



March 5, 2008

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation

NCCI Item B-1397 - Revisions to Basic Manual Classifications and Rules

The North Carolina Rate Bureau has adopted and the North Carolina Commissioner of Insurance has approved NCCI Item B-1397. The approval is effective July 1, 2008. The purpose of the filing is to clarify, eliminate or create certain classifications and classification rules to reflect current business and industry needs in NCCI's **Basic Manual for Workers Compensation and Employers Liability Insurance**.

The following industries were impacted by the filing:

Ambulance & Emergency Medical Services
Athletic Team Sports and Parks
Cleaning Services and Pet Sitting
Domestics
Firefighting Including Volunteer Firefighters
Logging
Mailing Companies
Sheet Metal

The attached pages contain high level overviews of the changes to the impacted industries. Refer to the NCCI's Scopes Manual for detailed information concerning the changes.

Contact the Information Center at 919-582-1056 or via email at wcinfo@ncrb.org, if you require additional information.

Sincerely,

Sue Taylor

Director, NCRB Insurance Operations

C-08-5

Ambulance and Emergency Medical Services

- The cross-reference phraseology for Code 7370—Ambulance Service Companies: All Other Employees & Drivers has been discontinued and a new national classification code 7705—Ambulance Service and EMS (Emergency Medical Service) Providers & Drivers has been established for the industry. Initially the loss cost or assigned risk rate for the new code will be the existing loss cost or assigned risk rate for Code 7370.

Athletic Team Sports and Parks

- The phraseologies for classification codes 9178, 9179 and 9182 have been updated to replace the word “Team” with “Sports”. Verbiage has been added to classification codes 9178, 9179, and 9182 to clarify the classification of various employees.
- A reference to code 9063-YMCA, YWCA, YMHA, or YWHA, Institution-All Employees & Clerical has been added for amateur sports. The phraseology for classification code 9063 has been updated to clarify the classification of amateur sports. A reference to classification codes 9178 and 9179 for semi-professional and professional sports has also been added to the verbiage for class code 9063.

Cleaning Services & Pet Sitting

- Classification code 0917-Domestic Service Contractor-Inside has been updated to clarify the type of operations assigned to this code.
- A cross-reference phraseology for Pet Sitting and Drivers has been created to clarify the current assignment of pet sitters to classification code 0917.
- The phraseology and cross-reference phraseology for classification code 9014-Buildings Operations by Contractors has been amended to 9014-Janitorial Services By Contractors-No Window Cleaning Above Ground Level & Drivers. The revised classification applies to operations performed from the ground and includes drivers.
- New classification code 9170-Janitorial Services By Contractors—Includes Window Cleaning Above Ground Level & Drivers has been established. The new code applies to operations performed above the ground and includes drivers. Initially the loss cost or assigned risk rate for the new code will be the existing loss cost or rate for Code 9014.
- Cross reference phraseologies have been added to classification code 9014 and 9170 for pressure cleaning services. All pressure cleaning services will be assigned to class code 9014 or 9170. Class code 9014 will apply to mobile power or pressure cleaning services performed at ground level and includes drivers. Class code 9170 will apply to mobile power or pressure cleaning services performed above ground level and includes drivers.

Domestics

- Classification code 0909-Domestic Workers-Residences-Domestic Workers Outside Occasional Including Occasional Private Chauffeurs has been discontinued. Operations previously classified as 0909 have been reassigned to redefined classification code 0908.

Revised classification code 0908- will be applicable to part-time domestic workers both inside and outside. The initial loss cost or assigned risk rate for class code 0908 will be calculated as a per capita exposure weighted average of the loss cost and assigned risk rate of code 0908 or 0909.

- Classification code 0912-Domestic Workers-Residences-Domestic Workers Outside Including Private Chauffeurs has been discontinued. Operations previously classified as 0912 have been reassigned to redefined classification code 0913. Revised classification code 0913- will be applicable to full-time domestic workers both inside and outside. The initial loss cost or assigned risk rate for class code 0913 will be calculated as a per capita exposure weighted average of the loss cost or assigned risk rate of code 0912 and 0913.

Firefighters Including Volunteer Firefighters

- Classification code 7704-Firefighters & Drivers has been discontinued. Two new classification codes: 7710-Firefighters & Drivers and 7711-Firefighters & Drivers-Volunteers have been established. Initially the loss cost or assigned risk rate for the new code will be the existing loss cost or assigned risk rate for Code 7704.
- Part-time firefighters will no longer be classified with volunteer firefighters. If a firefighter is not a volunteer, classification code 7710 will apply. Additionally, the minimum payroll per volunteer will remain unchanged.

Logging

- The industry name has been changed from Logging or Lumbering to Logging or Tree Removal.
- Classification code 2706-Logging or Lumbering-All Operations & Drivers has been discontinued.
- Classification code 2702-Logging or Tree Removal-Nonmechanized Operations has been established. Initially the new loss cost or assigned risk rate for class code 2702 will be that of discontinued class code 2706.
- Classification code 2709-Logging or Tree Removal-Mechanized Equipment Operators has been established. Initially the new loss cost or assigned risk rate for class code 2709 will be that of discontinued class code 2706.
- North Carolina did not adopt the national classification code for Log Hauling. North Carolina will continue to use state special classification code 2727-Log Hauling & Drivers.
- The language for North Carolina state special class code 2705-Logging or Lumbering-Pulpwood Only has been modified to reflect verbiage consistent with the other logging classification codes.

Mailing Companies

- Clerical employees have been removed from code 8800-Mailing or Addressing Company or Letter Service Shop. The removal of clerical employees is based upon changes to the industry.
- Classification code 8799-Mailing or Addressing Company or Letter Service Shop: Clerical Staff has been established for mailing company clerical employees. This code will be used with class code 8800. The initial loss cost or assigned risk rate for classification code 8799 will be that of classification code 8800.

Sheet Metal

- Classification code 3066-Sheet Metal Work-Shop has been discontinued and all businesses reassigned to code 3076-Fireproof Equipment Mfg. The new loss cost or assigned risk rate for classification code 3076 will be calculated as a payroll-weighted average of the loss cost or assigned risk rate of classification code 3066 and 3076.
- Classification code 5538-Sheet Metal Work-Shop and Outside has been discontinued. Classification code 5535-Sheet Metal Work, Installation & Drivers will be applicable to the installation of sheet metal products. Classification code 3069-Sheet Metal Product Mfg will be applicable to the manufacturing of sheet metal products by installers of sheet metal products.
- The phraseology for classification code 5537-Heating, Ventilation, Air Conditioning and Refrigeration Systems-Installation, Service, Repair & Drivers has been updated to clarify the assignment of shop and yard work operations in connection with HVAC.