

Classification changes effective 2019

NCCI has an ongoing process dedicated to the systematic research, analysis, and maintenance of NCCI's class system. This process ensures that the class 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.

In addition, the Oregon Workers Compensation Rating System Review & Advisory Committee (ORAC) may direct NCCI to make various changes to the Oregon Special Classifications section in the NCCI's Basic Manual to address issues and concerns specific to Oregon.

Here are the 2019 classification changes resulting from NCCI and ORAC's work:

NCCI Countrywide- Item B-1436 – Revisions to Basic Manual Classifications

Limousine Companies

Effective January 1, 2019, on a new and renewing basis, NCCI is combining scheduled and unscheduled limousine service under Class 7382. The new class description will read:

- Class 7382, Limousine Co-All Employees & Drivers

This results in the discontinuation of the following scheduled and unscheduled class descriptions:

- Class 7370, Limousine Co-All Employees & Drivers-Unscheduled
- Class 7382, Limousine Co-All Employees & Drivers-Scheduled

A notification letter will be sent to affected SAIF policyholders. The impact should be minimal.

Photography

Effective January 1, 2019, on a new and renewing basis, NCCI is updating the Class 4361, Film Print Shops-All Employees & Clerical, Salespersons, Drivers description to clarify the classification includes developing and printing photographs whether from film or digital media. The new class description will read:

- Class 4361, Photo Print Shop-All Employees & Clerical, Salesperson, Drivers.

There should be no impact to SAIF policyholders.

Document Scanning and Document Shredding Services

Effective January 1, 2019, on a new and renewing basis, NCCI is creating a new Class 8015 description to align the classification treatment of businesses providing document scanning services with those that provide photocopying services. In addition, NCCI is creating a new Class 8264 description to clarify the appropriate classification for document shredding operations. Following are the new class descriptions and how they apply:

- Class 8015, Document Scanning Operations-All Employees & Clerical, Salespersons, Drivers.

Class 8015 applies to document-scanning operations for others whether performed at the policyholder's facilities or the customer's location. It includes related document shredding when performed at the policyholder's facilities only. Related document shredding performed at the customer's location, including bailing and transportation, goes to Class 8264.

- Class 8264, Document-Shredding Operations & Drivers

Class 8264 applies to businesses that provide document-shredding for others. It includes shredding at the policyholder's facilities or the customer's location and encompasses the bailing and transportation of the shredded documents. The class also applies to shredding at the customer's location when performed as part of a document-scanning operation and includes bailing and transportation of the shredded documents.

In addition to the new Class 8264 description for document-shredding, the other 8264 class descriptions will now include drivers, effective January 1, 2019, on a new and renewing basis. Here are the updated Class 8264 descriptions:

- Bottle Dealer-Used & Drivers
- Container Recycle-Beverage/Bottle/Can & Drivers
- Recycling Operation & Drivers

This means Class 9403, Recycling Collection & Drivers, will no longer apply to the driving portion of these businesses. We will remove the class as the policies renew beginning January 1, 2019.

The 8264 class rate is slightly higher than the 9403 class rate resulting in a nominal class change premium difference. A survey letter will be sent to SAIF policyholders who currently have both classifications (8264 & 9403) on their policy to determine proper classification treatment.

Unmanned Aircraft System/Drone Aircraft

Due to the increase in drone aircraft use as a business tool, NCCI has created several classification descriptions and updated the classification rules to accommodate this growing industry. These changes are effective January 1, 2019, on a new and renewing basis.

NCCI has aligned its new classification descriptions and rules with the Federal Aviation Administration (FAA) licensing rules. The combined weight (including its attached systems, payload, and cargo) is the distinguishing factor that controls whether a business's basic classification includes its drone operations. While this distinction may be foreign to us, it should be understood by policyholders with drone operations since it controls their FAA licensing.

For policyholders operating drone aircraft in support of their own business operations:

- If the combined weight of the drone is less than 55 pounds the piloting of the drone stays in the basic classification that applies to the business. (A classification general inclusion.)
- If the combined weight of the drone is 55 pounds or more the piloting of the drone must be separately rated to the appropriate aviation classification. (A classification general exclusion.)

For policyholders operating drone aircraft for their customers:

- Class 8720, Unmanned Aircraft Systems or Drone Aircraft Operations NOC-Aircraft Weighing Less Than 55 Pounds. The class applies to policyholders who operate drone aircraft with a combined weight (including its attached systems, payload, and cargo) of less than 55 pounds for other businesses.
- The operation of drone aircraft with a combined weight (including its attached systems, payload, and cargo) of 55 pounds or more for other businesses must be separately rated to the applicable aviation classification.

Here are the new class descriptions for policyholders that manufacture and repair drone aircraft for others. When a policyholder performs both types of work, both classes apply:

- Class 3685, Unmanned Aircraft System or Drone Aircraft Mfg., Service, or Repair-Aircraft Weighing Less Than 55 Pounds. This class applies to the manufacturing, service, or repair of drones weighing less than 55 pounds.
- Class 3830, Unmanned Aircraft System or Drone Aircraft Mfg., Service or Repair-Aircraft Weighing 55 Pounds or more. This class applies to the manufacturing, service, or repair of drones weighing 55 pounds or more.

SAIF currently uses this approach in the classification of drone aircraft operations. We will be reviewing all businesses with these classifications for any possible reclassification needs. The impact to SAIF policyholders is minimal.

NCCI Item Filing 01-OR-2018 – Revisions to Oregon Basic Manual Rules and Classifications

Greenhouse Operations

Effective January 1, 2019, NCCI is reformatting its manual to make clear Class 0035, Greenhouse & Drivers, applies to greenhouse operations for nurseries and vegetable growers.

The impact to SAIF policyholders will be minimal. To assess reclassification needs we will send a survey letter to all policyholders that have both nursery (0005) and greenhouse (0035) classifications assigned.

Construction and Mercantile Designations

Effective January 1, 2019, on a new and renewing basis, NCCI is doing some clean-up work to add a construction or mercantile designation to the following classification descriptions so that all the classifications' descriptions having matching designations:

- 2799 – Manufactured, Modular, or Prefabricated Building Setup, Hookup, or Installation at Building Site (construction designation)
- 6204 – Drilling-NOC & Drivers (construction designation)
- 8017 – Bakeries-Retail Store Sales (mercantile designation)
- 8232 – Lumber-Manufacturing-Sawmill-Yard-All Employees & Drivers (mercantile designation)

There is no impact to SAIF policyholders.

**NCCI Countrywide- Item B-1435 – Revisions to Basic Manual Classifications
(2 Year Transition Program)**

Low Credibility Classifications

Effective January 1, 2019, on a new and renewing basis, NCCI will be merging the following two low credibility classes into existing analogous classes:

- 6017 – Dam or Lock Construction-Concrete Work-All Operations will merge into 5213 – Dam or Lock Construction-Concrete Work-All Operations
- 2534 – Feather or Flower Mfg.-Artificial; Hair Goods Mfg. is moved to 2501 – Feather or Flower Mfg.-Artificial and Hair Goods Mfg.

The impact to SAIF policyholders is minimal. A notification letter will be sent to affected policyholders.