



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

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Bruce A. Tollefson, President

**MWCIA**

January 13, 1997

**ALL ASSOCIATION MEMBERS**

Circular Letter No. 98-1289

**RE: NCCI Item B-1343 -- Basic Manual Rule & Classification Enhancements**

The Minnesota Department of Commerce has approved the above filing effective 12:01 a.m., January 1, 1998, applicable to new and renewal business only.

The purpose of Item B-1343 is to clarify and enhance specific rules or classifications which are currently in the Basic Manual. Exhibit I adds language to clarify certain rules of the Basic Manual as well as relocating rules and incorporating information which was previously located in the *Premium Audit Reference Book* which is no longer published by the National Council. Exhibit II eliminates references to the Chemical and Dyestuff Rating Plan, corrects inconsistencies involving the inclusion of standard exception operations such as drivers within certain cross-reference phraseologies, corrects typographical errors, and cleans up some of the footnote language for clarity purposes.

Please note that the proposed language on the attached exhibit pages contain underlined and strikethrough text. The underlining represents new or added text while the strikethroughs indicate deleted text. Please note that Special Minnesota language or exceptions have been added or amended as applicable. The National Council's original filing memorandum is also attached for your review.

It is the opinion of the Association staff that the changes within Item B-1343 should provide additional reference information without impacting the ratemaking process.

Very truly yours,  
MINNESOTA WORKERS' COMPENSATION  
INSURERS ASSOCIATION, INC.

M. A. Johnson  
Director of Und. Services

EXHIBIT I  
 BASIC MANUAL  
 PART ONE—RULES

**PRESENT PHRASEOLOGY:**

**Rule I—General**

- F. Effective Date
- 2. Changes
- Changes

*Additions* will be indicated by an arrowhead in the left margin and underlining of the revised text; *deletions* will be indicated by an arrowhead in the left margin and underlining surrounded by brackets in the text, i.e., [\_\_\_\_].

**Rule IV -- Classifications**

- B. Explanation of Classifications
- 2. Standard Exception Classification
- c. Drivers, Chauffeurs and Their Helpers -- Code 7380 -- are employees engaged in such duties on or in connection with a vehicle. This classification also includes garage employees, and employees using bicycles in their operations.

**Rule IV -- Classifications**

- B. Explanation of Classifications
- 5. Governing Classification
- The governing classification at a specific job or location is the classification, other than a standard exception classification, that produces the greatest amount of payroll.

6. Principal Business

The principal business is the business with the greatest amount of payroll, excluding standard exception and general exclusion operations.

**PRESENT PHRASEOLOGY:**

**PROPOSED PHRASEOLOGY:**

**Rule I—General**

- F. Effective Date
- 2. Changes
- Changes

*Additions* will be indicated by an arrowhead in the left margin and underlining of the revised text; *deletions* will be indicated by an arrowhead in the left margin and underlining surrounded by brackets in the text, i.e., [\_\_\_\_]. Changes on rate pages will be identified by a box around the change.

**Rule IV -- Classifications**

- B. Explanation of Classifications
- 2. Standard Exception Classification
- c. Drivers, Chauffeurs and Their Helpers -- Code 7380 -- are employees engaged in such duties on or in connection with a vehicle. This classification also includes garage employees and employees using bicycles in their operations. Refer to Rule IX - C.3.c. for vehicles under contract.

**Rule IV -- Classifications**

- B. Explanation of Classifications
- 5. Governing Classification
- The governing classification at a specific job or location is the classification, other than a standard exception classification, that produces the greatest amount of payroll. In instances where no basic classification is applicable, the governing classification is the standard exception classification that produces the greatest amount of payroll.

6. Principal Business

The principal business is the business reflected by the classification with the greatest amount of payroll, excluding standard exception and general exclusion operations. If the business is best described by a standard exception operation and no basic classification other than that applicable to general inclusion or general exclusion operations applies, then the standard exception operation that produces the greatest amount of payroll for the business shall be the principal business.

**PROPOSED PHRASEOLOGY:**

EXHIBIT I

BASIC MANUAL

**Rule IV -- Classifications**

D. Assignment of Classification  
 7. Business Described by a Standard Exception Classification

**Rule IV -- Classifications**

D. Assignment of Classification  
 7. Business Described by a Standard Exception Classification

Example of D.7. The insured is a bank: Employees Clerical Office  Maintenance and Night Watch Guards  Cafeteria or Restaurant	Assignment Code 8810—Clerical Office Employees  Code 9015—Building— operation by owner or lessee  Code: <del>9079</del>	Example of D.7. The insured is a bank: Employees Clerical Office  Maintenance and Night Watch Guards  Cafeteria or Restaurant	Assignment Code 8810—Clerical Office Employees  Code 9015—Building— operation by owner or lessee  Code: <u>Appropriate                  Restaurant Code</u>
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9. Employee Leasing, Labor Contractors and Temporary Labor Services  
 Classify workers assigned to clients the same as direct employees of the client entity performing the same or similar duties.

9. Employee Leasing, Labor Contractors and Temporary Labor Services  
 Classify workers assigned to clients the same as direct employees of the client entity performing the same or similar duties. If the client has no direct employees performing the same or similar duties, leased employees are classified as if they were direct employees of the client entity.

**Rule IV -- Classifications**

E. Payroll Assignment—Multiple Classifications—Interchange of Labor

1. Miscellaneous Employees  
 Miscellaneous employees are those who perform duties conducted in common for separate operations that are subject to more than one basic classification. The payroll of any miscellaneous employees shall be assigned to the governing classification. Such employees include general superintendents, maintenance or power plant employees, elevator operators, shipping or receiving clerks and yard workers.

**Rule IV -- Classifications**

E. Payroll Assignment—Multiple Classifications—Interchange of Labor

1. Miscellaneous Employees  
 Miscellaneous employees are those who perform duties conducted in common for separate operations that are subject to more than one basic classification. The payroll of any miscellaneous employees shall be assigned to the governing classification. Such employees include general superintendents, maintenance or power plant employees, elevator operators, shipping or receiving clerks and yard workers.

Exception to Rule IV-E.1.  
If the governing classification is a standard exception classification, refer to Rule IV-D.7.

**PRESENT PHRASEOLOGY:**

Rule IV -- Classifications

**PROPOSED PHRASEOLOGY:**

Rule IV -- Classifications

EXHIBIT I

BASIC MANUAL

E. Payroll Assignment - Multiple Classifications - Interchange of Labor  
 2. Interchange of Labor  
 b. the employer maintains proper payroll records which disclose the actual payroll by classification for each such individual employee. ~~An estimated or percentage allocation of payroll is not permitted.~~ Such records must reflect the actual time spent working within each job classification and an average hourly wage comparable to the wage rates in the employer's industry. If original payroll records do not disclose the actual payroll applicable to each classification, the entire payroll of the individual employee shall be assigned to the classification representing any part of his or her work ~~that carries the highest authorized rate.~~

E. Payroll Assignment - Multiple Classifications - Interchange of Labor  
 2. Interchange of Labor  
 b. the employer maintains proper payroll records which disclose the actual payroll by classification for each such individual employee. Such records must reflect the actual time spent working within each job classification and an average hourly wage comparable to the wage rates for such employees within the employer's industry. ~~An estimated or percentage allocation of payroll is not permitted.~~ If original payroll records do not disclose the actual payroll applicable to each classification, the entire payroll of the individual employee shall be assigned to the highest rated classification that represents any part of his or her work.

**Rule IV -- Classifications**

E. Payroll Assignment - Multiple Classifications - Interchange of Labor  
 2. Interchange of Labor  
 NONE

**Rule IV -- Classifications**

E. Payroll Assignment - Multiple Classifications - Interchange of Labor  
 2. Interchange of Labor  
 c. If an employee qualifies for division of payroll between two or more basic classification codes and also engages in operations contemplated by Code 8810, 8742, 8748, or 8871, the payroll for such standard exception operations will be allocated to the basic classification code with the largest amount of payroll applicable to that employee. If the distribution of payroll for the employee is such that no single basic classification code represents the largest amount of that employee's payroll, then the payroll for the operations contemplated by Code 8810, 8742, 8748, or 8871 will be assigned to the highest rated classification code representing any part of that employee's work.

**PRESENT PHRASEOLOGY:**

**Rule IV -- Classifications**

E. Payroll Assignment - Multiple Classifications - Interchange of Labor

**PROPOSED PHRASEOLOGY:**

**Rule IV -- Classifications**

E. Payroll Assignment - Multiple Classifications - Interchange of Labor

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2. Interchange of Labor  
NONE

2. Interchange of Labor  
d. When a division of payroll exists for an individual employee, payroll for holiday, vacation, sick pay, overtime, and all other forms of remuneration not directly attributable to a specific classification code shall be allocated to the classification code with the greatest amount of payroll applicable to the individual employee. If no one classification code applicable to the employee has the greatest amount of payroll, the payroll for holiday, vacation, sick pay, overtime and all other forms of remuneration not directly attributable to a specific classification code shall be allocated to the highest rated classification code applicable to the employee.

**Exceptions to Rule IV-E.**

Code 8810 - Clerical Office Employees, Code 8871 - Clerical Telecommuter Employees, ~~and~~ Code 8742 - Salespersons, Collectors, or Messengers - Outside, are not available for division of payroll under this rule. However, when interchange of labor exists between Code 8810 and Code 8871, Code 8871 will be assigned when the employee spends more than 50% of the time worked telecommuting as described by Rule IV-B.2.a.(2) and Code 8810 will be assigned when the employee spends 50% or less of the time worked telecommuting as described by Rule IV-B.2.a.(1).

**Exceptions to Rule IV-E.**

Code 8810 - Clerical Office Employees, Code 8871 - Clerical Telecommuter Employees, Code 8742 - Salespersons, Collectors, or Messengers - Outside, ~~and~~ Code 8748 - Automobile Salespersons are not available for division of payroll under this rule. However, when interchange of labor exists between Code 8810 and Code 8871, Code 8871 will be assigned when the employee spends more than 50% of the time worked telecommuting as described by Rule IV-B.2.a.(2) and Code 8810 will be assigned when the employee spends 50% or less of the time worked telecommuting as described by Rule IV-B.2.a.(1).

**MN EXCEPTION:**

**Rule IV -- Classifications**

E. Payroll Assignment - Multiple Classifications - Interchange of Labor  
2. Interchange of Labor  
Add the following:  
The following replaces the language of Rule IV-E.2. in the "R" pages of this manual:

**KEEP MN EXCEPTION:**

**Rule IV -- Classifications**

E. Payroll Assignment - Multiple Classifications - Interchange of Labor  
2. Interchange of Labor  
SAME

**PRESENT PHRASEOLOGY:**

**PROPOSED PHRASEOLOGY:**

EXHIBIT I

BASIC MANUAL

Minnesota Statute MS 79.211, subd. 2 (1980), provides that the insurer shall permit an employer to divide his payroll among the rating classifications most closely fitting the work actually performed by each employee in a four-hour block or more for purposes of premium calculation when the employer's records provide adequate support for a division. SAME

An insurer is not required to divide an employer's payroll unless the employer requests or demands that it do so and notifies the insurer of its election or desire to have its payroll divided. SAME

To the extent the provisions of this manual, specifically but not limited to Rule IV-A., Rule IV-B.2.b., Rule IV-B.2.c., Rule IV-C.3.d., Rule IV-D.1., Rule IV-D.2., Rule IV-D.4., and Rule IV-E., and classification phraseologies dealing with the division of payroll are inconsistent with the provisions of Minnesota Statute § 79.211 or other Minnesota statutory provisions (as now in effect or hereinafter amended) which provide under what circumstances payroll shall be divided, the provisions of that statute shall control. SAME

The division of payroll permitted by Section 79.211 pertains both to the computation of an employer's premium and also to the proper statistical reporting of premiums and losses to the Minnesota Workers' Compensation Insurers Association subject to the following provisions: SAME

a. The numeric classification code used to rate the risk must be valid in Minnesota - i.e., the classification code number reported must be included in the Minnesota assigned risk rate pages. SAME

b. The classification definition contained in the Basic Manual for the classification code being reported must include, either generally or specifically, the definition used by the carrier to rate the risk under that classification code. SAME

**Rule V—Premium Basis**

B. Remuneration—Payroll

2. Inclusions

Remuneration includes:

c. Bonuses including stock bonus plans.

**Rule V—Premium Basis**

B. Remuneration—Payroll

2. Inclusions

Remuneration includes:

c. Bonuses including stock bonus plans. (Refer to Rule V-F.5.);

**PRESENT PHRASEOLOGY:**

**Rule V—Premium Basis**

B. Remuneration—Payroll

**PROPOSED PHRASEOLOGY:**

**Rule V—Premium Basis**

B. Remuneration—Payroll

EXHIBIT I

BASIC MANUAL

2. Inclusions  
Remuneration includes:  
e. Pay for holidays, vacations or periods of sickness;

2. Inclusions  
Remuneration includes:  
e. Pay for holidays, vacations or periods of sickness. (Refer to Rule IV-E.2.d. for allocation of payroll for employees subject to more than one classification code.);

**MN EXCEPTION:**

**ADD MN EXCEPTION:**

**Rule V—Premium Basis**  
B. Remuneration—Payroll  
2. Inclusions  
Remuneration includes:  
NONE

**Rule V—Premium Basis**  
B. Remuneration—Payroll  
2. Inclusions  
Remuneration includes:  
e. Pay for holidays, vacations or periods of sickness. (Refer to Minnesota Exception Rule IV-E.2 for allocation of payroll for employees subject to more than one classification code.);

**Rule V—Premium Basis**  
B. Remuneration—Payroll  
2. Inclusions  
Remuneration includes:  
m. Payments for salary reduction, retirement, or cafeteria plans (IRC 125) that are made through from the employee's gross pay;

**Rule V—Premium Basis**  
B. Remuneration—Payroll  
2. Inclusions  
Remuneration includes:  
m. Payments for salary reduction, employee savings plans, retirement, or cafeteria plans (IRC 125) that are made through employee-authorized salary reduction from the employee's gross pay;

**Rule V—Premium Basis**  
B. Remuneration—Payroll  
3. Exclusions  
Remuneration excludes:  
NONE

**Rule V—Premium Basis**  
B. Remuneration—Payroll  
3. Exclusions  
Remuneration excludes:  
l. Employer contributions to salary reduction, employee savings plans, retirement, or cafeteria plans (IRC 125)--Contributions made by the employer at the employer's expense, that are determined by the amount contributed by the employee.

**PRESENT PHRASEOLOGY:**

**PROPOSED PHRASEOLOGY:**

**Rule V—Premium Basis**  
F. Payroll Limitation  
5. Bonuses

**Rule V—Premium Basis**  
F. Payroll Limitation  
5. Bonuses

EXHIBIT I

BASIC MANUAL

<p>Example of F.5.                  Policy Period—9/1/95-9/1/96                  Period of Employment—52 weeks                  Amount of annual bonus declared in December 1994 = \$1,560                  Average weekly bonus to be added to average weekly wage = \$30</p>	<p>Example of F.5.                  Policy Period—9/1/95-9/1/96                  Period of Employment—52 weeks                  Amount of annual bonus declared in December 1995 = \$1,560                  Average weekly bonus to be added to average weekly wage = \$30</p>
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**Rule VI—Rates, Advisory Loss Costs, and Premium Determination**

E. Minimum Premium  
 NONE  
 NONE

**Rule VI—Rates, Advisory Loss Costs, and Premium Determination**

E. Minimum Premium  
 9. Multiple State Policies  
If a policy provides workers compensation insurance in more than one state, the minimum premium to be charged for the policy shall be the single highest of the individual state's minimum premiums.

**Rule VIII—Limits of Liability**

C. Voluntary Compensation Insurance  
 3. Increased Limits  
 The standard limits under Part Two—Employers Liability Insurance for employees subject to voluntary compensation insurance may be increased. The premium for the increased limits shall be determined ~~on the basis of the factors~~ in Rule VIII-A.2.b.

**Rule VIII—Limits of Liability**

C. Voluntary Compensation Insurance  
 3. Increased Limits  
 The standard limits under Part Two—Employers Liability Insurance for employees subject to voluntary compensation insurance may be increased. The premium for the increased limits shall be determined by using the Table for Increased Limits in Rule VIII-A.2.b.

**Rule IX—Special Conditions or Operations Affecting Coverage and Premium**

C. Subcontractors  
 4. ~~Piecework, Drivers, Chauffeurs and Helpers Under Contract~~  
 This rule on subcontractors does not apply to contracts for piecework, ~~nor to drivers, chauffeurs, or helpers on vehicles engaged under contract:~~  
~~a. The entire amount paid to pieceworkers shall be the payroll, as provided in Rule V.~~  
~~b. The rules on standard exception in Rule IV apply to drivers, chauffeurs, or helpers under contract;~~

**PRESENT PHRASEOLOGY:**

**Rule XV—Final Earned Premium Determination**  
 NONE

**Rule IX—Special Conditions or Operations Affecting Coverage and Premium**

C. Subcontractors  
 4. Piecework  
 This rule on subcontractors does not apply to contracts for piecework; The entire amount paid to pieceworkers shall be the payroll, as provided in Rule V.

DELETE

DELETE

**PROPOSED PHRASEOLOGY:**

**Rule XV—Final Earned Premium Determination**  
 D. Audit Period

EXHIBIT I

BASIC MANUAL

NONE

The audited information shall coincide with the effective and expiration dates of the policy. Reasonable deviations from this standard that do not materially increase or reduce the aggregate earned premium are permitted to facilitate coordination of the audit with the first of the nearest month.

**MANUAL SUPPLEMENT - TREATMENT OF DISEASE COVERAGE**

**MANUAL SUPPLEMENT - TREATMENT OF DISEASE COVERAGE**

**III. Specific Disease Loading**

**III. Specific Disease Loading**

A. Explanation

A. Explanation

The manual rates for classification code numbers followed by the symbols ~~"d,"~~ "D" or "E" on the state rate pages include specific disease loadings. These loadings reflect specific disease hazards involved in the operations assigned to such classifications.

The manual rates for classification code numbers followed by the symbols "D" or "E" on the state loss cost or rate pages include specific disease loadings. These loadings reflect specific disease hazards involved in the operations assigned to such classifications.

**MN EXCEPTION:**

**KEEP MN EXCEPTION:**

**MANUAL SUPPLEMENT - TREATMENT OF DISEASE COVERAGE**

**MANUAL SUPPLEMENT - TREATMENT OF DISEASE COVERAGE**

This supplement has no application in Minnesota pursuant to Order RR-37 issued by the Workers' Compensation Board dated June 23, 1955.

This supplement has no application in Minnesota pursuant to Order RR-37 issued by the Workers' Compensation Board dated June 23, 1955.

**PRESENT PHRASEOLOGY:**

**PROPOSED PHRASEOLOGY:**

**MANUAL SUPPLEMENT - TREATMENT OF DISEASE COVERAGE**

**MANUAL SUPPLEMENT - TREATMENT OF DISEASE COVERAGE**

EXHIBIT I

BASIC MANUAL

**IV. Supplementary Disease Advisory Loss Costs and Rates**

A. Explanation

Supplementary disease advisory loss costs shown on the state rate pages reflect hazards involved in foundry, abrasive, or sandblasting operations.

**MN EXCEPTION:**

**MANUAL SUPPLEMENT - TREATMENT OF DISEASE COVERAGE**

This supplement has no application in Minnesota pursuant to Order RR-37 issued by the Workers' Compensation Board dated June 23, 1955.

**IV. Supplementary Disease Advisory Loss Costs and Rates**

A. Explanation

Supplementary disease advisory loss costs or rates shown on the state rate pages reflect hazards involved in foundry, abrasive, or sandblasting operations.

**KEEP MN EXCEPTION:**

**MANUAL SUPPLEMENT - TREATMENT OF DISEASE COVERAGE**

This supplement has no application in Minnesota pursuant to Order RR-37 issued by the Workers' Compensation Board dated June 23, 1955.

EXHIBIT II  
 BASIC MANUAL  
 CLASSIFICATIONS

**PRESENT PHRASEOLOGY:**

**PROPOSED PHRASEOLOGY:**

Acid mfg.....4815  
 Refer to Home Office for treatment under the  
*Chemical and Dyestuff Rating Plan.*

Acid mfg.....4829  
 NONE

Air Conditioning systems  
 Automobile installation, service or repair.....8380

Air Conditioning systems  
 Automobile installation, service or repair &  
drivers.....8380

Aircraft or Helicopter operation  
 Patrol, photography, ~~other than~~ mapping or  
 survey work:  
 All other employees & drivers. ....7423  
 As respects aerial photography, ~~other than~~  
 mapping or survey work, the payroll of the ground  
 laboratory employees shall be assigned to Code  
 4361— Photographer.

Aircraft or Helicopter operation  
 Patrol, photography, mapping or survey work:  
 All other employees & drivers.....7423  
 As respects aerial photography, mapping or  
 survey work, the payroll of the ground laboratory  
 employees shall be assigned to Code 4361—  
 Photographer.

Ammonia mfg.....4812  
~~Applies to ammonia produced by the nitrogen  
 hydrogen fixation process. For other methods,  
 refer to the *Chemical and Dyestuff Rating Plan.*  
 Mfg. of nitric acid and ammonium nitrate to be  
 separately rated as Code 4815—Acid mfg. and  
 Code 4811—Ammonium nitrate mfg.,  
 respectively.~~

Ammonia mfg.....4829

**MN EXCEPTION:**

Ammonia mfg.....4585  
~~Applies to ammonia produced by the nitrogen  
 hydrogen fixation process. For other methods,  
 refer to the *Chemical and Dyestuff Rating Plan.*  
 Mfg. of nitric acid and ammonium nitrate to be  
 separately rated as Code 4815—Acid mfg. and  
 Code 4586—Ammonium nitrate mfg.,  
 respectively.~~

**DELETE MN EXCEPTION:**

NONE

**PRESENT PHRASEOLOGY:**

**PROPOSED PHRASEOLOGY:**

EXHIBIT II

BASIC MANUAL

CLASSIFICATIONS

Ammonium Nitrate mfg.....4814  
 Includes dehydration and graining. ~~Mfg. of ammonia and nitric acid to be separately rated as Code 4812—Ammonia mfg. and Code 4815—Acid mfg., respectively.~~

Ammonium Nitrate mfg.....4829  
 Includes dehydration and graining.

**MN EXCEPTION:**

Ammonium Nitrate mfg.....4586  
 Includes dehydration and graining. Mfg. of ammonia and nitric acid to be separately rated as Code 4585—Ammonia mfg. and Code ~~4815~~ — Acid mfg., respectively.

**DELETE MN EXCEPTION:**

NONE

Amusement  
 Park or exhibition operation & drivers.....9016  
 Applies to the operation by owner or lessees and includes musicians and box office employees. Operation or maintenance of amusement devices to be separately rated.  
 The two foregoing classifications (Codes 9180 and ~~9186~~) do not apply to amusements, exhibitions, or other operations separately classified in this manual (such as bathhouses, billiard halls, boat livery, bowling lanes, ~~dance halls,~~ garages, restaurants, retail stores, theaters) whether operated by the owner or lessee of the exhibition or amusement park or through independent concession.

Amusement  
 Park or exhibition operation & drivers.....9016  
 Applies to the operation by owner or lessees and includes musicians and box office employees. Operation or maintenance of amusement devices to be separately rated.  
 The two foregoing classifications (Codes 9180 and 9016) do not apply to amusements, exhibitions, or other operations separately classified in this manual (such as bathhouses, billiard halls, boat livery, bowling lanes, garages, restaurants, retail stores, theaters) whether operated by the owner or lessee of the exhibition or amusement park or through independent concession.

Automobile  
 Haulaway or driveaway--local hauling only & drivers.....7228  
 Haulaway or driveaway--long distance hauling & drivers.....7229

Automobile  
 Haulaway or driveaway--local hauling only--all employees & drivers.....7228  
 Haulaway or driveaway--long distance hauling--all employees & drivers.....7229

**MN EXCEPTION:**

Auto  
 Haulaway or driveaway & drivers.....7380

**AMEND MN EXCEPTION:**

Auto  
 Haulaway or driveaway--all employees & drivers.....7380

**PRESENT PHRASEOLOGY:**

Automobile

**PROPOSED PHRASEOLOGY:**

Automobile

EXHIBIT II

BASIC MANUAL

CLASSIFICATIONS

Towing companies—local hauling only—no other operations & drivers.....7228  
 Towing companies—long haul—no other operations & drivers.....7229

Towing companies—local hauling only—no other operations—all employees & drivers.....7228  
 Towing companies—long haul—no other operations—all employees & drivers.....7229

Baking Powder mfg.....6504  
 Mfg. of ingredients to be separately rated. ~~If the ingredients are manufactured by the same concern, refer to the Home Office for individual treatment under the *Chemical and Dyestuff Rating Plan*.~~ Can mfg. to be separately rated as Code 3220.

Baking Powder mfg.....6504  
 Mfg. of ingredients to be separately rated. Assign to the appropriate chemical Code 4828 or 4829.  
 Can mfg. to be separately rated as Code 3220.

Banks and trust companies.  
 The basic and major operations of banks and trust companies are clerical in nature and assignable to Code 8810, which is a Standard Exception classification; therefore, the payroll of all employees not specifically included in the definition of clerical office employees shall be separately rated. The following indicates the appropriate assignment for miscellaneous employees of banks and trust companies:  
 Cafeterias or restaurants. ....9079

Banks and trust companies.  
 The basic and major operations of banks and trust companies are clerical in nature and assignable to Code 8810, which is a Standard Exception classification; therefore, the payroll of all employees not specifically included in the definition of clerical office employees shall be separately rated. The following indicates the appropriate assignment for miscellaneous employees of banks and trust companies:  
 Cafeterias or restaurants. (Assign to the appropriate restaurant classification.)

Caves or caverns—operation for exhibition purposes.....9016  
 Includes guides, ticket sellers, gate attendants, maintenance employees.

Caves or caverns—operation for exhibition purposes & drivers.....9016  
 Includes guides, ticket sellers, gate attendants, maintenance employees.

Coffee, Tea or grocery dealer—retail & ~~drivers~~.....8006  
 Applies to house-to-house sales of coffee, tea or groceries and includes incidental stores or warehouses.

Coffee, Tea or grocery dealer—retail.....8006  
 Applies to house-to-house sales of coffee, tea or groceries and includes incidental stores or warehouses.

**PRESENT PHRASEOLOGY:**

~~Concrete or Cement~~

**PROPOSED PHRASEOLOGY:**

**DELETE**

EXHIBIT II  
BASIC MANUAL  
CLASSIFICATIONS

~~Distributing towers—installation, repair or removal & drivers.....9529~~  
~~Erection, repair or removal of concrete or cement distributing towers by contractors as an incidental part of their construction work shall be included in the classification with which the work is associated.~~

NONE

**MN EXCEPTION:**

NONE  
NONE

**ADD MN EXCEPTION:**

Concrete or Cement  
 Distributing towers – installation, repair or removal & drivers.....5057  
 Erection, repair or removal of concrete or cement distributing towers by contractors as an incidental part of their construction work shall be included in the classification with which the work is associated.

~~Dinner Theater NOC.....9079~~  
~~The entire operation shall be classified to Code 9079 unless the combined payroll that would otherwise be assignable to Codes 9154 and 9156 -- Theater operation is more than 50% of the total payroll. When such conditions exist, the following classifications shall apply:~~

Dinner Theater NOC.  
 The entire operation shall be classified to the appropriate restaurant or bar Code 9082, 9083 or 9084 unless the combined payroll that would otherwise be assignable to Codes 9154 and 9156 -- Theater operation is more than 50% of the total payroll. When such conditions exist, the following classifications shall apply:

~~Food service and preparation.....9079~~

Food service and preparation including dispensing of alcoholic beverages. Assign to Code 9082, 9083 or 9084 as appropriate.

~~Players.....9156~~

Players.....9156

~~All other employees.....9154~~

All other employees.....9154

~~Doughnut Shop-- retail.....9079~~  
~~Applies to shops engaged in the preparation and sale of doughnuts, coffee or other items for consumption on or away from the premises.~~

Doughnut Shop-- retail.....9083  
 Applies to shops engaged in the preparation and sale of doughnuts, coffee or other items for consumption on or away from the premises. If the shop does not qualify as Code 9083—Restaurant; Fast Food, classify as Code 9082—Restaurant NOC.

**PRESENT PHRASEOLOGY:**

**PROPOSED PHRASEOLOGY:**

EXHIBIT II  
BASIC MANUAL  
CLASSIFICATIONS

Dye or dye intermediate mfg.  
Refer to the Home Office for individual treatment  
under the *Chemical and Dyestuff Rating Plan*.

Dye or dye intermediate mfg.  
Assign to the appropriate chemical Code 4828 or  
4829.

Employee Leasing risks.  
~~Classify workers assigned to clients the same as  
direct employees of the client entity performing  
the same or similar duties.~~

Employee Leasing risks.  
Refer to Rule IV-D.9.

Farm  
Tree or shrub.....0005

Farm  
Tree or shrub & drivers.....0005

Furniture  
Rental -- chairs, coat racks, dishes.....8044

Furniture  
Rental -- chairs, coat racks, dishes &  
drivers.....8044

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.....5651  
By contractors engaged in wallboard  
Installation.....5445

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.....5651  
By contractors engaged in wallboard Installation &  
drivers.....5445

Lacquer or spirit varnish mfg.....4439  
Includes mixing of thinners or solvents but no  
nitrocellulose mfg. ~~Refer risks engaged in the  
mfg. of nitrocellulose, thinners, or solvents to the  
Home Office for individual treatment under the  
*Chemical and Dyestuff Rating Plan*.~~

Lacquer or spirit varnish mfg.....4439  
Includes mixing of thinners or solvents but not  
nitrocellulose mfg. Assign risks engaged in the  
mfg. of nitrocellulose, thinners, or solvents to the  
appropriate chemical Code 4828 or 4829.

**PRESENT PHRASEOLOGY:**

**PROPOSED PHRASEOLOGY:**

**MN EXCEPTION:**

**AMEND MN EXCEPTION:**

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CLASSIFICATIONS

<p>Lacquer or spirit varnish mfg.....4558 Includes mixing of thinners or solvents but no nitrocellulose mfg. <del>Refer</del> risks engaged in the mfg. of nitrocellulose, thinners, or solvents to the <del>Home Office for individual treatment under the Chemical and Dyestuff Rating Plan.</del></p> <p>Mobile Home Dealers: All other employees.....8380 Delivery: By specialist contractor—local hauling only -- delivery only.....7228 By specialist contractor—long distance hauling -- delivery only.....7229 By specialist contractor—including on-site placement, hookup of plumbing and electrical systems and incidental installation activities..8380</p> <p>Repair: Shop.....8380 By dealer or specialist contractor. The on-site repair of a mobile home that is permanently set and occupied is classified in the same manner as the repair work done on any dwelling.</p> <p>Windstorm tie-down installation: By dealer.....8380</p> <p>Monuments --cemetery --erection exclusively.....5221</p> <p>Nursery--day Professional employees &amp; clerical.....<del>8868</del> All other employees.....<del>9101</del></p>	<p>Lacquer or spirit varnish mfg.....4558 Includes mixing of thinners or solvents but not nitrocellulose mfg. <u>Assign</u> risks engaged in the mfg. of nitrocellulose, thinners, or solvents to the <u>appropriate chemical Code 4828 or 4829.</u></p> <p>Mobile Home Dealers: All other employees <u>&amp; drivers</u>.....8380 Delivery: By specialist contractor—local hauling only -- delivery only <u>--all employees &amp; drivers</u>.....7228 By specialist contractor—long distance hauling -- delivery only <u>--all employees &amp; drivers</u>.....7229 By specialist contractor—including on-site placement, hookup of plumbing and electrical systems and incidental installation activities <u>&amp; drivers</u>.....8380</p> <p>Repair: Shop.....8380 By dealer or specialist contractor <u>&amp; drivers</u>. The on-site repair of a mobile home that is permanently set and occupied is classified in the same manner as the repair work done on any dwelling.</p> <p>Windstorm tie-down installation: By dealer <u>&amp; drivers</u>.....8380</p> <p>Monuments --cemetery --erection exclusively <u>&amp; drivers</u>.....5221</p> <p>Nursery--day Professional employees &amp; clerical.....<u>8869</u> All other employees <u>&amp; drivers</u>.....<u>9059</u></p>
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**PRESENT PHRASEOLOGY:**

Plastics Mfg.

**PROPOSED PHRASEOLOGY:**

Plastics Mfg.

EXHIBIT II

BASIC MANUAL

CLASSIFICATIONS

Fabricated products NOC.....4452  
 Applicable to the mfg. of plastic goods by such operations as machining, bending, buffing or polishing, using raw material in the form of sheets, rods or tubes. Also applicable to the mfg. of plastic goods by a dipping process. Not applicable to any operations properly assignable to ~~the Chemical and Dyestuff Rating Plan.~~

Fabricated products NOC.....4452  
 Applicable to the mfg. of plastic goods by such operations as machining, bending, buffing or polishing, using raw material in the form of sheets, rods or tubes. Also applicable to the mfg. of plastic goods by a dipping process. Not applicable to any operations properly assignable to chemical Code 4828 or 4829.

Molded products NOC.....4484  
 Applicable to the mfg. of plastic goods by injection or compression molding. Includes die making and all the machining, finishing, assembling, and forming operations in connection with the molded products. Not applicable to any operations properly assignable to ~~the Chemical and Dyestuff Rating Plan.~~

Molded products NOC.....4484  
 Applicable to the mfg. of plastic goods by injection or compression molding. Includes die making and all the machining, finishing, assembling, and forming operations in connection with the molded products. Not applicable to any operations properly assignable to chemical Code 4828 or 4829.

Plastics Mfg.  
 Sheets, rods, or tubes.....4459  
 Includes the mixing or grinding of molding materials. Not applicable to the nitration of cellulose or to any operations properly assignable to ~~the Chemical and Dyestuff Rating Plan.~~

Plastics Mfg.  
 Sheets, rods, or tubes.....4459  
 Includes the mixing or grinding of molding materials. Not applicable to the nitration of cellulose or to any operations properly assignable to chemical Code 4828 or 4829.

Prefabricated house mfg.—wood.....2802  
 Applicable to shop work. Installation to be separately rated.

Prefabricated house mfg.—wood & drivers....2802  
 Applicable to shop work. Installation to be separately rated.

Recreational vehicle campground or parks —all operations & drivers.....9015

Recreational vehicle campground or parks....9015

Satellite Dish installation  
 Auxiliary wiring within buildings.....5190  
 Erection of dish and auxiliary equipment.....3724

Satellite Dish installation  
 Auxiliary wiring within buildings & drivers.....5190  
 Erection of dish and auxiliary equipment & drivers.....3724

**PRESENT PHRASEOLOGY:**

Scaffolding. Each type of work undertaken is classified as follows:

**PRESENT PHRASEOLOGY:**

Scaffolding. Each type of work undertaken is classified as follows:

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Delivery of materials only--local hauling only—no installation, repair or removal.....7228	Delivery of materials only--local hauling only—no installation, repair or removal— <u>all employees &amp; drivers</u> .....7228
Delivery of materials only—long distance hauling—no installation, repair or removal.....7229	Delivery of materials only—long distance hauling—no installation, repair or removal -- <u>all employees &amp; drivers</u> .....7229
Outrigger scaffold installation, repair or removal.....9534	Outrigger scaffold installation, repair or removal <u>&amp; drivers</u> .....9534
Suspended or swinging scaffold installation, repair or removal.....9534	Suspended or swinging scaffold installation, repair or removal <u>&amp; drivers</u> .....9534
Sewer <del>Applies to the</del> cleaning of building connections using portable equipment.....5183	Sewer Cleaning of building connections using portable equipment <u>&amp; drivers</u> .....5183
Sign Manufacturing Plastic or vinyl computer-generated letters or graphics Painting or using power machinery.....9501	Sign Manufacturing Plastic or vinyl computer-generated letters or graphics Painting or using power machinery <u>&amp; drivers</u> .....9501
Wood Painting, spraying, sandblasting with or without power machinery.....9501	Wood Painting, spraying, sandblasting with or without power machinery <u>&amp; drivers</u> .....9501
<b>MN EXCEPTION:</b>	<b>AMEND MN EXCEPTION:</b>
Plastic or vinyl computer-generated letters or graphics Painting or using power machinery.....9501	Plastic or vinyl computer-generated letters or graphics Painting or using power machinery <u>&amp; drivers</u> .....9501
Wood Painting, spraying, sandblasting with or without power machinery.....9501	Wood Painting, spraying, sandblasting with or without power machinery <u>&amp; drivers</u> .....9501

**PRESENT PHRASEOLOGY:**

Snow Removal

**PROPOSED PHRASEOLOGY:**

Snow Removal

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Hauling snow under contract—local hauling only—no snow clearing.....7228

Hauling snow under contract—long distance hauling—no snow clearing.....7229

Spirit varnish or lacquer mfg.....4439  
Includes mixing of thinners or solvents but no nitrocellulose mfg. ~~Refer risks engaged in the mfg. of nitrocellulose to the Home Office for individual treatment under the *Chemical and Dyestuff Rating Plan.*~~

**MN EXCEPTION:**

Spirit varnish or lacquer mfg.....4558  
Includes mixing of thinners or solvents but not nitrocellulose mfg. ~~Refer risks engaged in the mfg. of nitrocellulose to the Home Office for individual treatment under the *Chemical and Dyestuff Rating Plan.*~~

Sulphur refining.  
~~Refer risks of this character to the Home Office for individual treatment under the *Chemical and Dyestuff Rating Plan.*~~

Synthetic Rubber Intermediate mfg.....4804  
Oil refining, gasoline recovery, acetylene gas mfg., and alcohol mfg. to be separately rated. Mfg.....4751  
Synthetic rubber intermediate mfg. to be separately rated as Code 4804.

Tea, coffee, or grocery dealer—retail.....8006  
Applicable to house-to-house sale of coffee, tea, or groceries and includes incidental stores or warehouses.

**PRESENT PHRASEOLOGY:**

Trailer Parks or trailer camps—~~all operations & drivers~~.....9015

Hauling snow under contract—local hauling only—no snow clearing --all employees & drivers.....7228

Hauling snow under contract—long distance hauling—no snow clearing --all employees & drivers.....7229

Spirit varnish or lacquer mfg.....4439  
Includes mixing of thinners or solvents but not nitrocellulose mfg. Assign risks engaged in the mfg. of nitrocellulose to the *appropriate chemical Code 4828 or 4829.*

**AMEND MN EXCEPTION:**

Spirit varnish or lacquer mfg.....4558  
Includes mixing of thinners or solvents but not nitrocellulose mfg. Assign risks engaged in the mfg. of nitrocellulose to the *appropriate chemical Code 4828 or 4829.*

Sulphur refining.  
Assign the appropriate chemical Code 4828 or 4829.

Synthetic Rubber Intermediate mfg.....4829  
Oil refining, gasoline recovery, acetylene gas mfg., and alcohol mfg. to be separately rated. Mfg.....4751  
Synthetic rubber intermediate mfg. to be separately rated as Code 4829.

Tea, coffee, or grocery dealer—retail & drivers.....8006  
Applicable to house-to-house sale of coffee, tea, or groceries and includes incidental stores or warehouses.

**PROPOSED PHRASEOLOGY:**

Trailer Parks or trailer camps.....9015

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Vitriol Mfg..... <del>4815</del>	Vitriol Mfg..... <u>4829</u>
Wearing Apparel or household furnishing dealer— retail & <del>drivers</del> .....8006	Wearing Apparel or household furnishing dealer— retail.....8006
NONE	<u>Welfare or charitable organization. Stores to be separately rated.</u> <u>Professional employees &amp; clerical.....8861</u> <u>All other employees &amp; drivers.....9110</u>