

Classification changes effective 2020

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 2020 classification changes resulting from NCCI's and ORAC's work:

NCCI Countrywide: Item B-1436 (Two-year transition program) – Revisions to Basic Manual Classifications

Retirement Living and Convalescent Centers

Effective January 1, 2020, on a new and renewing basis, NCCI is making several changes currently applied to retirement living and convalescent center operations:

- Eliminate the national classification 8829, Convalescent or Nursing Home—All Employees, and adopt the Oregon state special classification 8824, Retirement Living Centers—Healthcare Employees. The Oregon state special classifications will be retired and adopt the new national treatment using the same classification (8824) and class descriptions.
- Eliminate the Oregon state special classification 8826, Retirement Living Centers—All Other Employees, and adopt the new national class descriptions for class 8826, Retirement Living Centers—All Other Employees, Salespersons & Drivers. ***Note that effective 1.1.20, new and renewing, this change will eliminate the need to separately classify outside salespersons (class 8742, Outside Salespersons) and drivers (class 7380, Drivers, Chauffeurs, and Their Helpers NOC). The national class description for Class 8826 includes these operations.***
- Eliminate the Oregon state special classification 8825, Retirement Living Centers—Food Service Employees, and move these operations to the new National class 8826, Retirement Living Centers—All Other Employees, Salespersons & Drivers. ***This change will include employees previously reported to class 8825 effective 1.1.20, new and renewing.***

To accommodate these changes, NCCI has created several new class descriptions for classes 8824 and 8826 effective January 1, 2020, new and renewing:

8824:

- Adult Congregate Living Facilities—Healthcare Employees
- Continuing Care Retirement Communities—Healthcare Employees
- Convalescent Homes—Healthcare Employees
- Homes for the Aged—Healthcare Employees
- Memory Care Facilities—Healthcare Employees
- Rest Homes—Healthcare Employees
- Nursing Homes or Assisted Living Facilities—Healthcare Employees
- Skilled Nursing Facilities—Healthcare Employees

8826:

- Adult Congregate Living Facilities—All Other Employees & Salespersons, Drivers
- Continuing Care Retirement Communities—All Other Employees & Salespersons, Drivers
- Convalescent Homes—All Other Employees & Salespersons, Drivers
- Homes for the Aged—All Other Employees & Salespersons, Drivers
- Memory Care Facilities—All Other Employees & Salespersons, Drivers
- Rest Homes—All Other Employees & Salespersons, Drivers
- Nursing Homes or Assisted Living Facilities—All Other Employees & Salespersons, Drivers
- Skilled Nursing Facilities—All Other Employees & Salespersons, Drivers

A notification letter will be sent to affected SAIF policyholders. The 2019 rates for classes 8825 and 8826 were the same and therefore the impact to SAIF policyholders will be nominal. There may be a slight premium difference for policyholders that had classes 8742 and 7380 assigned prior to this change as class 8826 is higher rated than class 8742 but lower rated than class 7380.

NCCI Countrywide: Item B-1435 (Three-year transition program) – Revisions to Basic Manual

Low-credibility classes

Effective January 1, 2020, on a new and renewing basis, NCCI will be merging the following five low credibility classes into existing analogous classes:

- 1860 – Abrasive Paper/Cloth Preparation will move to 4279 – Abrasive Paper or Cloth Preparation
- 4282 – Dress Pattern Mfg-Paper will move to 4279 – Dress Pattern Mfg-Paper (*part of a three-year transition program, effective 1.1.20, new and renewing*)

NCCI Countrywide: Item B-1437 – Revisions to Basic Manual Classifications

Low credibility classes

Effective January 1, 2020, on a new and renewing basis, NCCI will be merging the following five low credibility classes into existing analogous classes:

- 4360 – Motion Picture Production-Development of Negatives to Finish will merge into 7610 – Motion Picture Production – In Studio or Outside – All Operations & Clerical, Drivers
- 4670 – Cottonseed Oil Mfg-Mechanical & Drivers is moved to 4683 Cottonseed Oil Mfg-Mechanical
- 5508 – Street Or Road Construction – Rock Excavation & Drivers will move to 5507 – Street Or Road Construction – Rock Excavation & Drivers

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

Aircraft maintenance and repair

NCCI added clarifying language to the classification descriptions for classes 3826 and 3830 to assist in the consistent classification treatment for aircraft engine maintenance, manufacturing, and repair when done by a contractor either at the airport or at a facility away from the airport. In addition, NCCI added a new class description for the painting of aircraft under class 5474.

- 3826, Aircraft Engine Manufacturing will include language to clarify that the repairing of aircraft engines (including rebuilding) done by a manufacturer or contractor is included in this class when performed at an airport or an offsite facility.
- 3830, Airplane Manufacturing will include language to clarify that the modification, repair, or maintenance work done on an airplane (not the airplane engine) by a manufacturer or contractor is included in this class when performed at an airport or an off-site facility.
- 5474, Painting NOC & Shop Operations, Drivers will add a new class description, Painting Aircraft & Shop Operations, Drivers

There will be no impact to SAIF policyholders as the classification treatment for these businesses is already in alignment with NCCI's approach above.