



MEMORANDUM

DATE: October 30, 2009

TO:

FROM: Linda Hale, AU, Rating Specialist

SUBJECT: **NCCI Basic Manual classification changes effective January 1, 2010**

NCCI Basic Manual Classification Changes

Filing B-1408 Effective January 1, 2010 on a new and renewal basis Vountary and Assigned Risk Policies

Child Day Care

Code 9064 will discontinue and all experience will move to newly created code 8869. The rate for code 8869 will be that of code 9064.

New Code and Description

8869 – Child Care Center – All Employees including Clerical, Salespersons, and Drivers
8869 – Child Day Camp – All Employees including Clerical, Salespersons, and Drivers;
Preschool – All Employees including Clerical, Salesperson, and Drivers
8869 – Day Nurseries – All Employees Including Salespersons, and Drivers

Discontinue Code and description

9064 – Child Day Care Center, All Employees including Clerical, Salespersons, and Drivers.
9064 – Child Day Camp, All Employees including Clerical, Salespersons, and Drivers
New Code
9064 – Kindergarten-All Employees including Clerical, Salespersons, and Drivers

Engineering and Research

New classification code created. Code 8602 will be effective January 1, 2010
Discontinue the cross-reference phraseology of Code 8601 - Oil or Gas – Geologist or Scout, and Surveyor and incorporate it into a newly created code in Oregon State Special Basic Manual:

Code 8602 – Surveyors, Timber Cruisers, Oil or Gas Geologists or Scouts, and Drivers

Operations of land surveyors and oil or gas geologists or scouts must be conducted as separate and distinct businesses and not in support of an entity's physical business. If the operation is in support of an entity's principal business, such as schools, chemical, power or light, and oil and gas companies, the operation must be separately rated to the principal business.

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Code 8602 is assigned to timber cruisers and timber buyers, whether employed by logging or lumbering risks or by an independent contractor. This code is also assigned to workers who exclusively spot and mark infected trees and designate which trees are to be sprayed or otherwise treated and which are to be destroyed.

Archeological contractors who survey or evaluate sites are also included in Code 8602.

With the creation of Code 8602, the Oregon state special reference phraseology for the following codes will be removed and the specific exposure will be assigned to code 8602.

7380 – Archaeological Contractors Excavation & Drivers

8601 – Archaeological Contractors Survey or Evaluation Work Only

8601 – Reforestation Surveying

Revise the phraseology and cross-reference phraseology of Code 8601.

From Code 8601 – Architect or Engineer – Consulting to

Code 8601 – Architect or Engineering Firm including Salespersons and Drivers

An Oregon Special will be created for Code 8601

**ARCHITECTURAL OR ENGINEERING FIRM INCLUDING SALESPERSONS &
DRIVERS**

Does not apply when performing actual construction. Code 8601 is applicable to insureds engaged in the architectural or engineering profession as a separate and distinct business and not in support of an entity's principal business.

Architectural and engineering personnel in support of an entity's principal business, including but not limited to vehicle manufacturers, chemical manufacturers, or power and light companies, must be separately rated to the governing classification of that business. Drafting performed by architects and engineers, licensed or unlicensed, is considered incidental to the overall job function when performed in conjunction with other duties outside the office.

Code 8601 is differentiated from Code 4511 because Code 8601 includes operations beyond the collection or testing of samples and the preparation of a report.

Code 4511

Code 4511 was impacted by the changes to code 8601 and the creation of code 8602.

The filing revised the phraseology of Code 4511 – Analytical Chemist to Analytical Laboratories or Assaying including Laboratory.

Discontinue the cross-reference phraseology of code 4511 – Assaying and incorporate assaying into the phraseology of Code 4511.

The following descriptions have been discontinued effective January 1, 2010

4511 003 Assaying

The revised phraseology for code 4511 is:

The collection of samples away from the lab and the testing of samples at any location are included. Operations beyond the collection or testing of samples and preparation of a report must be assigned to code 8601. Assaying is the qualitative and quantitative analysis of a substance such as an ore or a drug.

Operations must be conducted as a separate and distinct business and not in support of an entity's physical business. If the operation is in support of an entity's principal business, such as pharmaceutical research, the operation must be separately rated with the principal business.

Independent medical testing labs that analyze medical specimens are assigned to Code 4511. Testing labs that are not independent but part of a hospital, medical facility, or physician's office must be classified to the codes applicable to these risks.

Effective January 1, 2010 employees of energy conservation firms whose employees conduct energy audits and employees of risks who engage exclusively in air flow balance and testing of non-portable air conditioning units will be rated under code 4511.

The following new descriptions have been added to code 4511 effective January 1, 2010
4511 06 Analytical Laboratories or Assaying-Including Laboratory, Outside Employees, Collectors of Samples and Drivers

4511 07 Medical Laboratory – Independent and Drivers

4511 08 Air Flow Testing and Balancing Exclusively – HVAC Non-Portable and Drivers

4511 09 Energy Conservation Consulting Firms Exclusively and Drivers

Along with these changes, the phraseologies of code 8832 and 8833 will also be revised to make the distinction between independent medical testing labs, and those labs that are part of a hospital, medical facility, or physician office.

Codes 8832 & 8833 will include the revised phraseology:

Independent medical testing labs that analyze medical specimens are assigned to Code 4511 – Medical Lab- Independent & Drivers. Testing labs that are not independent but part of a medical facility or physician's office or in the case of hospital must be also classified to code 8832 or 8833.

Code 8832 08 Medical Lab – Independent – Clerical has been discontinued and converted to code 4511 07 Medical Laboratory – Independent and Drivers

Inventory Counters

A new code has been created specifically for Inventory counters. Currently inventory counters are classified in either:

Code 9521 – Advertising Display Installation Service for Stores

Code 8720 – Inspection of Risks for Insurance or Valuation Purposes NOC

Code 8803 - Auditor, Accountant, or Factory Cost or Office Systematizer – Traveling

Code 8803 currently includes the activity of traveling to various sites and making counts of inventory in conjunction with accounting functions at these locations within an

office-type setting. Inventory counting exceeds the physical separation of clerical or office employees when done in a warehouse or store.

This filing approved entities and/or operations which perform inventory counting to be reassigned from code 9521 or 8720 to a new established code. Code 8725 for Inventory Counters – Traveling-Including Salespersons & Clerical. Code 8725 is for those operations that clearly lie between the two codes of 8720 & 8803 and not entirely in either code. The initial rate for code 8725 will be the same as code 8720 until such time code 8725 establishes sufficient state experience to determine its own rate and experience rating factors.

Code 8725 Inventory Counters – Traveling – Including Salespersons & Clerical
Code 8725 is assigned to insureds conducting inventory counts for others. When conducting inventory counts of a company's own stock (store, warehouse, etc.), the governing code for the company must be applied.

On the national portion of this filing, it was approved to consolidate and clarify the phraseology for code 8803, so that any operations assigned to this classification must be clerical in nature. It was recommended by ORAC that Oregon not adopt this change to 8803 because there was not adequate information that supported the need for this change in Oregon. An Oregon State special was approved with phraseology that "Physical inventories of stock, when undertaken in conjunction with work performed by the employee classified to code 8803 are contemplated by the classification."

The phraseology for code 8803 will be revised from Auditor, Accountant, or Factory Cost or Office Systematizer – Traveling to Auditor, Accountant, or Computer System Designer or Programmer – Traveling.

Code 8803

Includes Insurance company premium auditors – traveling computer system designers or programmers.

Code 8803 is applicable to traveling clerical-type employees who augment the staff of risks that provide accounting, auditing, computer programming, or related clerical services for their clients. Employees assigned to code 8803 perform clerical work when they arrive at a client's location, but because of the combined exposure of traveling and clerical work, code 8803 is assigned to their payrolls in lieu of the available clerical classifications. Once at the location, their work must be of a clerical nature and be physically separated from the main operations of the site visited. Employees not meeting these criteria must be separately rated.

Added to Oregon: Physical inventories of stock; when undertaken in conjunction with work performed by the employee classified to code 8803 are contemplated by this classification.

The following cross-referenced phraseologies under code 8803 will be discontinued:

Accountant, Auditor, or Factory Cost or Office Systematizer – Traveling

Computer – System Designers or Programmers – Traveling, Factory Cost or Office Systematizer

Accountant or Auditor – Traveling, and Office or Factory Cost Systematizer

Accountant or Auditor – Traveling