



Minnesota Workers' Compensation  
Insurers Association, Inc.  
7701 France Avenue South ▪ Suite 450  
Minneapolis, MN 55435-3200

August 4, 2010

**ALL ASSOCIATION MEMBERS**

Circular Letter No. 10-1579

**RE: NCCI Item B-1415 – Revision to Basic Manual Classifications and Rules**

The Minnesota Department of Commerce has approved the above filing to become effective 12:01 a.m., January 1, 2011, for new and renewal business.

The purpose of the above filing item is to modify certain classifications, classification phraseologies, cross-references, and/or classification rules in the ***Minnesota Basic Manual*** to reflect current business and industry needs.

Here is a list of the industries that will incur Manual changes as a result of Filing Item B-1415:

**EXHIBIT I – CARPENTRY**

**EXHIBIT II – DOOR, WINDOW, CABINETS, & INTERIOR TRIM INSTALLATION**

**EXHIBIT III – “PUNCH-OUT” LIST EMPLOYEES**

**BELOW IS A SUMMARY OF ITEMS THAT HAVE BEEN APPROVED AND ARE BEING ADOPTED AS PART OF THIS FILING AND ALSO THE ITEMS THAT HAVE NOT BEEN APPROVED AND ARE NOT PART OF THIS FILING:**

**EXHIBIT I – CARPENTRY**

**THE FOLLOWING ITEM HAS BEEN APPROVED AS PART OF THIS FILING:**

- Retaining Code 5651

**ITEMS NOT APPROVED AS PART OF THIS FILING:**

- Eliminating Code 5651 and transferring it's operations & history to Code 5645
- Creating new cross-references under Codes 5645 & 5403
- Amending language under Rule 1.C.2.j since MN is not adopting the language changes represented in this rule page
- Discontinuing all other cross-reference phraseologies for Code 5651
- Redefining Code 5645 to contemplate the construction of dwellings that do not exceed three stories in height
- Redefining Code 5403 Carpentry NOC to contemplate the construction of residential dwellings exceeding three stories in height, in addition to the construction of commercial structures
- Including within both Codes 5645 & 5403 the installation of siding of all types (aluminum, vinyl, wood, etc.)
- Revising the phraseology of Code 5551 Roofing- All Kinds & Drivers to provide clarification on the types of roofs which are assigned to the class

Please note that because MWCIA did not adopt any portion of the Carpentry Exhibit, there is no Exhibit I attached.

**EXHIBIT II – DOOR, WINDOW, CABINETS, & INTERIOR TRIM INSTALLATION**

**THE FOLLOWING ITEMS HAVE BEEN APPROVED AS PART OF THIS FILING:**

- Adding sentence regarding shower door/enclosure installation under Code 5102
- Adding new language under Code 5437 clarifying types of counter top installation included
- Adding new language under Code 5348 clarifying types of counter top installation included

**ITEMS NOT APPROVED AS PART OF THIS FILING:**

- Changing language under Code 5102 for Awnings in connection with Code 5535 reference [Code 5538 MN exception]
- Revising the phraseology of code 5102 Door, Door Frame or Sash Erection- Metal or Metal- Covered to include the installation of all types (aluminum, wood, vinyl, etc.) of interior and exterior windows and doors, residential and commercial

### **EXHIBIT III – “PUNCH-OUT” LIST EMPLOYEES**

#### **THE FOLLOWING ITEM HAS BEEN APPROVED AS PART OF THIS FILING:**

- Adding language regarding “Punch-Out” list operations under Codes 9014 & 9403 [MN exceptions]. Code 5610 does not apply in MN

### **NCCI EXHIBIT IV – APPENDIX CHANGES TO HAZARD GROUP TABLE**

#### **ITEM NOT APPROVED AS PART OF THIS FILING:**

- Eliminating Code 5651 from the Hazard Group Table as it is still applicable in Minnesota

Exhibits II, and III illustrate all changes necessary to the *Minnesota Basic Manual* to implement the applicable sections of Item B-1415 in Minnesota. As in past filings, strikethroughs indicate deleted text while underlining indicates new or added text. A copy of National Council’s original filing memorandum along with NCCI’s *Fact Sheets* for items 1, 2, and 4 are also included to provide additional background information regarding Item B-1415.

Please direct any questions you may have concerning this item to MWCIA’s Member & Customer Services staff at 952.897,1737 (Option 1) or via email at [info@mwcia.org](mailto:info@mwcia.org).

#### **A NOTICE TO MEMBERSHIP:**

MWCIA would like to remind our membership who have filed a Limited Power of Attorney with the Minnesota Department of Commerce that no materials referenced in this Circular Letter are required to be independently filed with the Department.

## BASIC MANUAL

## PART TWO — CLASSIFICATIONS

Effective **January 1, 2011**

CURRENT PHRASEOLOGY:		PROPOSED PHRASEOLOGY:		COMMENTS:
Code No.	Classification	Code No.	Classification	
	<b>CARPENTRY</b>		<b>CARPENTRY</b>	
5437●	<b>INSTALLATION OF CABINET WORK OR INTERIOR TRIM.</b> Not applicable to contractors who perform any other carpentry operations at the same job or location.	5437●	<b>INSTALLATION OF CABINET WORK OR INTERIOR TRIM.</b> Not applicable to contractors who perform any other carpentry operations at the same job or location; <u>refer to Codes 5645, 5651 or 5403. Includes the installation of countertops made from materials such as, but not limited to, laminated plastic, veneer, particleboard, or pressed wood; Corian or similar solid surfaces or high-density plastic base materials; and non-laminated solid wood or butcher block. Refer to Code 5348 for the installation of tile, granite, marble, and other stone countertops.</u>	AMENDS PARAGRAPH PHRASEOLOGY TO CLARIFY THE CLASSIFICATION OF VARIOUS COUNTERTOP MATERIALS.
	<b>DOOR, DOOR FRAME, OR SASH</b>		<b>DOOR, DOOR FRAME, OR SASH</b>	
5102●	<b>ERECTION—METAL OR METAL COVERED.</b> Installation of storm doors or storm sash to be separately rated as Code 5645—Carpentry. Overhead door installation to be separately rated as Code 3724—Millwright work.	5102●	<b>ERECTION—METAL OR METAL COVERED.</b> Installation of storm doors or storm sash to be separately rated as Code 5645—Carpentry. Overhead door installation to be separately rated as Code 3724—Millwright work. <u>Code 5102 is also assigned to the installation of shower doors and enclosures made from materials other than glass; refer to Code 5462 for the installation of glass shower doors and enclosures.</u>	AMENDS PARAGRAPH PHRASEOLOGY TO CLARIFY CLASSIFICATION OF SHOWER DOORS AND ENCLOSURES.

## BASIC MANUAL

## PART TWO — CLASSIFICATIONS

Effective **January 1, 2011**

CURRENT PHRASEOLOGY:		PROPOSED PHRASEOLOGY:		COMMENTS:
Code No.	Classification	Code No.	Classification	
5348●	MOSAIC, STONE, TERRAZZO, OR CERAMIC TILE WORK—INSIDE. Applies to interior construction work only. Not fireproof tile construction.	5348●	MOSAIC, STONE, TERRAZZO, OR CERAMIC TILE WORK—INSIDE. Applies to interior construction work only. Not fireproof tile construction. <u>Installation of granite, marble, or other stone countertops is also included in Code 5348. Refer to Code 5437 for countertops made from other materials.</u>	AMENDS PARAGRAPH PHRASEOLOGY TO CLARIFY THE CLASSIFICATION OF STONE COUNTERTOP INSTALLATION UNDER ALL CROSS-REFERENCES IN CONNECTION WITH CODE 5348.
5348●	STONE, MOSAIC, TERRAZZO, OR CERAMIC TILE WORK—INSIDE. Applies to interior construction work only. Not fireproof tile construction.	5348●	STONE, MOSAIC, TERRAZZO, OR CERAMIC TILE WORK—INSIDE. Applies to interior construction work only. Not fireproof tile construction. <u>Installation of granite, marble, or other stone countertops is also included in Code 5348. Refer to Code 5437 for countertops made from other materials.</u>	
5348●	TERRAZZO, MOSAIC, STONE, OR CERAMIC TILE WORK—INSIDE. Applies to interior construction work only. Not fireproof tile construction.	5348●	TERRAZZO, MOSAIC, STONE, OR CERAMIC TILE WORK—INSIDE. Applies to interior construction work only. Not fireproof tile construction. <u>Installation of granite, marble, or other stone countertops is also included in Code 5348. Refer to Code 5437 for countertops made from other materials.</u>	AMENDS PARAGRAPH PHRASEOLOGY TO CLARIFY THE CLASSIFICATION OF STONE COUNTERTOP INSTALLATION UNDER ALL CROSS-REFERENCES IN CONNECTION WITH CODE 5348.
5348●	TILE—CERAMIC, STONE, MOSAIC, OR TERRAZZO WORK—INSIDE. Applies to interior construction work only. Not fireproof tile construction.	5348●	TILE—CERAMIC, STONE, MOSAIC, OR TERRAZZO WORK—INSIDE. Applies to interior construction work only. Not fireproof tile construction. <u>Installation of granite, marble, or other stone countertops is also included in Code 5348. Refer to Code 5437 for countertops made from other materials.</u>	

BASIC MANUAL

PART TWO — CLASSIFICATIONS

Effective **January 1, 2011**

CURRENT PHRASEOLOGY:		PROPOSED PHRASEOLOGY:		COMMENTS:
Code No.	Classification	Code No.	Classification	
	<b>CLEANER—DEBRIS REMOVAL</b>		<b>CLEANER—DEBRIS REMOVAL</b>	
9014	BY CONTRACTOR UPON COMPLETION OF PROJECT	9014	<u>Applies to cleaning service contractors who provide clean-up crews to wash windows and sweep and mop floors to prepare a location for its intended use. Refer to the appropriate construction code for laborers who perform work to complete tasks that have been identified as part of a post-construction “punch-out” list. Refer to code 9403 for cleaning service contractors who also remove debris left by the construction crew after construction has been completed.</u>	AMENDS PHRASEOLOGY TO CLARIFY THE DIFFERENCE BETWEEN THE USE OF CODE 9403 AND CODE 9014 FOR CLEANING AND DEBRIS REMOVAL IN CONNECTION WITH BUILDING CONSTRUCTION. ALSO ADDS CLARIFICATION REGARDING THE CLASSIFYING OF EMPLOYEES INVOLVED IN DOING “PUNCH-OUT” LIST WORK.
9403	BY SUBCONTRACTOR. Applies only in connection with construction or erection. Does not apply to the payroll for cleaners except when the payroll for <del>watchguards, timekeepers, and</del> cleaners is more than all other payroll of the insured that is subject to construction or erection classifications at the same job or location.	9403	BY SUBCONTRACTOR. Applies only in connection with construction or erection. Does not apply to the payroll for cleaners, <del>timekeepers, and watchguards</del> is more than all other payroll of the insured that is subject to construction or erection classifications at the same job or location. <u>Cleaners included in Code 9403 remove debris left by the construction crews after construction has been completed. Refer to Code 9014 for cleaning service contractors who provide clean-up crews to wash windows and sweep and mop floors to prepare a location for its intended use. Refer to the appropriate construction code for laborers who perform work to complete tasks that have been identified as part of a post-construction “punch-out” list.</u>	AMENDS PHRASEOLOGY TO CLARIFY THE DIFFERENCE BETWEEN THE USE OF CODE 9403 AND CODE 9014 FOR CLEANING AND DEBRIS REMOVAL IN CONNECTION WITH BUILDING CONSTRUCTION. ALSO ADDS CLARIFICATION REGARDING THE CLASSIFYING OF EMPLOYEES INVOLVED IN DOING “PUNCH-OUT” LIST WORK.

FILING MEMORANDUM

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

**PURPOSE**

The purpose of this item is to clarify, discontinue, or create certain classifications and classification rules in NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance* to reflect current business and industry needs. The three industries impacted are shown in the table of contents below:

Title	Fact Sheet	Exhibit
Carpentry	1	1
Three-Year Transition Program Rules and Examples		1
Five-Year Transition Program Rules (Applies in: KY)		1
Three-Year Transition Program Rules and Examples (Applies in: VA)		1
Door, Window, Cabinets, and Interior Trim Installation	2	2
Punch-Out Employees	3	3
Basic Manual Appendix E—Table of Classifications by Hazard Group		4
State Special Exhibits		5
CCPAP Exhibits		6
Assigned Carrier Performance Standards		7

**BACKGROUND**

NCCI has an ongoing process dedicated to the systematic research, analysis, and maintenance of NCCI's classification system. This process ensures that the classification system remains healthy, viable, and responsive to the needs of various industry stakeholders. This process also ensures that the system reflects the responses that various industries and their operations make to technological, competitive, and regulatory changes.

Classifications and industry-grouped classifications are analyzed to determine which, if any, should be considered for modernization, consolidation, discontinuation, or clarification. This item includes proposals for the individual classifications identified in each exhibit.

Another objective of the classification project is to simplify the classification section of NCCI's *Basic Manual* by discontinuing redundant phraseologies or streamlining current phraseologies with **format and consistency-only** changes. For example, in this filing section, headings are removed and added to the underlying code-specific phraseologies, such as Iron or Steel in Exhibit 1.

NCCI's analysis of the classification system is national in scope, and the recommendations within this item are being proposed in all NCCI states. NCCI recognizes the occasional need for state-specific classification treatments to reflect geographical differences, and such treatments are also included in this filing.

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## FILING MEMORANDUM

### ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

#### PROPOSAL

It is proposed that the classifications indicated in the attached exhibits be modernized, consolidated, created, discontinued, or clarified as shown.

This item is broken out in sections as enumerated in the table shown on Page 1. Each section contains a fact sheet outlining the proposals relating to that section, as well as the background and basis for the proposed changes, the estimated impact of the proposals, and the details of implementation. Each section also contains exhibits detailing the changes being proposed to NCCI's *Basic Manual*.

#### IMPACT

This item will foster the uniform and equitable treatment of risks within each industry. NCCI recognizes that some of our recommendations, such as moving a specific operation from one classification to another, may have a premium impact for particular risks. Additionally, some of the changes proposed will have a loss cost or rate impact. The industry fact sheets outline the potential impacts specific to each of the proposed changes.

#### IMPLEMENTATION

In order to implement this item, the attached exhibits detail the changes required in NCCI's *Basic Manual*.

This item is applicable to new and renewal voluntary and assigned risk policies, and it will become effective concurrently with each state's approved rate/loss cost filing for the 2011<sup>1</sup> filing cycle. For example, this item will be effective January 1, 2011 for approved rate/loss cost filings that have a January 1, 2011 effective date. Similarly, this item will be effective July 1, 2011 for approved rate/loss cost filings that have a July 1, 2011 effective date.

A fact sheet may include a transition program for one or more of the included proposals. In that instance, the fact sheet will include the actual transition program rules and give the details corresponding to the initiation and final implementation date associated with the transition program.

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

State	Anticipated* Effective Date
Alabama	March 1, 2011
Alaska	January 1, 2011
Arizona	October 1, 2011
Arkansas	July 1, 2011

<sup>1</sup> Unless otherwise noted.

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ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
 E—CLASSIFICATIONS BY HAZARD GROUP

State	Anticipated* Effective Date
Colorado	January 1, 2011
Connecticut	January 1, 2011
District of Columbia	November 1, 2011
Florida	The effective date of this item will depend on the date regulatory approval is granted. If the item is approved on or before July 1, 2009, it will become effective January 1, 2010. If it is approved after July 1, 2009, it will become effective January 1, 2011.
Georgia	July 1, 2011
Hawaii	This item will be implemented in Hawaii's loss cost filing proposed effective January 1, 2011. The effective date will be determined upon regulatory approval of the individual carrier's election to adopt this change.
Idaho	January 1, 2011
Illinois	January 1, 2011
Indiana	January 1, 2011
Iowa	January 1, 2011
Kansas	January 1, 2011
Kentucky	October 1, 2011
Louisiana	May 1, 2011
Maine	January 1, 2011
Maryland	January 1, 2011
Mississippi	March 1, 2011
Missouri	All rate changes related to this filing are proposed to be effective January 1, 2011 for the voluntary and assigned risk market.
Montana	July 1, 2011

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ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
 E—CLASSIFICATIONS BY HAZARD GROUP

State	Anticipated* Effective Date
Nebraska	February 1, 2011
Nevada	March 1, 2011
New Hampshire	January 1, 2011
New Mexico	January 1, 2011
North Carolina	April 1, 2011
Oklahoma	January 1, 2011
Oregon	January 1, 2011
Rhode Island	June 1, 2011
South Carolina	If there is no rate/loss cost filing for South Carolina in a given year, this item will take effect on South Carolina's "normal" rate effective date. (The "normal" rate effective date is the anniversary date of the state's previous approved rate/loss cost filing.)
South Dakota	July 1, 2011
Tennessee	March 1, 2011
Utah	December 1, 2011
Vermont	April 1, 2011
Virginia	April 1, 2010
West Virginia	July 1, 2011

\* Subject to change.

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**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

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**EXHIBIT 1—FACT SHEET****CARPENTRY****PROPOSAL**

The focus of the proposed changes for this industry is to combine classifications and revise existing classification wording for clarification and plain language.

**NCCI recommends the following national treatment for classifications:**

1. Discontinue Code 5651—Carpentry—Dwellings—Three Stories or Less and reassign this exposure to Code 5645—Carpentry—Detached One- or Two-Family Dwellings. All cross-reference phraseologies associated with Code 5651 will also be discontinued. The new loss cost or rate and rating values for Code 5645 will be determined from combined data of both Code 5651 and Code 5645. The transition program rules and examples specifically describe the transition program loss cost or rate and rating value classifications.
2. Revise the phraseology of Code 5645 to incorporate the construction of buildings designed primarily for multiple dwelling occupancy that do not exceed three stories in height. The phraseology note will also be revised to clarify that all carpentry work in connection with the construction of residential dwellings when performed by employees of the same contractor or general contractor is assigned to Code 5645.

Revise the cross-reference phraseology of Code 5645—Siding Installation—Aluminum or Vinyl: Detached One- or Two-Family Dwellings to clarify that Code 5645 is assigned to specialty contractors that install all types of siding (aluminum, cedar shingles, engineered or composite wood, seamless steel, vinyl, wood) on existing dwellings that do not exceed three stories in height.

Discontinue the cross-reference phraseology of Code 5645—Iron or Steel: Erection: Steel Frame—Interior—Light Gauge Steel: By Carpentry Contractors in Connection With the Construction of Detached One- or Two-Family Dwellings. The assignment of Code 5645 for the installation of light-gauge steel framing in connection with the construction of residential dwellings will be referenced in the phraseology note of Code 5645.

3. Discontinue the cross-reference phraseology of Code 5645—Vinyl Siding Installation—Detached One- or Two-Family Dwellings due to redundancy.
4. Discontinue cross-reference phraseologies of Code 5645—Door Installation—Screened—Metal or Wood; Jalousie or Jalousie Screen—Erection, Storm Door or Storm Sash Installation—Wood or Metal; and Window Screen or Door Installation—Metal or Wood and reassign this exposure when performed by specialty contractors to Code 5102—Door, Door Frame or Sash Erection—Metal or Metal-Covered. The phraseology note of Code 5102 will also be revised to clarify that the installation of all types (aluminum, vinyl, wood, composite, fiberglass, steel) of interior and exterior doors and windows—commercial and residential—be assigned to Code 5102. The installation of doors and windows in connection with the construction or remodeling of residential dwellings or commercial buildings will continue to be assigned to Code 5645 or Code 5403. The installation of interior doors by trim or finish carpenters will continue to be assigned to Code 5437. See Fact Sheet 2.
5. Create a cross-reference phraseology for Code 5403—Carpentry—Construction of Residential Dwellings Exceeding Three Stories in Height or Commercial Buildings and Structures. The phraseology note will clarify that Code 5403 applies to the construction of mixed-use buildings and multi-unit residential buildings exceeding three stories in height.

Revise the cross-reference phraseology of Code 5403—Siding Installation—Aluminum or Vinyl: All Other Buildings or Structures to clarify that Code 5403 is assigned to specialty contractors that install all types of siding on existing commercial buildings and/or existing dwellings that exceed three stories in height.

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

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**EXHIBIT 1—FACT SHEET (CONT'D)**

Discontinue the cross-reference phraseology for 5403—Iron or Steel: Erection: Steel Frame—Interior—Light-Gauge Steel: By Other Carpentry Contractors. The assignment of Code 5403 for the installation of all light-gauge steel framing in connection with the construction of residential dwellings exceeding three stories in height or commercial buildings and structures will be referenced in the phraseology note of Code 5403.

6. Discontinue cross-reference phraseologies for Hod Hoist or Construction Elevator Installation, Repair or Removal & Drivers, Derrick or Oil Rig Erecting or Dismantling—All Operations—Wood, and Code 5403—Vinyl Siding Installation—All Other Buildings or Structures due to redundancy.
7. Revise the phraseology of Code 5551—Roofing—All Kinds & Drivers to further clarify that Code 5551 is assigned to all types of roofs—new and existing.
8. Revise *Basic Manual* Rule 1-C-2-j to replace the reference to Code 5651 with Code 5645—Carpentry—Construction of Residential Dwellings Not Exceeding Three Stories in Height and Code 5403—Carpentry—Construction of Residential Dwellings Exceeding Three Stories in Height or Commercial Buildings and Structures.

**Alaska Specific:**

NCCI recommends that Alaska not adopt the newly proposed phraseology for Code 5551 but instead revise their state special phraseology for Code 5551—Roofing—All Kinds & Drivers to more closely align with the national proposal for Code 5551.

**Florida Specific:**

NCCI recommends that Florida discontinue their state special phraseology for Hod Hoist or Construction Elevator Installation, Repair, or Removal & Drivers due to redundancy.

**Hawaii Specific:**

NCCI recommends that Hawaii revise their state special phraseology for Code 5538—Vinyl Siding Installation & Drivers to correct the classification code from 5538 to 5535 and to reinstate Hawaii's exception for siding installation.

**New Hampshire Specific:**

NCCI recommends that New Hampshire discontinue their state special phraseology for Code 5538—Siding Installation—Aluminum or Vinyl & Drivers to more closely align with the national proposal for Code 5645. It is also proposed that New Hampshire not adopt the newly proposed phraseology for Code 5551 but instead revise their state special phraseology for Code 5551—Roofing—All Kinds & Yard Employees, Drivers to more closely align with the national proposal for Code 5551.

**Oregon Specific:**

NCCI recommends that Oregon not adopt the newly proposed phraseology for Code 5645 but instead revise their state special phraseology for Code 5645—Carpentry—Detached One- or Two-Family Dwellings to more closely align with the national proposal for Code 5645.

**Virginia Specific:**

NCCI recommends that Virginia not adopt the newly proposed phraseology for Code 5551 but instead revise their state special phraseology for Code 5551—Roofing—All Kinds & Yard Employees, Drivers to more

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

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**EXHIBIT 1—FACT SHEET (CONT'D)**

closely align with the national proposal for Code 5551. It is also recommended that Virginia revise the descriptions of Codes 5022, 5057, 5069, 5213, 5215, 5445, and 6003 to incorporate the changes proposed.

**BACKGROUND AND BASIS FOR CHANGE**

There are three national codes related to the carpentry industry. Two are for residential structures (one- or two-family homes—Code 5645, and dwellings three stories or less—Code 5651) and the third (5403) is for all types of commercial buildings and other nonclassified carpentry not related to Code 5645 and Code 5651. All three carpentry codes include steel stud framing and the installation of aluminum or vinyl siding. There is an exception for roofing operations conducted by a contractor building a residential home under Code 5645 and Code 5651. In this circumstance, roofing operations would be assigned to Code 5645 and Code 5651 if conducted by the contractor building the residential building.

The analysis of the carpentry industry focused on carpentry work associated with the construction of residential, commercial, industrial, and other wooden structures. There are three primary types of carpentry:

- Rough carpentry includes making and setting up the forms for concrete foundations or foundation walls (no concrete pouring), floors for the residential building built on the foundation walls, and temporary structures that add support during the construction.
- Framing carpentry includes the building of exterior walls, interior walls, and second floor roofs and ceilings of the building.
- Finish carpenters install doors, door frames, window and door trims, baseboards, built-in cabinets, kitchen and bath cabinets, wooden floors, etc.

The types of tools carpenters use include hand tools such as hammers, hand saws, and battery-powered drills to install nails and screws. Most use powered hand tools using electricity and air compressors for their nail guns to install the various types of carpentry. Powered saws are used to cut the lumber and plywood to size and shape as needed during the building process. Ladders and scaffolding are used to work at various heights during the setup of the rough, framing, and finish carpentry work. Working on irregular exterior surface (dirt grounds around the building), ladders, and slanted surfaces (roof decks) are commonplace.

Roofing has the same type of tools and exposures, except that their work area needs to be built around them at a height by installing the joists and trusses and attaching the plywood decking. Once the decking is completed, the tar paper or other underlying material is attached, and the final roofing material is installed (shingle, tile, etc.). Roofing material installation can be a hot or cold process for residential, commercial, and industrial buildings and other structures.

Due to the various types of residential structures that are three stories or less, it can be difficult to differentiate between Code 5651 and Code 5403. It is common for residential structures (such as apartments or condominiums) to be built above store fronts or offices. Depending on the location (such as urban areas), many one- and two-family homes can exceed three stories in height, which can also make it difficult to differentiate between Code 5651 and Code 5645.

Currently, the installation of doors may be assigned to various codes—Code 5437, Code 5645, Code 5403, or Code 5102—depending on the material and/or use. It is common for these types of specialty contractors to install all types of doors (residential and commercial) and windows, which can make it difficult to assign the proper classification.

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

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**EXHIBIT 1—FACT SHEET (CONT'D)**

**IMPACT**

This item proposes that Code 5651—Carpentry—Dwellings—Three Stories or Less be discontinued with its experience combined into Code 5645. NCCI conducted a review using the latest approved loss cost or rate filing experience to determine the need for a loss cost or rate transition program to minimize the impact of this proposed change. Based on the result of this review, a three-year transition is being proposed in all states. Using a transition program will help minimize the impact to both individual risk premium charges and overall statewide premium.

The proposal to reassign the installation of metal or wood screened doors, jalousie or jalousie screens, wood or metal storm doors or storm sash, and metal or wood window screens and doors from Code 5645 to Code 5102 will better align these operations with their associated work hazards. The resulting reassignment of individual risk payroll due to this clarification cannot be determined by using any currently available data source. No modifications or adjustments to filed loss costs or rates are proposed for this portion of the recommendation. The class code's loss cost or rate will eventually reflect the new phraseology and underlying experience of all risks with payroll and loss experience assigned to that classification.

The other changes to this industry primarily consist of the consolidation of cross-references into the actual classification wording, and this consolidation is not expected to result in any reclassification of risks' payroll or change in loss costs, rates, or premium.

**Alaska Specific:**

This item proposes that Alaska not adopt the newly proposed phraseology for Code 5551 but instead revise their state special phraseology for Code 5551—Roofing—All Kinds & Drivers to more closely align with the national proposal for Code 5551. The recommended change to the phraseology for Code 5551 is for clarification only and is not expected to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**Florida Specific:**

This item proposes that Florida discontinue their state special phraseology for Code Hod Hoist or Construction Elevator Installation, Repair or Removal due to redundancy. The recommended change to the phraseology for Code 5403 is for clarification only and is not expected to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**Hawaii Specific:**

This item proposes that Hawaii revise their state special phraseology for Code 5538—Vinyl Siding Installation & Drivers to correct the classification code from 5538 to 5535 and to reinstate Hawaii's exception for siding installation. The recommended change to the phraseology for Code 5538 is for clarification only and is not expected to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**Kentucky Specific:**

This item proposes that Kentucky implement a five-year transition program, instead of the nationally proposed three-year transition program, since the larger estimated loss cost changes in Kentucky warrant a longer transition program.

**New Hampshire Specific:**

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

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**EXHIBIT 1—FACT SHEET (CONT'D)**

NCCI recommends that New Hampshire discontinue their state special phraseology for Code 5538—Siding Installation—Aluminum or Vinyl & Drivers to more closely align with the national proposal for Code 5645. It is also proposed that New Hampshire not adopt the newly proposed phraseology for Code 5551 but instead revise their state special phraseology for Code 5551—Roofing—All Kinds & Yard Employees, Drivers to more closely align with the national proposal for Code 5551. The recommended change to the phraseology for Code 5538 and Code 5551 is for clarification only and is not expected to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**Oregon Specific:**

This item proposes that Oregon not adopt the newly proposed phraseology for Code 5645 but instead revise their state special phraseology for Code 5645—Carpentry—Detached One- or Two-Family Dwellings to more closely align with the national proposal for Code 5645. This portion of the proposal is not anticipated to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**Virginia Specific:**

This item proposes that Virginia not adopt the newly proposed phraseology for Code 5551 but instead revise their state special phraseology for Code 5551—Roofing—All Kinds & Yard Employees, Drivers to more closely align with the national proposal for Code 5551. This item also proposes that Virginia update the descriptions of Codes 5022, 5057, 5069, 5213, 5215, 5445, and 6003 to incorporate the changes proposed. This portion of the proposal is not anticipated to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**IMPLEMENTATION**

This item is applicable to new and renewal voluntary and assigned risk policies, and it will become effective concurrently with each state's approved rate/loss cost filing for the 2011<sup>1</sup> filing cycle as outlined on the state effective date table in the filing memorandum.

For example, this item will be effective January 1, 2011 for approved rate/loss cost filings that have a January 1, 2011 effective date. Similarly, this item will be effective July 1, 2011 for approved rate/loss cost filings that have a July 1, 2011 effective date.

<sup>1</sup>Unless otherwise noted.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5651 • CARPENTRY—Dwellings—Three Stories or Less

Applicable only to buildings designed primarily for multiple dwelling occupancy and includes garages constructed in connection therewith. Carpentry in the construction of detached private dwellings for occupancy by one or two families to be separately rated as Code 5645—Carpentry.

TO BE IMPLEMENTED ON THE COMPLETION DATE OF THE TRANSITION PROGRAM FOR EACH  
STATE\*

~~5651 • CARPENTRY—Dwellings—Three Stories or Less~~

~~Applicable only to buildings designed primarily for multiple dwelling occupancy and includes garages constructed in connection therewith. Carpentry in the construction of detached private dwellings for occupancy by one or two families to be separately rated as Code 5645—Carpentry.~~

\*For all applicable states, the three-year transition program will be initiated concurrently with each state's approved rate/loss cost filing effective date for the 2011 filing cycle. Refer to the state chart in the implementation section of the memorandum.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

~~SIDING INSTALLATION—ALUMINUM OR VINYL~~

- ~~5645• Detached One or Two Family Dwellings~~
- ~~5651• Dwellings Three Stories or Less~~
- ~~5403• All Other Buildings or Structures~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5645• SIDING INSTALLATION—ALUMINUM OR VINYL—Detached One- or Two-Family Dwellings

TO BE IMPLEMENTED ON THE COMPLETION DATE OF THE TRANSITION PROGRAM FOR EACH  
STATE\*

5645• ~~SIDING INSTALLATION—ALUMINUM OR VINYL—Detached One- or Two-Family  
Dwellings~~ ALL TYPES—RESIDENTIAL DWELLINGS NOT EXCEEDING THREE STORIES  
IN HEIGHT

Applies to specialist contractors installing all types of siding on residential dwellings. Refer to  
Code 5403 for the installation of siding on all other buildings or structures.

\*For all applicable states, the three-year transition program will be initiated concurrently with each state's approved  
rate/loss cost filing effective date for the 2011 filing cycle. Refer to the state chart in the implementation section of  
the memorandum.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5651 • SIDING INSTALLATION—ALUMINUM OR VINYL—DWELLINGS—THREE STORIES OR LESS

TO BE IMPLEMENTED ON THE COMPLETION DATE OF THE TRANSITION PROGRAM FOR EACH  
STATE\*

~~5651 • SIDING INSTALLATION—ALUMINUM OR VINYL—DWELLINGS—THREE STORIES OR LESS~~

\*For all applicable states, the three-year transition program will be initiated concurrently with each state's approved rate/loss cost filing effective date for the 2011 filing cycle. Refer to the state chart in the implementation section of the memorandum.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5403• SIDING INSTALLATION—ALUMINUM OR VINYL—All Other Buildings or Structures

TO BE IMPLEMENTED ON THE COMPLETION DATE OF THE TRANSITION PROGRAM FOR EACH  
STATE\*

5403• SIDING INSTALLATION—~~ALUMINUM OR VINYL~~ ALL TYPES—ALL OTHER BUILDINGS OR  
STRUCTURES—INCLUDING RESIDENTIAL DWELLINGS EXCEEDING THREE STORIES  
IN HEIGHT

Applies to specialist contractors installing all types of siding. Refer to Code 5645 for the  
installation of siding on residential dwellings not exceeding three stories in height. Sheet metal  
siding installed on the exterior of a steel frame structure is assigned to Code 5535.

\*For all applicable states, the three-year transition program will be initiated concurrently with each state's approved  
rate/loss cost filing effective date for the 2011 filing cycle. Refer to the state chart in the implementation section of  
the memorandum.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

~~VINYL SIDING INSTALLATION~~

- 5645 • ~~Detached One or Two Family Dwellings~~
- 5651 • ~~Dwellings Three Stories or Less~~
- 5403 • ~~All Other Buildings or Structures~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

~~MILITARY RESERVATION~~

~~Construction—~~

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

5651●

~~Carpentry~~

5215●

~~Concrete Construction—Not Monolithic Concrete Building Construction~~

5069●

~~Iron or Steel Erection—Not Over Two Stories in Height~~

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

~~Dismantling or Wrecking. See Wrecking.~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

MILITARY RESERVATION—Construction

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

- 5651● **Carpentry**
- 5215● **Concrete Construction—Not Monolithic Concrete Building Construction**
- 5069● **Iron or Steel Erection—Not Over Two Stories in Height**

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

TO BE IMPLEMENTED ON THE COMPLETION DATE OF THE TRANSITION PROGRAM FOR EACH  
STATE\*

**MILITARY RESERVATION—CONSTRUCTION**

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

- ~~5651●~~ ~~Carpentry~~
- 5215● **Concrete Construction—Not Monolithic Concrete Building Construction**
- 5069● **Iron or Steel Erection—Not Over Two Stories in Height**

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

\*For all applicable states, the three-year transition program will be initiated concurrently with each state's approved rate/loss cost filing effective date for the 2011 filing cycle. Refer to the state chart in the implementation section of the memorandum.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

MILITARY RESERVATION—DISMANTLING OR WRECKING.

See Wrecking.

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP****EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS**~~IRON OR STEEL~~~~Erection:~~

- 5069• ~~Construction of Dwellings Not Over Two Stories in Height~~
- 5102• ~~Door, Door Frame, or Sash Erection—Metal or Metal Covered.~~ Installation of storm doors or storm sash to be separately rated as Code 5645—Carpentry. Overhead door installation to be separately rated as Code 3724—Millwright work.
- 5040• ~~Frame Structures~~
- 5059• ~~Frame Structures Not Over Two Stories in Height.~~ Code 5040—Iron or steel: erection—frame structures shall not be assigned at the same job or location to which Code 5059 applies.
- 5102• ~~Iron, Brass or Bronze—Decorative or Artistic~~
- 5102• ~~Iron, Brass or Bronze—Nonstructural—Interior~~
- 5040• ~~Iron—Exterior.~~ Includes work on balconies, fire escapes, staircases, and fireproof shutters.
- 5040• ~~Metal Bridges~~
- 5040 ~~Radio, Television or Water Towers, Smokestacks, or Gasholders~~
- ~~Steel Frame—Interior—Light Gauge Steel:~~
- 5645• ~~By Carpentry Contractors in Connection with the Construction of Detached One- or Two-Family Dwellings~~
- 5651• ~~Carpentry Contractors in Connection with the Construction of Dwellings Three Stories or Less Designed Primarily for Multiple Dwelling Occupancy~~
- 5445• ~~By Contractors Engaged in Wallboard Installation & Drivers~~
- 5403• ~~By Other Carpentry Contractors~~
- 5102• ~~By Specialist Contractor~~
- 5057• ~~NOC~~

~~Fabrication:~~

- 3030 ~~Ironworks or Steelworks—Shop—Structural & Drivers.~~ Applies to fabricating or assembling structural iron or steel. Blast furnace or converter operation, casting of steel, or rolling mills to be separately rated.
- 3041 ~~Ironworks—Shop—Decorative or Artistic & Foundries, Drivers.~~ Applies to the mfg., fabricating, or assembling of decorative or artistic brass, bronze, or ironwork. Codes 3041 and 3040—Ironworks shall not be assigned to the same risk unless the operations described by these classifications are conducted as separate and distinct businesses.
- 3040 ~~Ironworks—Shop—Ornamental & Drivers.~~ Not fabricating or assembling structural iron or steel. Includes fabricating, assembling or mfg. ornamental brass, bronze or ironwork, railings, balconies, fire escapes, staircases, iron shutters, or other nonstructural ironwork or steelwork. Blast furnace or converter operation, casting of steel, rolling mills to be separately rated.

~~Manufacturing:~~

- 3018 ~~Rolling Mill & Drivers.~~ Applies to all iron or steel rolling mills with or without puddling furnaces. Separately rate: steelmaking, blast furnace operation, coke mfg. Not applicable to rolling mills in plants operating open hearth, bessemer, electric, or crucible steel furnaces.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS (CONT'D)  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

- 3004      ~~Steelmaking & Drivers.~~ Applies to electric or open hearth furnaces, bessemer or crucible processes. Includes blooming mills or forging or rolling mills. Blast furnace operation or coke mfg. to be separately rated.
- 8106 ♦      ~~Merchant & Drivers.~~ Not applicable to junk dealers or iron or steel scrap dealers.
- 8265 ♦      ~~Scrap Dealer & Drivers.~~ Wrecking or salvaging to be separately rated. Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 8265 are conducted as a separate and distinct business.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

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

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5040• IRON OR STEEL—ERECTION—FRAME STRUCTURES

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5059 • IRON OR STEEL—ERECTION—FRAME STRUCTURES NOT OVER TWO STORIES IN  
HEIGHT.

Code 5040—Iron or steel: erection—frame structures shall not be assigned at the same job or location to which Code 5059 applies.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5102• IRON OR STEEL—ERECTION—IRON, BRASS OR BRONZE—DECORATIVE OR ARTISTIC

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5102• IRON OR STEEL—ERECTION—IRON, BRASS OR  
BRONZE—NONSTRUCTURAL—INTERIOR

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

- 5040• IRON OR STEEL—ERECTION—IRON—EXTERIOR.  
Includes work on balconies, fire escapes, staircases, and fireproof shutters.

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E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5040• IRON OR STEEL—ERECTION—METAL BRIDGES

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5040• IRON OR STEEL—ERECTION—RADIO, TELEVISION OR WATER TOWERS, SMOKESTACKS,  
OR GASHOLDERS

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5645◦ IRON OR STEEL—ERECTION—STEEL FRAME—INTERIOR—LIGHT GAUGE STEEL—BY  
CARPENTRY CONTRACTORS IN CONNECTION WITH THE CONSTRUCTION OF DETACHED  
ONE- OR TWO- FAMILY DWELLINGS

TO BE IMPLEMENTED ON THE COMPLETION DATE OF THE TRANSITION PROGRAM FOR EACH  
STATE\*

5645◦ ~~IRON OR STEEL—ERECTION—STEEL FRAME—INTERIOR—LIGHT GAUGE STEEL—BY  
CARPENTRY CONTRACTORS IN CONNECTION WITH THE CONSTRUCTION OF DETACHED  
ONE- OR TWO- FAMILY DWELLINGS~~

\*For all applicable states, the three-year transition program will be initiated concurrently with each state's approved rate/loss cost filing effective date for the 2011 filing cycle. Refer to the state chart in the implementation section of the memorandum.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

- 5651• ~~IRON OR STEEL—ERECTION—STEEL FRAME—INTERIOR—LIGHT GAUGE STEEL—BY  
CARPENTRY CONTRACTORS IN CONNECTION WITH THE CONSTRUCTION OF  
DWELLINGS THREE STORIES OR LESS DESIGNED PRIMARILY FOR MULTIPLE DWELLING  
OCCUPANCY~~

TO BE IMPLEMENTED ON THE COMPLETION DATE OF THE TRANSITION PROGRAM FOR EACH  
STATE\*

- ~~5651• ~~IRON OR STEEL—ERECTION—STEEL FRAME—INTERIOR—LIGHT GAUGE STEEL—BY  
CARPENTRY CONTRACTORS IN CONNECTION WITH THE CONSTRUCTION OF  
DWELLINGS THREE STORIES OR LESS DESIGNED PRIMARILY FOR MULTIPLE DWELLING  
OCCUPANCY~~~~

\*For all applicable states, the three-year transition program will be initiated concurrently with each state's approved rate/loss cost filing effective date for the 2011 filing cycle. Refer to the state chart in the implementation section of the memorandum.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5445• IRON OR STEEL—ERECTION—STEEL FRAME—INTERIOR—LIGHT GAUGE STEEL—BY  
CONTRACTORS ENGAGED IN WALLBOARD INSTALLATION & DRIVERS

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5403\* IRON OR STEEL—ERECTION—STEEL FRAME—INTERIOR—LIGHT GAUGE STEEL—BY  
OTHER CARPENTRY CONTRACTORS

TO BE IMPLEMENTED ON THE COMPLETION DATE OF THE TRANSITION PROGRAM FOR EACH  
STATE\*

5403\* ~~IRON OR STEEL—ERECTION—STEEL FRAME—INTERIOR—LIGHT GAUGE STEEL—BY  
OTHER CARPENTRY CONTRACTORS~~

\*For all applicable states, the three-year transition program will be initiated concurrently with each state's approved rate/loss cost filing effective date for the 2011 filing cycle. Refer to the state chart in the implementation section of the memorandum.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5057 • IRON OR STEEL—ERECTION—STEEL FRAME—INTERIOR—LIGHT GAUGE STEEL—NOC

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

3030 IRON OR STEEL—FABRICATION—IRONWORKS OR  
STEELWORKS—SHOP—STRUCTURAL & DRIVERS.

Applies to fabricating or assembling structural iron or steel. Blast furnace or convertor operation, casting of steel, or rolling mills to be separately rated.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

3041 IRON OR STEEL—FABRICATION—IRONWORKS—SHOP—DECORATIVE OR ARTISTIC &  
FOUNDRIES, DRIVERS.

Applies to the mfg., fabricating, or assembling of decorative or artistic brass, bronze, or ironwork.  
Codes 3041 and 3040—Ironworks shall not be assigned to the same risk unless the operations  
described by these classifications are conducted as separate and distinct businesses.

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

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**EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS**

- 3040**     **IRON OR STEEL—FABRICATION—IRONWORKS—SHOP—ORNAMENTAL & DRIVERS.**  
Not fabricating or assembling structural iron or steel. Includes fabricating, assembling or mfg. ornamental brass, bronze or ironwork, railings, balconies, fire escapes, staircases, iron shutters, or other nonstructural ironwork or steelwork. Blast furnace or convertor operation, casting of steel, rolling mills to be separately rated.

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

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**EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS**

**3018     IRON OR STEEL—MANUFACTURING—ROLLING MILL & DRIVERS.**

Applies to all iron or steel rolling mills with or without puddling furnaces. Separately rate: steelmaking, blast furnace operation, coke mfg. Not applicable to rolling mills in plants operating open hearth, bessemer, electric, or crucible steel furnaces.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

3004 IRON OR STEEL—MANUFACTURING—STEELMAKING & DRIVERS.

Applies to electric or open hearth furnaces, bessemer or crucible processes. Includes blooming mills or forging or rolling mills. Blast furnace operation or coke mfg. to be separately rated.

EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

8106◆ IRON OR STEEL—MERCHANT & DRIVERS.

Not applicable to junk dealers or iron or steel scrap dealers.

EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

8265◆ IRON OR STEEL—SCRAP DEALER & DRIVERS.

Wrecking or salvaging to be separately rated. Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 8265 are conducted as a separate and distinct business.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

- 5645● CARPENTRY—Detached One- or Two-Family Dwellings  
Includes garages constructed in connection with the dwellings.

TO BE IMPLEMENTED ON THE COMPLETION DATE OF THE TRANSITION PROGRAM FOR EACH  
STATE\*

- 5645● CARPENTRY—CONSTRUCTION OF RESIDENTIAL DWELLINGS NOT EXCEEDING THREE  
STORIES IN HEIGHT ~~Detached One- or Two-Family Dwellings~~  
Includes all carpentry work in connection with the construction of residential dwellings when  
performed by employees of the same carpentry contractor or general contractor responsible  
for the entire construction project. Carpentry work includes the construction of the sill, rough  
framework, rough floor, wood or light-gauge steel studs, wood or light-gauge steel joists, rafters,  
roof deck, all types of roofing materials, sidewall sheathing, siding, doors, wallboard installation,  
lathing, windows, stairs, finished flooring, cabinet installation, fencing, decking, detached  
structures, and all interior wood trim. Residential dwellings include detached, semi-detached,  
and attached multi-unit residential buildings. The construction of multi-unit residential buildings  
exceeding three stories in height and the construction of commercial buildings or structures,  
including mixed-use buildings, with no height restriction must be separately rated to Code 5403.  
~~Includes garages constructed in connection with the dwellings.~~

\*For all applicable states, the three-year transition program will be initiated concurrently with each state's approved rate/loss cost filing effective date for the 2011 filing cycle. Refer to the state chart in the implementation section of the memorandum.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5645• ~~DOOR INSTALLATION SCREENED METAL OR WOOD~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

~~JALOUSIE OR JALOUSIE SCREEN~~

5645 • ~~Erection~~  
3076 ~~Mfg.~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

3076     JALOUSIE OR JALOUSIE SCREEN—MFG.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

5645• ~~STORM DOOR OR STORM SASH INSTALLATION—WOOD OR METAL~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

**WINDOW**

- 5645 • ~~Screen or Screen Door Installation—Metal or Wood~~
- 2501 ~~Shade Mfg. Roller manufacturing to be separately rated.~~
- 2841 ~~Shade Roller Mfg.~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

2501     WINDOW—SHADE MFG.  
Roller manufacturing to be separately rated.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

2841     WINDOW—SHADE ROLLER MFG.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

TO BE IMPLEMENTED ON THE COMPLETION DATE OF THE TRANSITION PROGRAM FOR EACH  
STATE\*

5403 • **CARPENTRY—CONSTRUCTION OF RESIDENTIAL DWELLINGS EXCEEDING THREE  
STORIES IN HEIGHT OR COMMERCIAL BUILDINGS AND STRUCTURES**

Applies to the construction of multi-unit residential buildings exceeding three stories in height and to the construction of commercial buildings or structures, including mixed-use buildings, with no height restriction. Includes all carpentry work when performed by employees of the same carpentry contractor or general contractor responsible for the entire dwelling construction project. The construction of residential dwellings not exceeding three stories in height to be separately rated as Code 5645.

\*For all applicable states, the three-year transition program will be initiated concurrently with each state's approved rate/loss cost filing effective date for the 2011 filing cycle. Refer to the state chart in the implementation section of the memorandum.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

~~HOD HOIST OR CONSTRUCTION ELEVATOR INSTALLATION, REPAIR, OR REMOVAL &  
DRIVERS.~~

~~The following operations will be classified as:~~

- ~~5213• Concrete or Concrete Encased Buildings or Structures~~
- ~~5057• Iron or Steel Buildings or Structures~~
- ~~5022• Masonry Buildings or Structures~~
- ~~6003• Piers or Wharfs~~
- ~~5403• Wooden Buildings or Structures Including Those Designed for Dwelling Occupancy~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

~~DERRICK OR OIL RIG ERECTING OR DISMANTLING—ALL OPERATIONS.~~

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

5057 • ~~Metal~~

5403 • ~~Wood~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CLASSIFICATIONS  
CARPENTRY

~~ROOFING~~

- 5551 • ~~All Kinds & Drivers~~
- 4283 ~~Or Building Paper or Felt Preparation—No Installation. Not applicable to asphalt or tar distillation or refining plants, which include the saturating of paper or felt as a part of their operations. Paper or felt mfg. to be separately rated.~~
- 4283 ~~Paper or Roofing Felt Mfg.~~
- 1624 ~~Slate Mfg. or Slate Splitting & Drivers. Includes quarrying, construction, repair, or maintenance of all buildings, structures, or equipment; installation of machinery.~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CLASSIFICATIONS  
CARPENTRY

5551 • ROOFING—ALL KINDS & DRIVERS

Applies to the installation of new roofs and the repair of existing roofs. Includes the installation and/or repair of joists, trusses, rafters, roof decks, sheathing, and all types of roofing materials.

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

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**EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS**

**4283      ROOFING OR BUILDING PAPER OR FELT PREPARATION—NO INSTALLATION.**

Not applicable to asphalt or tar distillation or refining plants, which include the saturating of paper or felt as a part of their operations. Paper or felt manufacturing to be separately rated.

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ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

4283     ROOFING—PAPER OR ROOFING FELT MFG.

EXHIBIT 1—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
CLASSIFICATIONS

- 1624 ROOFING—SLATE MFG. OR SLATE SPLITTING & DRIVERS.  
Includes quarrying; construction, repair, or maintenance of all buildings, structures, or equipment;  
and installation of machinery.

EXHIBIT 1—NATIONAL RULES  
BASIC MANUAL—2001 EDITION  
CARPENTRY  
RULE 1—CLASSIFICATION ASSIGNMENT  
C. CLASSIFICATION WORDING  
2. Words and Phrases

**j. Stories in Height**

Certain classification wording refers to "stories in height." A story is defined as fifteen (15) feet in height. It is measured from the lowest point above ground level to the highest point above ground level. Some of these classifications are:

- Code 5037—Painting: Metal Structures—Over Two Stories
- Code 5059—Iron or Steel—Erection—Frame Structures Not Over Two Stories
- Code 5651—Carpentry—Dwellings—Three Stories or Less

TO BE IMPLEMENTED ON THE COMPLETION DATE OF THE TRANSITION PROGRAM FOR  
EACH STATE\*

**j. Stories in Height**

Certain classification wording refers to "stories in height." A story is defined as fifteen (15) feet in height. It is measured from the lowest point above ground level to the highest point above ground level. Some of these classifications are:

- Code 5037—Painting: Metal Structures—Over Two Stories
- Code 5059—Iron or Steel—Erection—Frame Structures Not Over Two Stories
- ~~Code 5651—Carpentry—Dwellings—Three Stories or Less~~
- Code 5645—Carpentry—Construction of Residential Dwellings Not Exceeding Three Stories in Height
- Code 5403—Carpentry—Construction of Residential Dwellings Exceeding Three Stories in Height or Commercial Buildings and Structures

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1—CARPENTRY (CONT'D)

EXAMPLE OF THREE-YEAR WEIGHT VALUE CALCULATION

**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 rates/loss costs are calculated for each class code by utilizing successively higher weight values until the largest weight value is found that keeps the rates/loss costs within swing limits. However, depending on which year of the transition the filing is effective, this weight value is subject to minimums **without regard to swing limits**. These minimums are 0.33, 0.67, and 1.00, respectively, for years 1, 2, and 3. 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 rates/loss costs are as follows:

	Rate/Loss Cost for Code XXX1	Rate/Loss Cost for Code XXX2	Rate/Loss Cost for Code XXX3
Current Approved Filing	23.00	11.00	12.00
First Transition Year	17.25	11.37	12.10

EXAMPLE—FOR ILLUSTRATIVE PURPOSES ONLY						
Weight Calculation Table						
Year 1	Code XXX1		Code XXX2		Code XXX3	
Weight Value	Calculated Rate/Loss Cost Given Weight Value	Rate/Loss Cost Change %	Calculated Rate/Loss Cost Given Weight Value	Rate/Loss Cost Change %	Calculated Rate/Loss Cost Given Weight Value	Rate/Loss Cost Change %
0.33	18.19	-20.9	11.15	+1.4	12.03	+0.2
0.34	18.10	-21.3	11.17	+1.5	12.04	+0.3
0.35	18.02	-21.7	11.19	+1.7	12.04	+0.3
0.36	17.93	-22.0	11.21	+1.9	12.05	+0.4
0.37	17.85	-22.4	11.23	+2.1	12.06	+0.5
0.38	17.76	-22.8	11.25	+2.3	12.06	+0.5
0.39	17.68	-23.1	11.27	+2.5	12.07	+0.6
0.40	17.59	-23.5	11.29	+2.6	12.08	+0.7
0.41	17.51	-23.9	11.31	+2.8	12.08	+0.7
0.42	17.42	-24.3	11.33	+3.0	12.09	+0.8
0.43	17.34	-24.6	11.35	+3.2	12.10	+0.8
<b>0.44</b>	<b>17.25</b>	<b>-25.0</b>	11.37	+3.4	12.10	+0.8
0.45	17.17	-25.3	11.39	+3.5	12.11	+0.9

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

EXHIBIT 1—CARPENTRY (CONT'D)

EXAMPLE—FOR ILLUSTRATIVE PURPOSES ONLY						
Weight Calculation Table						
Year 2	Code XXX1		Code XXX2		Code XXX3	
Weight Value	Calculated Rate/Loss Cost Given Weight Value	Rate/Loss Cost Change %	Calculated Rate/Loss Cost Given Weight Value	Rate/Loss Cost Change %	Calculated Rate/Loss Cost Given Weight Value	Rate/Loss Cost Change %
0.67	14.49	-16.0	11.64	+2.4	12.46	+3.0
0.68	14.43	-16.3	11.67	+2.6	12.47	+3.1
0.69	14.37	-16.7	11.69	+2.8	12.47	+3.1
continues						
<b>0.93</b>	<b>12.94</b>	<b>-25.0</b>	12.33	+8.4	12.51	+3.4

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP****EXHIBIT 2—FACT SHEET****DOOR, WINDOW, CABINETS, AND TRIM INSTALLATION****PROPOSAL**

The focus of the proposed changes for this industry is to revise existing classification wording for clarification and plain language.

**NCCI recommends the following national treatment for classifications:**

1. Revise the phraseology of Code 5102—Door, Door Frame or Sash Erection—Metal or Metal Covered to incorporate the installation of all types (aluminum, vinyl, wood, composite, fiberglass, steel) of interior and exterior doors and windows—commercial and residential. The installation of all types of screened doors, storm doors or storm sash, and window screens or doors and the setup of jalousie or jalousie screens to Code 5102 will be clarified in the description of the code. See Fact Sheet 1. The phraseology note of Code 5102 will also be revised to further clarify the installation of shower enclosures and doors made from materials other than glass to Code 5102. The installation of glass shower enclosures and doors is classified to Code 5462—Glazier, Away From Shop & Drivers.
2. Revise the cross-reference phraseology of Code 5102—Awning, Tent, or Canvas Goods Erection, Removal, or Repair to further clarify that the installation of fabric awnings (vinyl or canvas) is assigned to Code 5102. The installation of metal awnings exclusively is classified to Code 5535—Awning Erection—Metal—Erection of Metal Awning Exclusively and Drivers.  
Discontinue the cross-reference phraseology of Code 5102—Awning Erection—Metal—Erection by an Insured Engaged in the Erection of Canvas Products and incorporate this wording in the phraseology note.  
Discontinue cross-reference phraseologies of Code 5102—Canvas Goods, Awning, or Tent Erection, Removal, or Repair and Tent, Awning, or Canvas Goods Erection, Removal, or Repair, and Iron or Steel Erection: Door, Door Frame or Sash Erection—Metal or Metal Covered due to redundancy.
3. Revise the phraseology note of Code 2501—Awning or Tent Mfg.—Shop and Cloth and Canvas and Related Products Mfg. NOC to update the reference to Code 5102.
4. Discontinue the cross-reference phraseologies of Code 5102—Iron or Steel Erection: Door, Door Frame or Sash Erection—Metal or Metal Covered and Iron or Steel Erection: Steel Frame: Interior—Light Gauge Steel—By Specialist Contractor. The installation of interior light-gauge steel in connection with residential or commercial construction is classified to Code 5645 or Code 5403 when performed by a specialty contractor or the general contractor.
5. Revise the phraseologies of Code 5437—Carpentry—Installation of Cabinet Work or Interior Trim and Code 5348—Ceramic Tile, Indoor Stone, Marble, or Mosaic Work to further clarify the classification of countertops made of various materials. The installation of stone, granite, marble, or tile countertops is assigned to Code 5348. All other types of countertops are assigned to Code 5437.

**Alaska Specific:**

NCCI recommends that Alaska discontinue their state special phraseologies for Code 5102—Door, Door Frame, or Sash Erection—Metal or Metal Covered and Code 5102—Awning Mfg. and Erection—Metal—Erection by an Insured Engaged in the Erection of Canvas Products due to them being duplicates of the national phraseology. It is also recommended that Alaska not adopt the newly proposed phraseology for Code 5102—Awning, Tent, or Canvas Goods Erection, Removal, or Repair and instead create a state special phraseology for Code 5102 to more closely align with the national proposal.

**Arkansas Specific:**

NCCI recommends that Arkansas discontinue their state special phraseology for Code 5536—Air Conditioning Systems—Ductwork—Installation & Drivers due to this code no longer being applicable in Arkansas.

**Hawaii Specific:**

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

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**EXHIBIT 2—FACT SHEET (CONT'D)**

NCCI proposes that Hawaii discontinue their state special phraseology for Code 5538—Sheet Metal Work—Shop and Outside NOC & Drivers due to this code no longer being applicable in Hawaii. NCCI recommends that Hawaii not adopt the newly proposed phraseology for Code 5437 but instead revise their state special phraseology for Code 5437—Carpentry: Installation of Cabinet Work or Interior Trim to more closely align with the national proposal for Code 5437.

**Oregon Specific:**

NCCI recommends that Oregon not adopt the newly proposed phraseology for Code 5437 but instead revise their state special phraseology for Code 5437—Carpentry: Installation of Cabinet Work or Interior Trim to more closely align with the national proposal for Code 5437. It is also recommended that Oregon not adopt the newly proposed phraseology for Code 5102 but instead revise their state special phraseology for Code 5102—Awning, Tent, or Canvas Goods Erection, Removal, or Repair to replace the reference to Code 5538 with Code 5535. NCCI also recommends that Oregon discontinue their state special phraseologies for Code 5102—Awning Mfg. and Erection—Metal—Erection of Canvas Products, Iron or Steel Erection: Frame—Interior—Light-Gauge Steel Installation, and Wallboard: Iron or Steel Frame—Interior—Light-Gauge Steel Installation and adopt the national proposal.

**South Dakota Specific:**

NCCI recommends that South Dakota not adopt the newly proposed phraseology for Code 5437 but instead revise their state special phraseology for Code 5437—Carpentry: Installation of Cabinet Work or Interior Trim to more closely align with the national proposal for Code 5437.

**Virginia Specific:**

NCCI recommends that Virginia not adopt the newly proposed phraseologies for Code 2501—Awning or Tent Mfg.—Shop and Cloth and Canvas and Related Products Mfg. NOC but instead revise their state special Code 2576 to more closely align with the national proposal. It is also recommended that Virginia revise the descriptions of Codes 5020 and 5057 to incorporate the changes proposed.

**BACKGROUND AND BASIS FOR CHANGE**

Code 5020—Ceiling Installation—Suspended Acoustical Grid Type, Code 5102—Door, Door Frame or Sash Erection—Metal or Metal Covered, Code 5146—Furniture or Fixtures Installation—Portable—NOC, and Code 5437—Carpentry—Installation of Cabinet Work or Interior Trim are all construction codes. The industry has not changed much over the years other than an increase in the use of pneumatic and power tools and the trend toward larger homes with higher ceilings. This leads to the installation of larger and heavier doors and windows. NCCI's research also indicated that general contractors usually use specialist subcontractors to perform installation functions.

Workers are subject to a wide range of injuries including strains, slips, trips, and falls, and scratches, scrapes, and lacerations.

Currently, the installation of shower doors may be assigned to various codes. It is common for manufacturers to fabricate custom glass showers and enclosures, which involves installers to handle frameless glass and/or large plate glass.

**IMPACT**

The change in national phraseologies for Codes 5102, 2501, 5437, and 5348 consists primarily of the consolidation of cross-reference phraseologies into the actual classification wording or are made to add clarification to current operation assignments. These changes are not anticipated to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**Alaska Specific:**

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP**

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**EXHIBIT 2—FACT SHEET (CONT'D)**

This item proposes that Alaska discontinue their state special phraseologies for Code 5102—Door, Door Frame, or Sash Erection—Metal or Metal Covered and 5102—Awning Mfg. and Erection—Metal—Erection by an Insured Engaged in the Erection of Canvas Products due to them being duplicates of the national phraseology. This item also proposes that Alaska not adopt the newly proposed phraseology for Code 5102—Awning, Tent, or Canvas Goods Erection, Removal, or Repair and instead create a state special phraseology for Code 5102 to more closely align with the national proposal. These changes are not anticipated to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**Arkansas Specific:**

This item proposes that Arkansas discontinue their state special phraseology for Code 5536—Air Conditioning Systems—Ductwork—Installation & Drivers due to this code no longer being applicable in Arkansas. This portion of the proposal is not anticipated to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**Hawaii Specific:**

This item proposes that Hawaii discontinue their state special phraseology for Code 5538—Sheet Metal Work—Shop and Outside NOC & Drivers due to this code no longer being applicable in Hawaii. It also proposes that Hawaii not adopt the newly proposed national phraseology for Code 5437 but instead revise their state special phraseology for Code 5437—Carpentry: Installation of Cabinet Work or Interior Trim to more closely align with the national proposal for Code 5437. This portion of the proposal is not anticipated to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**Oregon Specific:**

This item proposes that Oregon not adopt the newly proposed phraseology for Code 5437 but instead revise their state special phraseology for Code 5437—Carpentry: Installation of Cabinet Work or Interior Trim to more closely align with the national proposal for Code 5437. It also proposes that Oregon not adopt the newly proposed phraseology for Code 5102 but instead revise their state special phraseology for Code 5102—Awning, Tent, or Canvas Goods Erection, Removal, or Repair to replace the reference to Code 5538 with Code 5535. It also proposes that Oregon discontinue state special phraseology for Code 5102—Awning Mfg. and Erection—Metal—Erection of Canvas Products, Iron or Steel Erection: Frame—Interior—Light-Gauge Steel Installation, and Wallboard: Iron or Steel Frame—Interior—Light-Gauge Steel Installation and adopt the national proposal for Code 5102. These recommended changes to phraseologies for Codes 5437 and 5102 are for clarification only and are not expected to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**South Dakota Specific:**

This item proposes that South Dakota not adopt the newly proposed phraseology for Code 5437 but instead revise their state special phraseology for Code 5437—Carpentry: Installation of Cabinet Work or Interior Trim to more closely align with the national proposal for Code 5437. This portion of the proposal is not anticipated to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**Virginia Specific:**

NCCI recommends that Virginia not adopt the newly proposed phraseologies for Code 2501—Awning or Tent Mfg.—Shop and Cloth and Canvas and Related Products Mfg. NOC but instead revise their state special Code 2576 to more closely align with the national proposal. It is also recommended that Virginia revise the descriptions of Codes 5020 and 5057 to incorporate the changes proposed. This portion of the proposal is not anticipated to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

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**EXHIBIT 2—FACT SHEET (CONT'D)**

**IMPLEMENTATION**

This item is applicable to new and renewal voluntary and assigned risk policies, and it will become effective concurrently with each state's approved rate/loss cost filing for the 2011<sup>1</sup> filing cycle as outlined on the state effective date table in the filing memorandum.

For example, this item will be effective January 1, 2011 for approved rate/loss cost filings that have a January 1, 2011 effective date. Similarly, this item will be effective July 1, 2011 for approved rate/loss cost filings that have a July 1, 2011 effective date.

<sup>1</sup>Unless otherwise noted.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 2—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
DOOR, WINDOW, CABINETS, AND TRIM INSTALLATION  
CLASSIFICATIONS

5102• DOOR AND WINDOW INSTALLATION—ALL TYPES—RESIDENTIAL AND COMMERCIAL,  
~~DOOR FRAME, OR SASH ERECTION—METAL OR METAL COVERED.~~

Includes the installation of all types of interior and exterior doors and windows—commercial and residential—including, but not limited to, aluminum, vinyl, wood, composite, fiberglass, and steel. ~~Installation of storm doors or storm sash to be separately rated as Code 5645—Carpentry. Code 5102 is also assigned to the installation of shower doors and enclosures made from materials other than glass; refer to Code 5462 for the installation of glass shower doors and enclosures. Overhead door installation to be separately rated as Code 3724—Millwright work. The installation of doors and windows in connection with the construction of residential dwellings or commercial buildings to be separately rated.~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 2—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
DOOR, WINDOW, CABINETS, AND TRIM INSTALLATION  
CLASSIFICATIONS

- 5102• ~~AWNING, TENT, OR CANVAS GOODS ERECTION, INSTALLATION, REMOVAL, OR REPAIR.~~  
Applies to operations away from the shop. Awnings included in Code 5102 are (a) canvas- or vinyl-covered or (b) metal-covered when installed by a contractor that also installs canvas- or vinyl-covered awnings. Metal-covered awnings installed by a contractor that does not also install canvas- or vinyl-covered awnings are assigned to Code 5535.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 2—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
DOOR, WINDOW, CABINETS, AND TRIM INSTALLATION  
CLASSIFICATIONS

5102• ~~AWNING ERECTION—METAL—ERECTION BY AN INSURED ENGAGED IN THE ERECTION  
OF CANVAS PRODUCTS~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 2—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
DOOR, WINDOW, CABINETS, AND TRIM INSTALLATION  
CLASSIFICATIONS

5102\* ~~CANVAS GOODS, AWNING OR TENT ERECTION, REMOVAL, OR REPAIR.~~  
~~Applies to operations away from the shop.~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 2—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
DOOR, WINDOW, CABINETS, AND TRIM INSTALLATION  
CLASSIFICATIONS

5102• ~~TENT, AWNING, OR CANVAS GOODS ERECTION, REMOVAL, OR REPAIR.~~

~~Applies to operations away from the shop.~~

**ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP**

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**EXHIBIT 2—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
DOOR, WINDOW, CABINETS, AND TRIM INSTALLATION  
CLASSIFICATIONS**

**2501     AWNING OR TENT MFG.—~~SHOP~~**

The installation, removal, or repair of awnings or tents away from the shop ~~shall~~ must be classified ~~as to Code 5102—Awning erection~~. Unless payroll records are accurately maintained showing the amount of payroll expended for shop work, the entire payroll ~~shall~~ must be assigned to Code 5102—~~Awning erection~~.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 2—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
DOOR, WINDOW, CABINETS, AND TRIM INSTALLATION  
CLASSIFICATIONS

2501 CLOTH, CANVAS AND RELATED PRODUCTS MFG. NOC

The installation, removal, or repair of awnings, tents, or other canvas products away from the shop ~~shall~~ must be classified ~~as to~~ Code 5102—~~Canvas Goods Erection~~. Unless payroll records are accurately maintained, showing the amount of payroll expended for shop work, the entire payroll ~~shall~~ must be assigned to Code 5102—~~Canvas Goods Erection~~.

EXHIBIT 2—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
DOOR, WINDOW, CABINETS, AND TRIM INSTALLATION  
CLASSIFICATIONS

5437• CARPENTRY—INSTALLATION OF CABINET WORK OR INTERIOR TRIM

Not applicable to contractors who perform any other carpentry operations at the same job or location; refer to Code 5645 or Code 5403. Includes the installation of countertops made from materials such as, but not limited to, laminated plastic, veneer, particleboard, or pressed wood; Corian or similar solid surfaces or high-density plastic base materials; and nonlaminated solid wood or butcher block. Refer to Code 5348 for the installation of tile, granite, marble, and other stone countertops.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
E—CLASSIFICATIONS BY HAZARD GROUP

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EXHIBIT 2—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
DOOR, WINDOW, CABINETS, AND TRIM INSTALLATION  
CLASSIFICATIONS

5348• CERAMIC TILE, INDOOR STONE, MARBLE, OR MOSAIC WORK

Not fireproof tile construction. Installation of resilient flooring—carpet or laminate—to be separately rated to Code 5478. The installation of ceramic and mosaic tiles outdoors for decorative, artistic, and ornamental ~~nature purposes~~ is included in Code 5348. Separately rate tile work performed ~~in conjunction connection with the construction of structures.~~ The installation of tile, granite, marble, or other stone countertops is also included in Code 5348. Refer to Code 5437 for countertops made from other materials.

EXHIBIT 3—FACT SHEET

PUNCH-OUT EMPLOYEES

**PROPOSAL**

The focus of the proposed changes for this industry is to revise existing classification wording for clarification and plain language.

**NCCI recommends the following national treatment for classifications:**

1. Revise the phraseology for Code 5610—Cleaner—Debris Removal to clarify the assignment of punch-out employees and cleaning service contractors that provide clean-up crews to prepare a location for its intended use.
2. Discontinue the cross-reference phraseology of Code 5610—Timekeepers—Construction or Erection and incorporate this wording in the phraseology note.
3. Revise the cross-reference phraseology of Code 5610—Watchguards—Construction or Erection to remove the term “Erection” from the phraseology.

**Florida Specific:**

NCCI recommends that Florida not adopt the newly proposed phraseology for Code 5610 but instead revise their state special phraseology for Code 5610—Cleaner—Debris Removal—Construction or Erection Contractor and Code 5613—Cleaner—Debris Removal—Temporary Labor Service to more closely align with the national proposal for Code 5610.

**Missouri Specific:**

NCCI recommends that Missouri not adopt the newly proposed phraseology for Code 5610 but instead revise their state special phraseology for Code 5610—Cleaner—Debris Removal and Watchguards—New Construction or Erection to more closely align with the national proposal for Code 5610. NCCI also recommends that Missouri discontinue their state special cross-reference phraseology for Code 5610—Timekeeper—New Construction or Erection. The reference to timekeepers will be added to the revised state special phraseology of Code 5610.

**Virginia Specific:**

NCCI recommends that Virginia revise their description of Code 9014 to incorporate the changes proposed.

**BACKGROUND AND BASIS FOR CHANGE**

The industry title comes from the phrase “punch-out list,” punch out employees are laborers who perform work to complete tasks that have been identified as part of a post-construction “punch-out” list. This is typically done when a home is built, and the punch-out employee, along with the buyer, walks through the structure to note any deficiencies that need to be corrected prior to the close of escrow. Minor repairs are completed by the punch-out employee, who is a handy person or jack-of-all-trades. Punch-out employees are employed by the builder, seller, or seller’s agent. The punch-out employee may also do any minor warranty repair work, as needed, after the sale is completed. Any major repairs, such as plumbing, broken tiles, and leaky water heaters, are referred back to the contractor that did the installation.

There are two distinct processes involved within the codes under review. Code 5610 is geared toward job site clean-up during construction of a building. Code 9014—Janitorial Services by Contractors—No Window Cleaning Above Ground Level & Drivers and Code 9015—Buildings—Operation by Owner or Lessee or Real Estate Management Firm: All Other Employees are assigned if the repair or maintenance is minor or janitorial in nature. Code 9014’s operations tend to be primarily janitorial in nature, while Code 9015’s operations tend to include minor maintenance and repair, as well as janitorial duties.

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E—CLASSIFICATIONS BY HAZARD GROUP**

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**EXHIBIT 3—FACT SHEET (CONT'D)**

The primary issue with punch-out employees is one of degrees—the duties are closely related to those of the other codes in this analysis. The main issue with Code 5610 is that there is a range of operations that have been assigned to these codes under debris removal that overlap with Code 9014, Code 9015, and other construction codes.

**IMPACT**

The changes in national phraseology for Code 5610 are made to add clarification to current operation assignments. These changes are not anticipated to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**Florida Specific:**

This item proposes that Florida not adopt the newly proposed phraseology for Code 5610 but instead revise their state special phraseology for Code 5610—Cleaner—Debris Removal—Construction or Erection Contractor and Code 5613—Cleaner—Debris Removal—Temporary Labor Service to more closely align with the national proposal for Code 5610. This portion of the proposal is not anticipated to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**Missouri Specific:**

This item proposes that Missouri not adopt the newly proposed phraseology for Code 5610 but instead revise their state special phraseology for Code 5610—Cleaner—Debris Removal and Watchguards—New Construction or Erection to more closely align with the national proposal for Code 5610. It also proposes that Missouri discontinue their state special cross-reference phraseology for Code 5610—Timekeeper—New Construction or Erection since it will be added to the revised state special phraseology of Code 5610. These recommended changes to phraseology for Code 5610 are for clarification only and are not expected to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**Virginia Specific:**

This item proposes that Virginia update the description for Code 9014 to reflect the changes being proposed. This portion of the proposal is not anticipated to result in any reclassification of risks' payroll or change in loss cost, rate, or premium.

**IMPLEMENTATION**

This item is applicable to new and renewal voluntary and assigned risk policies, and it will become effective concurrently with each state's approved rate/loss cost filing for the 2011<sup>1</sup> filing cycle as outlined on the state effective date table in the filing memorandum.

For example, this item will be effective January 1, 2011 for approved rate/loss cost filings that have a January 1, 2011 effective date. Similarly, this item will be effective July 1, 2011 for approved rate/loss cost filings that have a July 1, 2011 effective date.

<sup>1</sup>Unless otherwise noted.

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
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EXHIBIT 3—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
PUNCH-OUT EMPLOYEES  
CLASSIFICATIONS

5610• ~~CLEANER—DEBRIS REMOVAL—CONSTRUCTION—~~

~~Applies only in connection with construction or erection. Does not apply to the payroll for cleaners except when the payroll for watchguards, timekeepers, and cleaners—cleaners, timekeepers, and watchguards is more than all other payroll of the insured that is subject to construction or erection classifications at the same job or location. Cleaners included in Code 5610 remove debris left by the construction crews after construction has been completed. Refer to Code 9014 for cleaning service contractors who provide clean-up crews to wash windows and sweep and mop floors to prepare a location for its intended use. Refer to the appropriate construction code for laborers who perform work to complete tasks that have been identified as part of a post-construction "punch-out" list.~~

ITEM B-1415—REVISIONS TO BASIC MANUAL CLASSIFICATIONS, RULES, AND APPENDIX  
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EXHIBIT 3—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
PUNCH-OUT EMPLOYEES  
CLASSIFICATIONS

5610• ~~WATCHGUARDS—CONSTRUCTION OR ERECTION.~~

Not applicable to the payroll for watchguards except when the payroll for watchguards, timekeepers, and cleaners is more than all other payroll of the insured that is subject to construction or erection classifications at the same job or location.

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EXHIBIT 3—NATIONAL CLASSIFICATIONS  
BASIC MANUAL—2001 EDITION  
PUNCH-OUT EMPLOYEES  
CLASSIFICATIONS

5610• ~~TIMEKEEPERS—CONSTRUCTION OR ERECTION.~~

~~Not applicable to the payroll for timekeepers except when the payroll for watchguards,  
timekeepers, and cleaners is more than all other payroll of the insured that is subject to  
construction or erection classifications at the same job or location.~~