4%	4%
none	3/1/2017	4061	2.62	9,477	1	4062	1.83	954,900	-30%	-30%
none	3/1/2017	4113	1.36	83,398	1	4111	1.66	103,698	22%	12%
2 year	3/1/2017	4282	1.83	-	-	4279	2.30	20,591,555	26%	26%
none	3/1/2017	4439	2.32	-	-	4558	2.36	5,767,996	2%	2%
none	3/1/2017	5069	27.52	2,215	2	5059	18.64	1,603,442	-32%	-32%
none	3/1/2017	6017	4.20	-	-	5213	6.05	38,942,929	44%	44%

LC = Loss Cost

B-1435 Informational Exhibit 1B

Transition	Effective Date	Codes to Eliminate	LC of Code Proposed to Eliminate	1st Report Payroll of Proposed Eliminated Code	Policy Count of Proposed Eliminated Code	Newly Established National Code	Estimated Payroll Weighted LC of National Code	Combined Payroll of National Code	Percent Difference Between Payroll Weighted Average LC of National Code and LC of Eliminated Code
none	3/1/2017	7228	5.68	149,997,863	380	7219	6.07	251,255,921	7%
none	3/1/2017	7229	6.65	101,258,058	266	7219	6.07	251,255,921	-9%



**National Council on
Compensation Insurance**

Jessica Epley
State Relations Executive
Regulatory Services Division
(P) 503-892-8919 (F) 503-224-7570
Email: Jessica_Epley@ncci.com

December 16, 2016

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-1435—Revisions to Basic Manual Classifications and Appendix E—Classifications
by Hazard Group, Including Trucking and Towing
SERFF Tracking Number: NCCI-130775836 State Tracking Number: 65143**

Dear Mr. Stolyarov:

Thank you for your November 29, 2016 objection regarding the above-referenced item filing. After review and consideration, we offer the following responses to your objection.

Objection 1:

Please include in this filing an exhibit showing the latest known Nevada payroll in each classification proposed to be eliminated, the number of policies affected, and a comparison between the latest approved (effective 3/1/2017) loss costs for each classification proposed to be eliminated and the corresponding classification into which it is proposed to transition. This would help us with evaluating the impact of the filing and determining whether we should focus on any particular areas.

Response 1:

Attached is the requested information provided as B-1435 Informational Exhibit 1A, for codes proposed to be discontinued from Item B-1435 Exhibits 1-4. The information is based on 3/1/2017 Nevada loss costs and first report payroll.

In addition, B-1435 Informational Exhibit 1B is provided for Item B-1435 Exhibit 5, also based on 3/1/2017 Nevada loss costs and first report payroll. Note that Codes 7228 and 7229 are proposed to be discontinued and combined into proposed Code 7219.

December 16, 2016

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Jessica Epley', with a long horizontal flourish extending to the right.

Jessica Epley
State Relations Executive

B-1435 Informational Exhibit 1A

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8) =(6)/(2) - 1	(9) =(((2)*(3)+(6)*(7))/ [(3)+(7)])/(2)
Transition	Effective Date	Codes to Eliminate	LC of Code Proposed to Eliminate	1st Report Payroll of Proposed Eliminated Code	Policy Count of Proposed Eliminated Code	National Code to Assign	Loss Cost of National Code	1st Report Payroll of National Code	Percent Difference Between LC of National Code and Eliminated Code	Percent Difference Between Payroll Weighted Average and Eliminated Code
none	3/1/2017	1655	4.42	2,794,947	2	1642	2.63	7,704,754	-40%	-30%
none	3/1/2017	1741	4.93	-	-	1701	3.85	4,577,387	-22%	-22%
none	3/1/2017	1853	1.77	-	-	1701	3.85	4,577,387	118%	118%
2 year	3/1/2017	1860	1.80	-	-	4279	2.30	20,591,555	28%	28%
none	3/1/2017	2534	1.88	-	-	2501	1.72	16,361,777	-9%	-9%
none	3/1/2017	3175	3.20	-	-	3169	2.69	525,913	-16%	-16%
none	3/1/2017	3223	3.39	-	-	3180	2.09	1,363,116	-38%	-38%
none	3/1/2017	4053	1.76	-	-	4062	1.83	954,900	4%	4%
none	3/1/2017	4061	2.62	9,477	1	4062	1.83	954,900	-30%	-30%
none	3/1/2017	4113	1.36	83,398	1	4111	1.66	103,698	22%	12%
2 year	3/1/2017	4282	1.83	-	-	4279	2.30	20,591,555	26%	26%
none	3/1/2017	4439	2.32	-	-	4558	2.36	5,767,996	2%	2%
none	3/1/2017	5069	27.52	2,215	2	5059	18.64	1,603,442	-32%	-32%
none	3/1/2017	6017	4.20	-	-	5213	6.05	38,942,929	44%	44%

LC = Loss Cost

B-1435 Informational Exhibit 1B

Transition	Effective Date	Codes to Eliminate	LC of Code Proposed to Eliminate	1st Report Payroll of Proposed Eliminated Code	Policy Count of Proposed Eliminated Code	Newly Established National Code	Estimated Payroll Weighted LC of National Code	Combined Payroll of National Code	Percent Difference Between Payroll Weighted Average LC of National Code and LC of Eliminated Code
none	3/1/2017	7228	5.68	149,997,863	380	7219	6.07	251,255,921	7%
none	3/1/2017	7229	6.65	101,258,058	266	7219	6.07	251,255,921	-9%