

Report on the Installation of Tile, Stone, Mosaic or Terrazzo Work

Excerpt from the WCIRB Classification and Rating Committee Minutes
May 5, 2015

About this Report

The WCIRB prepares and presents reports to the WCIRB's Classification and Rating Committee to assist in the formulation of proposed changes to the Insurance Commissioner's regulations. Once adopted by the Classification and Rating Committee, the recommendations contained in the report are provided to the WCIRB Governing Committee and may be included in a WCIRB regulatory filing that is submitted to the Insurance Commissioner for approval.

About the WCIRB

The WCIRB is California's trusted, objective provider of actuarially-based information and research, advisory pure premium rates, and educational services integral to a healthy workers' compensation system. Learn more at www.wcirb.com.

Notice

This Report was developed by the Workers' Compensation Insurance Rating Bureau of California (WCIRB) to assist in the formulation of proposed changes to the Insurance Commissioner's regulations. The WCIRB has made reasonable efforts to ensure the accuracy of this Report. You must make an independent assessment regarding the use of this Report based upon your particular facts and circumstances.

© 2015 Workers' Compensation Insurance Rating Bureau of California. All rights reserved.

No part of this work may be reproduced or transmitted in any form or by any means, electronic or mechanical, including, without limitation, photocopying and recording, or by any information storage or retrieval system without the prior written permission of the Workers' Compensation Insurance Rating Bureau of California (WCIRB), unless such copying is expressly permitted in this copy-right notice or by federal copyright law.

Each WCIRB member company, including any registered third-party entities, (Company) and agents and brokers licensed to transact workers' compensation insurance in the state of California are authorized to reproduce any part of this work solely for the purpose of transacting workers' compensation insurance and for no other purpose. This reproduction right does not include the right to make any part of this work available on any Website or on any form of social media.

Workers' Compensation Insurance Rating Bureau of California, WCIRB, WCIRB California, WCIRB Online, X-Mod Direct, eSCAD and the WCIRB California logo (WCIRB Marks) are registered trademarks or service marks of the WCIRB. WCIRB Marks may not be displayed or used in any manner without the WCIRB's prior written permission. Any permitted copying of this work must maintain any and all trademarks and/or service marks on all copies.

To seek permission to use any of the WCIRB Marks or any copyrighted material, please contact the Workers' Compensation Insurance Rating Bureau of California at customerservice@wcirb.com.

Report on the Installation of Tile, Stone, Mosaic or Terrazzo Work

5348, *Tile, Stone, Mosaic or Terrazzo Work*

Executive Summary

Objective

The objective is to determine if Classification 5348, *Tile, Stone, Mosaic or Terrazzo Work – interior construction only*, should be amended to remove the “interior construction only” restriction.

Findings

The historical administration of Classification 5348 includes limited exterior construction work, and such work is not materially different from interior construction work. There is a clear line of demarcation between Classification 5348 and Classifications 5027/5028, *Masonry*, and the elimination of the “interior construction only” restriction from Classification 5348 will not result in the reclassification of operations from Classification 5348 to Classifications 5027/5028.

Recommendation

The WCIRB recommends the following changes to the *California Workers’ Compensation Uniform Statistical Reporting Plan—1995* (USRP) effective January 1, 2016:

1. Amend Classification 5348, *Tile, Stone, Mosaic or Terrazzo Work*, to remove the “interior construction only” restriction for clarity and to provide direction as to how related operations shall be classified.
2. Amend Classifications 5027/5028, *Masonry*, for clarity and to provide direction as to how related operations shall be classified.

Introduction

At its meeting of January 7, 2014, the Classification and Rating Committee approved proposed changes to Classification 5348, *Tile, Stone, Mosaic or Terrazzo Work – interior construction only*, for inclusion in the January 1, 2015 Regulatory Filing. The changes were proposed as part of the WCIRB's USRP enhancement project. Subsequent to the Committee's action, the WCIRB received a letter from a construction trade association representing tile contractors requesting that the WCIRB study Classification 5348 to determine if the current restriction limiting the application of the classification to interior construction only should be removed. The trade association noted that tile contractors will sometimes perform their trade at exterior sites. The WCIRB agreed to conduct the study, and at its meeting on May 13, 2014, the Committee withdrew the previously approved changes to Classification 5348 since the study could result in proposed amendments that differ from those previously approved.

Classification History

Following is a summary of the history of Classification 5348 (originally 5341):

- **1918:** Classification 5341, *Marble and Stone Setting*, was amended to read *Marble and Stone Setting – inside construction only, including installation of marble facings in vestibules and on store fronts*.
- **1937:** The classification number and phraseology for tile setting was changed to 5348, *Tile, Stone, Mosaic or Terrazzo Work – interior construction work only – not fireproof tile construction*.
- **1962 – 1963:** During several meetings, the Manual Subcommittee considered whether to amend Classification 5348 to include exterior tile work. It was ultimately decided that the classification phraseology should not be amended but that the scope of the classification includes outside tile work in doorways, entrances and stairways and other decorative work incidental to inside tile work, but it is not intended to cover sidewalks or large portions of the outside of buildings.
- **1987:** An employer protested the assignment of Classification 5022, *Masonry*, (now 5027/5028) to the installation of decorative paving stones used as walkways, sidewalks, driveways and patios and requested that the operations be assigned to Classification 5348. The WCIRB assignment of Classification 5022 was sustained; however, staff was directed to review the scope of operations included under Classification 5348. No changes to Classification 5348 resulted from the review.

Description of Operations

Following are the classification phraseologies, footnotes and relevant summaries of operations currently assigned to Classifications 5348, *Tile, Stone, Mosaic or Terrazzo Work – interior construction only*, and 5027/5028, *Masonry*.

TILE, STONE, MOSAIC OR TERRAZZO WORK – interior construction only – not fireproof tile construction **5348**

Classification 5348 applies to the installation of tile, mosaic, stone or terrazzo work in connection with floors, walls, countertops and similar applications. Most work is performed within buildings; however, exterior tile work in connection with doorways, entrances or stairways and other decorative work incidental to inside tile work is also assignable to Classification 5348. Classification 5348 historically has also included the installation of decorative tile within swimming pools. Employers specializing in tile work are required to maintain a C-54 Ceramic and Mosaic Tile Contractor license.

The installation of tile involves troweling an adhesive or thin set mortar onto the prepared floor, ceiling or countertop surface, after which individual tiles are placed on the surface with spacers and pressed into position. In some cases, sheets of prearranged tiles are installed. Tiles are leveled and adhesive/mortar is allowed to dry. Once dry, grout is applied between the individual tiles and wiped clean.

Terrazzo, a mosaic flooring consisting of small pieces of marble set in mortar, construction involves pouring and finishing a concrete base. Zinc, brass or colored divider strips are inserted into the wet concrete and leveled as needed to create designs. Concrete, coloring, water and marble, glass, stone or onyx chips are mixed and poured into the divided forms. The wet terrazzo is finished with hand tools. Once cured, the terrazzo work is ground and polished, and a seal coat is applied. Interior and exterior terrazzo construction is performed in a similar manner.

The installation of marble, granite or other stone countertops involve constructing a template of the installation area. The template is used to fabricate the material, resulting in a countertop in the exact shape and dimensions of the space. The fabricated countertop is set in place and secured with adhesive. Incidental trim pieces such as backsplashes and end caps are set in place and secured using mortar or construction adhesives. Seams are caulked or grouted to complete the installation.

Tile contractors also engage in the installation of light-weight architectural non-load-bearing decorative stone or brick veneer onto interior or exterior surfaces exclusively using adhesive or bonding processes that are comparable to those used in the installation of tile.¹

Specialty tile contractors operate under license C-54 Ceramic and Mosaic Tile Contractors issued by the California Department of Consumer Affairs, Contractors State License Board (CSLB). Following is a description of the C-54 license:

A ceramic and mosaic tile contractor prepares surfaces as necessary and installs glazed wall, ceramic, mosaic, quarry, paver, faience, glass mosaic and stone tiles; thin tile that resembles full brick, natural or simulated stone slabs for bathtubs, showers and horizontal surfaces inside of buildings, or any tile units set in the traditional or innovative tile methods, excluding hollow or structural partition tile.

It is noted that the C-54 license does not restrict the contractor's work to interior construction only, but includes "..."

Administration of Classification 5348 by the NCCI

The National Council on Compensation Insurance's (NCCI) Basic Manual for Workers Compensation and Employers Liability Insurance includes Classification 5348, *Ceramic Tile, Indoor Stone, Marble, or Mosaic Work*.

The NCCI Basic Manual also includes the following directive regarding the application of Classification 5348.

Code 5348 applies to specialist contractors who perform tile, stone, mosaic, or marble work. It includes the installation of glazed porcelain or ceramic wall, ceiling, or floor tiles as found in hospital operating rooms, restaurant kitchens, laboratories, and various rooms in residences. The classification does not include the setting of rough tile work of the type used in structural partitions or that is ground supported. Inside and outside work—of a primarily decorative, artistic, or ornamental nature—such as setting surface or wall tile of polished stone or marble and fine mosaic wall and ceiling work are included within the scope of Code 5348. The operations involve considerable preparation as well as brass stripping work laying intricate patterns and designs, cleaning, and extensive buffing and polishing.

Code 5348 additionally includes the installation of cultured marble tubs, sinks, counters, and similar cultured marble products. In addition, the installation of bathtub and shower liners is included under this code.

¹ The installation of stone or brick products that must be mechanically anchored to the surface and are not exclusively secured by adhesion or bonding is assignable to Classifications 5027/5028.

The NCCI's administration of Classification 5348 also does not restrict the contractor's work to interior construction only.

**MASONRY – employees whose regular hourly wage does not equal or exceed \$27.00 per hour – 5027
– N.O.C.**

This classification does not apply to masonry work in connection with 6307, *Sewer Construction*, or 6308, *Sewer Construction*.

**MASONRY – employees whose regular hourly wage equals or exceeds \$27.00 per hour – 5028
N.O.C.**

Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds \$27.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$27.00 per hour shall be classified as 5027, *Masonry*.

This classification does not apply to masonry work in connection with 6307, *Sewer Construction*, or 6308, *Sewer Construction*.

The installation of marble, granite and other types of stone onto patios, walkways, exterior building surfaces and other exterior surfaces is assignable to Classifications 5027/5028, *Masonry*. Accordingly, a review of the classification procedure for masonry was performed to determine if there is a clear line of demarcation between Classification 5348 and Classifications 5027/5028, and if the elimination of the "interior construction only" restriction from Classification 5348 would result in difficulties in administering Classifications 5348 and 5027/5028.

Classifications 5027/5028 apply to the construction of stonework or brickwork in connection with the construction of retaining walls, fireplaces and sound walls; paving stone, brick or stone slab walkways; concrete block structures; and the installation of decorative stone or brick, granite slabs or other masonry materials onto interior or exterior building walls. Employers specializing in masonry work are required to maintain a C-29 Masonry Contractor license.

The construction of brick, block and stone walls typically involves pouring concrete footings, either with or without reinforcing steel. Mortar is applied to individual bricks, cement blocks, stones or similar materials and pieces are stacked or set into place, tamped and leveled using hand tools, after which excess mortar is removed. The process is repeated until a desired height, shape or length is achieved. In some cases, "dry stack" methods are utilized, meaning no mortar is used to hold masonry materials in place.

The installation of walkways, patios and similar ground level operations involve the placement of brick, stone, concrete pavers or similar materials onto a prepared sand or aggregate base, after which additional sand is compacted and vibrated to hold materials in place. The construction of stone slab walkways and patios involves cutting stone to size and securing stone pieces to concrete surfaces with mortar. Mortar is applied between the joints.

Masonry contractors may also engage in the installation of decorative stone or brick veneer, granite slabs or other masonry materials onto interior or exterior building walls using adhesive processes or by mechanical means involving the use of bolts, anchors or straps. As needed, mortar or sealants are applied to the joints.

The CSLB requires a separate license for masonry contractors. The CSLB describes the C-29 license, required for specialty masonry contractors, as follows:

A masonry contractor installs concrete units and baked clay products; concrete, glass and clay block; natural and manufactured stone; terra cotta; and fire brick or other

material for refractory work. This classification includes the fabrication and installation of masonry component units for structural load bearing and non-load bearing walls for structures and fences installed with or without mortar; ceramic veneer (not tile) and thin brick that resembles full brick for facing; paving; and clear waterproofing, cleaning and caulking incidental to masonry construction.

Administration of Classification 5022 by the NCCI

The NCCI's Basic Manual includes Classification 5022, *Masonry*, which reads as follows:

Code 5022 is applied to insureds engaged in masonry work provided such work is not otherwise classified in the manual. It includes masonry work in connection with the construction of residential, commercial or industrial structures utilizing brick, brick veneer or cement, concrete, stone, marble or glass blocks. The classification does not include the building of forms or the pouring of concrete.

Code 5022 also is applied to specialist contractors engaged in fireplace construction, chimney construction for one- or two-story residences, installation of interior partitions of hollow fireproof tiles, installation of gypsum blocks or bricks, exterior building caulking, boiler brick work, masonry repair and relining of blast furnaces, masonry or tile silo erection, sawing of concrete block walls and waterproofing of building exteriors by use of trowels.

WCIRB Inspection Report Review

A review of WCIRB inspection reports published in the past four years reveals that of all employers assigned to either Classification 5348 or Classifications 5027/5028, a relatively small number have been assigned to both Classification 5348 and 5027/5028, which is an indication that most contractors that conduct tile work do not also conduct masonry work and vice versa.

Inspection Report Review Payroll Assigned to 5348 and/or 5027/5028

Classification Assigned	Number of Reports
5348 with no 5027 or 5028	597 (63%)
5027 or 5028 with no 5348	328 (35%)
5348 with 5027 and/or 5028	15 (2%) ²
Total	940

A review of unit statistical reports filed for all policies incepting January 1, 2012 to present for which payroll was reported in either Classification 5348 or Classifications 5027/5028 substantiates that most contractors that conduct tile work do not also conduct masonry work.

² It is noted that of the 15 contractors for which payroll was assigned to Classification 5348 and Classifications 5027/5028, many are engaged in swimming pool construction for which CSLB C-53 Swimming Pool Contractor license is required.

**Unit Statistical Report Review
Payroll Reported Under 5348 and/or 5027/5028**

Payroll Classification	Number of USRs
5348 with no 5027 or 5028	5,642 (68%)
5027 or 5028 with no 5348	2,492 (30%)
5348 with 5027 and/or 5028	208 (2%)
Total	8,342

Classification Analysis

Like masons, tile contractors are limited by their license and building codes as to what work they can perform. Tile contractors typically install ceramic tile, stone and terrazo that is non-load bearing and does not add structural integrity to the structure. Adhesives, thin set mortar and grout typically are used to bond tile, stone and brick veneer material to existing, prepared building surfaces. Much of the work is decorative or ornamental in nature and performed within buildings. Tile work that is performed outside, such as in exterior entryways, doorways and within swimming pools, is performed in a similar if not identical manner as interior work. As a finish trade, tile contractors avoid most of the operative hazards of the rough construction on a project.

Masonry contractors are often involved early on in a project and perform construction which is more “rough” in nature. Masons are not limited to bonding brick or stone materials to existing building surfaces, but in many cases use these materials to build structures. Masons typically trench, install rebar and set footings in connection with the construction of load bearing and non-load bearing walls from block, brick, stone and similar materials. The operations typically involve stacking and securing materials with or without mortar to produce walls and structures. Masons also build walkways and patios using brick, stone, and concrete pavers and stone slabs. As part of masonry work, masonry contractors also may install decorative stone and brick veneer products, but not tile, using adhesive methods onto existing structural walls.

As indicated above, the installation of decorative, architectural non-load-bearing stone and brick veneer products may be performed by both tile and masonry contractors. This type of product is relatively light weight and is installed exclusively by adhesion or bonding processes of the type that are used in the installation of decorative tile. Accordingly, this type of work is assignable to Classification 5348. The installation of heavier stone and brick veneer products that must be mechanically anchored to the surface is assignable to Classifications 5027/5028.

On whole, there is a clear line of demarcation between the work performed by tile contractors versus masonry contractors, and the elimination of the “interior construction only” restriction from Classification 5348 would not result in problems with administering Classification 5348. Rather, such change would eliminate a current inconsistency, albeit small, in the use of the classification. Moreover, the elimination of the restriction would not result in the reclassification of operations from Classification 5348 to Classifications 5027/5028. Accordingly, the elimination of the restriction would have no impact to the advisory pure premium rates for these classifications.

Conclusion

The historical administration of Classification 5348 includes limited exterior construction work, and such work is not materially different from interior construction work. There is a clear line of demarcation between Classification 5348 and Classifications 5027/5028, and the elimination of the “interior construction only” restriction will not result in the reclassification of operations from Classification 5348 to Classifications 5027/5028.

The installation of light-weight, non-load bearing decorative stone and brick veneer products is classified as 5348 as the installation process [adhesion] is similar to that used to install decorative tile.

Recommendation

The WCIRB recommends the following changes to the USRP effective January 1, 2016:

1. Amend Classification 5348, *Tile, Stone, Mosaic or Terrazzo Work*, to remove the reference to "interior construction only", for clarity and to provide direction as to how related operations shall be classified.
2. Amend Classifications 5027/5028, *Masonry*, for clarity and to provide direction as to how related operations shall be classified.

Recommendation

Amend Classification 5027, *Masonry – employees whose regular hourly wage does not equal or exceed \$27.00 per hour*, to clarify its intended application and to provide direction as to how related operations shall be classified.

PROPOSED

MASONRY – employees whose regular hourly wage does not equal or exceed \$27.00 per hour – N.O.C. 5027

This classification applies to the construction of structures, load bearing and non-load bearing walls, fences, fireplaces, walkways, retaining walls, barbecues, enclosures and similar items using masonry materials, including but not limited to brick, natural or manufactured stone, concrete block and glass block. This classification also applies to the installation of fireproofing tile.

The installation of adhered or bonded lightweight architectural non-load-bearing stone or brick veneer products shall be classified as 5348, *Tile, Stone, Mosaic or Terrazzo Work*.

This classification does not apply to masonry work performed in connection with sewer construction shall be classified as 6307/6308, *Sewer Construction*, or 6308, *Sewer Construction*.

* * * * *

Recommendation

Amend Classification 5028, *Masonry – employees whose regular hourly wage equals or exceeds \$27.00 per hour*, to clarify its intended application and to provide direction as to how related operations shall be classified.

PROPOSED

MASONRY – employees whose regular hourly wage equals or exceeds \$27.00 per hour – N.O.C. 5028

Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds \$27.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$27.00 per hour shall be classified as 5027, *Masonry*.

This classification applies to the construction of structures, load bearing and non-load bearing walls, fences, fireplaces, walkways, retaining walls, barbecues, enclosures and similar items using masonry materials, including but not limited to brick, natural or manufactured stone, concrete block and glass block. This classification also applies to the installation of fireproofing tile.

The installation of adhered or bonded lightweight architectural non-load-bearing stone or brick veneer products shall be classified as 5348, *Tile, Stone, Mosaic or Terrazzo Work*.

This classification does not apply to masonry work performed in connection with sewer construction shall be classified as 6307/6308, *Sewer Construction*, or 6308, *Sewer Construction*.

* * * * *

Recommendation

Amend Classification 5348, *Tile, Stone, Mosaic or Terrazzo Work*, to clarify its intended application and to provide direction as to how related operations shall be classified.

PROPOSED

TILE, STONE, MOSAIC OR TERRAZZO WORK —~~interior construction only~~— not fireproof tile construction 5348

This classification applies to the installation of tile, stone, mosaic or terrazzo onto surfaces, including but not limited to floors, walls, ceilings, countertops and swimming pools. This classification includes the preparation of surfaces by placement of cement board underlayment, installation of lath and plaster or by applying a base layer of mortar.

This classification includes the installation of adhered or bonded lightweight architectural non-load-bearing stone or brick veneer products.

The construction of driveways, patios and walkways by placing brick, stone or concrete pavers directly onto base materials, including but not limited to sand, aggregate or dirt shall be classified as 5027/5028, *Masonry*.

The installation of fireproof tile shall be classified as 5027/5028, *Masonry*.

The installation of vinyl, cork, asphalt or other resilient tile shall be classified as 9521(2), *Floor Covering*.

The installation of hardwood floors, including baseboard molding in connection therewith, shall be classified as 5436, *Hardwood Floor Laying*.

* * * * *

WCIRBCalifornia®
Objective.Trusted.Integral.

1221 Broadway, Suite 900
Oakland, CA 94612
Voice 415.777.0777
Fax 415.778.7007
www.wcirb.com
wcirb@wcirb.com