

**Minnesota Workers' Compensation Insurers Association, Inc.**

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J.P. Hildebrandt, President

**MWCIA**

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**ALL ASSOCIATION MEMBERS**

Circular Letter No. 96-1264

**RE: NCCI Item B-1330 Revisions of Basic Manual Classifications and Related Rules**

The Minnesota Department of Commerce has approved the above filing effective January 1, 1997 applicable to new and renewal business only.

The first item pertains to the child care industry. While no specific reference to child day care centers appeared previously in the Basic Manual, it has been a long standing practice to assign employers in this industry into the two school classifications: Code 8868 and Code 9101. According to information available to the NCCI, the child care industry is growing in such a manner to warrant development of their own classifications. This item proposed that child day care centers as well as non-specialty child day camps be removed from Codes 8868 and 9101 and reassigned to Codes 8869 and 9059. It is intended that Code 8869 be applicable to child day care and non-specialty day camp professional employees and Code 9059 apply to the non-professional employees within this industry including the drivers. The National Council further proposed that the introductory pure premium base rate and rating value for Code 8869 shall be that of Code 8868 and the introductory pure premium base rate and rating value for Code 9059 shall be that of Code 9101 until such time as they develop sufficient statistics for ratemaking purposes.

The second item in this filing is in reference to the telephone and cable television installation industry. Since the nature of the work of an employee of a telephone or cable television company is virtually identical to a contractor in this same industry, it has been approved that the classifications currently used by this industry, namely Codes 6325, 7600, and 7610 be categorized as contractor's classifications for purposes of premium determination in Minnesota. Special wording to that affect will be added in the Minnesota exception pages of the Basic Manual.

The third is an attempt to clarify the classifying of clerical telecommuter employees. Since the duties of a clerical employee, whether in the employer's office or the employee's residence, appear to be identical it is the opinion in Minnesota that the classifying of these employees should both fall under Code 8810- Clerical Office Employees. A Minnesota exception had been approved to include the definition of a clerical telecommuter as part of the footnote for Code 8810 in the classification pages as well as Rule IV of the Basic Manual.

The fourth item creates a new professional classification for the building operations industry. The Council advises that they have received a growing number of appeals regarding the inclusion of

professional employees such as property managers within the scope of Code 9015. In addition to the creation of Code 9012 as a new professional classification for the building operations industry, the Council proposed specifically listing real estate management firms within the phraseology of Code 9015 and adding cross-references under condominiums and cooperatives to further clarify the intended use of this classification as well as the newly proposed Code 9012. The National Council proposed that the introductory pure premium base rate and rating value for Code 9012 shall be that of Code 8742 until such time as it develops sufficient statistics for ratemaking purposes.

In recognition of the dramatic growth of legalized gambling operations in the United States, the fifth and final item of NCCI B1330 creates two new classifications for the gambling industry: Code 9062 for gambling casino operations and Code 9044 for gambling casinos with hotel operations. NCCI further proposed that the introductory pure premium base rates and rating values associated with Code 9062 and Code 9044 shall be those of Code 9061 and Code 9052, respectively, until such time as they each develop sufficient statistics for ratemaking purposes. In reviewing the exhibit, please note the explanation in the footnote of Code 9044 states this classification is intended to include not only the standard hotel employees but also the casino, bar, restaurant, and retail store employees.

Exhibits demonstrating the proposed changes are attached for your review. Each proposal has a companion exhibit which illustrates the necessary changes to the Retrospective Rating Plan Manual and the hazard tables necessary to implement these changes. Where additional explanations are deemed helpful, such information is included in the last column within a bracketed area. Minnesota exceptions to the NCCI classifications are also represented.

Very truly yours,

JOHN P. HILDEBRANDT

President