

# Governing Committee

## Meeting Agenda

Date	Time	Location	Staff Contact
February 8, 2024	9:30 AM	Microsoft Teams	Kristen Marsh

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1901 Harrison Street, 17<sup>th</sup> Floor • Oakland, CA 94612 • 415.777.0777 • Fax 415.778.7007 • www.wcirb.com • wcirb@wcirb.com

Released: February 1, 2024

To Members of the Governing Committee, WCIRB Members and All Interested Parties:

**This meeting is Open to the Public.**

Please use this [link](#) to register for the meeting webinar. After registering, you will receive a confirmation email containing information about the meeting.

**I. Approval of Minutes**

Meeting held December 13, 2023

**II. Additions to the Agenda**

**III. Ratification of Actions of WCIRB Committees**

A. Classification and Rating Committee Meeting Held November 14, 2023 (without attachments)

**IV. Unfinished Business**

**V. New Business**

A. September 1, 2024 Regulatory Filing

**VI. Next Meeting Date: April 17, 2024**

**VII. Adjournment**

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# Classification and Rating Committee

## Meeting Minutes

Date	Time	Location	Staff Contact
November 14, 2023	9:30 AM	Microsoft Teams Webinar	Kristen Marsh

1901 Harrison Street, 17<sup>th</sup> Floor • Oakland, CA 94612 • 415.777.0777 • Fax 415.778.7007 • www.wcirb.com • wcirb@wcirb.com

Released: November 29, 2023

### Members:

National Union Fire Insurance Company of Pittsburgh PA  
Preferred Employers Insurance Company  
Security National Insurance Company  
State Compensation Insurance Fund  
Travelers Property Casualty Company of America  
Truck Insurance Exchange  
Zenith Insurance Company

### Represented By:

Ellen Sonkin  
Christine Glynn  
Matt Zender  
Gregory Hanel  
Tony Panetti  
Jennifer Fortin\*  
Sarah Elston

### California Department of Insurance

Yvonne Hauscarriague  
Margaret Hosel

### WCIRB

Kristen Marsh, Chair  
Bill Mudge  
Andrea Coleman  
Sean Cooper  
Carrie Kosnik  
Esther Li  
Hester Nguyen  
Eric Riley  
Angela Sundin  
Julia Zhang  
Claudia Zhou

\* Attended part of the meeting

After a reminder of the antitrust restrictions, the meeting of the Classification and Rating Committee was called to order at 9:30 AM with Ms. Kristen Marsh, Senior Vice President and Chief Legal Officer, presiding.

\* \* \* \* \*

### Approval of Minutes

The Minutes of the meeting held on August 8, 2023 were distributed to the Committee members in advance of the meeting for review. As there were no corrections to the Minutes, a motion was made, seconded and unanimously approved to adopt the Minutes as written.

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### **Item III-A Physical Audit Threshold**

The Committee was reminded that the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* (USRP) requires that all policies that generate a final premium at or above a specific threshold amount are subject to physical audit.<sup>1</sup> The threshold has historically been set at a level that corresponds approximately with eligibility for experience rating so that the vast majority of payroll reflected in an experience rating calculation is subject to physical audit. The threshold has been reviewed on a regular basis and adjusted as appropriate to maintain the same approximate volume of policies subject to the audit requirement. The Committee was reminded that the audit threshold was last changed to \$10,500 effective January 1, 2020.

WCIRB staff summarized the two standard analytical approaches for computing the indicated level of the physical audit threshold for the September 1, 2024 Regulatory Filing. Based on the approximate average of these two indications, the indicated physical audit threshold for policies incepting on or after September 1, 2024 is approximately \$10,000. Since this estimate is generally consistent with the current threshold and the threshold is intended to be changed relatively infrequently, staff recommended and the Committee agreed with maintaining the current physical audit threshold of \$10,500 for September 1, 2024.

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<sup>1</sup> See Part 3, *Standard Classification System*, Section VI, *Administration of Classification System*, Rule 4, *Audit of Payroll*.

## Item III-B Payroll Limitations

The Committee was reminded that each year WCIRB staff reviews current wage and payroll limits in the *California Worker's Compensation Uniform Statistical Reporting Plan—1995* (USRP) in light of projected wage inflation. The Committee was advised that wage inflation for September 1, 2024<sup>1</sup> is projected at approximately 3.4%. This wage inflation projection is based on the average of the UCLA Anderson School of Business and California Department of Finance wage forecasts as of June 2023 and April 2023, respectively. The Committee reviewed the recommended changes to the maximum and minimum payroll limits and the per taxicab and department store minimums that were included in the Agenda. Based on this projection, WCIRB staff recommends the following revisions to the USRP to be effective September 1, 2024.

Following staff's presentation, a motion was made, seconded and unanimously passed to propose to the WCIRB's Governing Committee that the following recommended payroll limitation adjustments be included in the September 1, 2024 Regulatory Filing.

<b>Table 1 – Wage and Payroll Limitation Recommendations</b>					
<b>Class Code</b>	<b>Phraseology</b>	<b>Current</b>		<b>Recommended for September 1, 2024</b>	
		<b>Payroll Minimum</b>	<b>Payroll Maximum</b>	<b>Payroll Minimum</b>	<b>Payroll Maximum</b>
7365	<i>Taxicab Operations</i> (per year per taxicab)	\$42,400	N/A	\$43,800	N/A
4297(1)	<i>Electronic Pre-Press</i> (per year per employee)	N/A	N/A	N/A	\$159,900
4297(2)	<i>Graphic Design</i> (per year per employee)	N/A	N/A	N/A	\$159,900
4512	<i>Biomedical Research Laboratories</i> (per year per employee)	N/A	N/A	N/A	\$159,900
7607(1)	<i>Video Post-Production</i> (per year per employee)	N/A	\$154,700	N/A	\$159,900
7607(2)	<i>Audio Post-Production</i> (per year per employee)	N/A	\$154,700	N/A	\$159,900
7610	<i>Radio, Television or Commercial Broadcasting Stations</i> (on-air personalities, entertainers and musicians/per year per person)	N/A	\$154,700	N/A	\$159,900

<sup>1</sup> The wage inflation is based on the average inflation from policies incepting between September 1, 2023 and August 31, 2024 to policies incepting between September 1, 2024 and August 31, 2025.

<b>Table 1 – Wage and Payroll Limitation Recommendations</b>					
<b>Class Code</b>	<b>Phraseology</b>	<b>Current</b>		<b>Recommended for September 1, 2024</b>	
		<b>Payroll Minimum</b>	<b>Payroll Maximum</b>	<b>Payroll Minimum</b>	<b>Payroll Maximum</b>
8601(1)	<i>Engineers</i> (per year per employee)	N/A	\$154,700	N/A	\$159,900
8601(2)	<i>Oil or Gas Geologists or Scouts</i> (per year per employee)	N/A	\$154,700	N/A	\$159,900
8601(4)	<i>Forest Engineers</i> (per year per employee)	N/A	\$154,700	N/A	\$159,900
8741	<i>Real Estate Agencies</i> (per year per employee)	N/A	\$154,700	N/A	\$159,900
8743	<i>Mortgage Brokers</i> (per year per employee)	N/A	\$154,700	N/A	\$159,900
8749	<i>Mortgage Bankers</i> (per year per employee)	N/A	\$154,700	N/A	\$159,900
8801	<i>Credit Unions</i> (per year per employee)	N/A	\$154,700	N/A	\$159,900
8803	<i>Auditing, Accounting or Management Consulting Services</i> (per year per employee)	N/A	\$154,700	N/A	\$159,900
8807	<i>Newspaper, Magazine or Book Publishing</i> (per year per employee)	N/A	N/A	N/A	\$159,900
8808	<i>Banks</i> (per year per employee)	N/A	\$154,700	N/A	\$159,900
8820	<i>Law Firms</i> (per year per employee)	N/A	\$154,700	N/A	\$159,900
8822	<i>Insurance Companies</i> (per year per employee)	N/A	\$154,700	N/A	\$159,900
8834	<i>Physician's Practices and Outpatient Clinics</i> (per year per employee)	N/A	N/A	N/A	\$159,900
8839	<i>Dental or Orthodontia Practices</i> (per year per employee)	N/A	N/A	N/A	\$159,900

<b>Table 1 – Wage and Payroll Limitation Recommendations</b>					
<b>Class Code</b>	<b>Phraseology</b>	<b>Current</b>		<b>Recommended for September 1, 2024</b>	
		<b>Payroll Minimum</b>	<b>Payroll Maximum</b>	<b>Payroll Minimum</b>	<b>Payroll Maximum</b>
8859(1)	<i>Computer Programming or Software Development (per year per employee)</i>	N/A	\$154,700	N/A	\$159,900
8859(2)	<i>Internet or Web-Based Application Development or Operation (per year per employee)</i>	N/A	\$154,700	N/A	\$159,900
8874(1)	<i>Instrument Mfg. – electronic – professional or scientific – hardware or software design or development (per year per employee)</i>	N/A	\$154,700	N/A	\$159,900
8874(2)	<i>Computer or Computer Peripheral Equipment Mfg. – hardware or software design or development (per year per employee)</i>	N/A	\$154,700	N/A	\$159,900
8874(3)	<i>Telecommunications Equipment Mfg. – hardware or software design or development (per year per employee)</i>	N/A	\$154,700	N/A	\$159,900
8874(4)	<i>Audio/Video Electronic Products Mfg. – hardware or software design or development (per year per employee)</i>	N/A	\$154,700	N/A	\$159,900
8874(5)	<i>Integrated Circuit and Semiconductor Wafer Mfg. – hardware or software design or development (per year per employee)</i>	N/A	\$154,700	N/A	\$159,900
8874(6)	<i>Medical Instrument Mfg. – electronic – diagnostic or treatment – hardware or software design or development (per year per employee)</i>	N/A	N/A	N/A	\$159,900

<b>Table 1 – Wage and Payroll Limitation Recommendations</b>					
<b>Class Code</b>	<b>Phraseology</b>	<b>Current</b>		<b>Recommended for September 1, 2024</b>	
		<b>Payroll Minimum</b>	<b>Payroll Maximum</b>	<b>Payroll Minimum</b>	<b>Payroll Maximum</b>
8874(7)	<i>Instrument Mfg. – non-electronic – scientific or medical – hardware or software design or development (per year per employee)</i>	N/A	N/A	N/A	\$159,900
9043	<i>Hospitals (per year per employee)</i>	N/A	N/A	N/A	\$159,900
9151	<i>Theaters – musical entertainment (performers and directors of performers/per year per person)</i>	N/A	\$154,700	N/A	\$159,900
9156	<i>Theaters – dance, opera and theater companies (performers and directors of performers/per year per person)</i>	N/A	\$154,700	N/A	\$159,900
9181	<i>Athletic Teams or Athletic Facilities – players, umpires, referees and game officials (per season per player)</i>	N/A	\$154,700	N/A	\$159,900
9610	<i>Motion Pictures – production (actors, musicians, producers and the motion picture director/per year per person)</i>	N/A	\$154,700	N/A	\$159,900
N/A	Executive Officers, Partners, Individual Employers and Members of a Limited Liability Company	\$59,800	\$154,700	\$62,400	\$159,900

### **Item III-C**

#### **Review of Dual Wage Classification Thresholds**

The Committee was reminded that in 2016, the Committee adopted a modified process for the analysis of dual wage classification thresholds that includes an analytical review of the wage thresholds for each of the dual wage classifications every other year. The Agenda included a draft report analyzing all the dual wage classification thresholds for inclusion in the September 1, 2024 Regulatory Filing.

During the discussion, a Committee member asked about employer outreach related to the dual wage threshold updates and staff explained that construction industry groups representing various construction trades received notifications and two outreach meetings were held to review the proposals.

Following the discussion, a motion was made, seconded and unanimously passed to recommend to the Governing Committee that the proposed changes to the dual wage classification thresholds be included in the September 1, 2024 Regulatory Filing.

## Item III-D Draft Electronics Industry Study

The Committee was reminded that the WCIRB conducted a multi-year comprehensive review of the 12 classifications in the Electronics Industry Group in the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* to ensure the classification procedures still reflect current operations in the industry and align with the overall goals of the Standard Classification System.

The Committee was reminded that the first phase of the study focused on the growing integration between computer programming and electronics manufacturing operations, particularly with respect to Classifications 3681<sup>1</sup> and 4112, *Integrated Circuit and Semiconductor Wafer Mfg.* As a result of the 2022 Study of Computer Programming in the Electronics Manufacturing Industry, the WCIRB recommended and the Insurance Commissioner approved the establishment of Classification 8874<sup>2</sup> as a companion classification to Classifications 3681 and 4112, effective September 1, 2022. Classification 8874 applies to hardware or software design or development, as well as clerical and outside sales operations, performed in connection with manufacturing operations assigned to Classifications 3681 and 4112.

The Committee was advised that in the second and final phase of the study, the WCIRB continued its analysis of the Electronics Industry Group and performed an in-depth operational review of the remaining classifications in the Electronics Industry Group resulting in several classification studies to determine:

1. Whether Classifications 3572, *Medical Instrument Mfg. – electronic*, and 3682, *Instrument Mfg. – non-electronic*, meet the criteria for companion Classification 8874.
2. Whether Classifications 3070, *Computer Memory Disk Mfg.*, and 3573, *Power Supply Mfg.*, should continue to be stand-alone classifications or if some or all of their operations should be combined with operations in other classifications.

### Companion Classification Study (Classifications 3572 and 3682)

The key findings included:

1. Employers assigned to Classifications 3572 and 3682 typically retain computer programmers and/or design engineers that have similar job duties and average wages as those assigned to Classification 8874. The loss and payroll experience for hardware and software design and development, clerical and outside sales operations of Classifications 3572 and 3682 employers are much more similar to those of employers assigned to Classification 8874 than to those of the statewide clerical and outside sales experience. Similarities in the operations and loss and payroll experience suggest that Classifications 3572 and 3682 meet the criteria for use of the companion Classification 8874.
2. The changes in the selected loss to payroll ratios for Classifications 8874, 8810 and 8742 after reassigning hardware and software design and development, clerical and outside sales experience are minimal (0%, +1.3% and +1.4%, respectively). Employers assigned to Classifications 3572 and 3682 with reported payroll currently in Classifications 8810 and/or 8742

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<sup>1</sup> Classification 3681 consists of four alternate phraseologies (or suffixes): 3681(1), *Instrument Mfg. – electronic – professional or scientific – all other employees – N.O.C.*; 3681(2), *Computer or Computer Peripheral Equipment Mfg. – all other employees – N.O.C.*; 3681(3), *Telecommunications Equipment Mfg. – all other employees*; and 3681(4), *Audio/Video Electronic Products Mfg. – all other employees*.

<sup>2</sup> Classification 8874 consists of five alternate phraseologies (or suffixes): 8874(1), *Instrument Mfg. – electronic – professional or scientific – hardware or software design or development*; 8874(2), *Computer or Computer Peripheral Equipment Mfg. – hardware or software design or development*; 8874(3), *Telecommunications Equipment Mfg. – hardware or software design or development*; 8874(4), *Audio/Video Electronic Products Mfg. – hardware or software design or development*; 8874(5), *Integrated Circuit and Semiconductor Wafer Mfg. – hardware or software design or development*.

would have, on average, a significant decrease (-65.3%) in the selected loss to payroll ratio under the proposed classification structure recommendation.

Based on the findings, WCIRB staff recommended:

1. Establishing two alternate phraseologies (or suffixes) to Classification 8874 to apply to the hardware and software design and development, clerical and outside sales operations performed in connection with manufacturing operations assigned to Classifications 3572 and 3682:
  - a. Classification 8874(6), *Medical Instrument Mfg. – electronic – diagnostic or treatment – hardware or software design or development – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons*, which will be included in the Electronics Industry Group; and
  - b. Classification 8874(7), *Instrument Mfg. – non-electronic – scientific or medical – hardware or software design or development – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons – N.O.C.*, which will not be included in the Electronics Industry Group.
2. Amending the following classifications to reference the corresponding proposed companion classifications:
  - a. Classification 3572, *Medical Instrument Mfg. – electronic – diagnostic or treatment*
  - b. Classification 3682, *Instrument Mfg. – non-electronic – scientific or medical – N.O.C.*

### **Low Credibility Studies**

#### **Computer Memory Disk Mfg. (Classification 3070)**

The key findings included:

1. The business operations and loss and payroll experience of computer memory disk manufacturing assigned to Classification 3070 are similar to those of computer or computer peripheral equipment manufacturing assigned to Classification 3681(2), *Computer or Computer Peripheral Equipment Mfg. – all other employees*. Reassigning Classification 3070 operations to Classification 3681(2) would improve the statistical credibility and stabilize the advisory pure premium rate for 3070.
2. Employers assigned to Classifications 3070 and 3681(2) both typically retain design or development engineers, clerical staff and outside salespersons that support manufacturing operations. These employees share similar loss and payroll experience, indicating a good fit between the computer programming, design engineering, clerical and outside sales operations in support of Classification 3070 operations and Classification 8874(2), which includes similar operations that support Classification 3681(2).
3. Reassigning Classification 3070 employers to Classification 3681 would lead to a large increase (+82.8%) in the classification relativity for employers currently assigned to Classification 3070 and a slight reduction (-0.6%) for employers assigned to Classification 3681. The year-to-year classification relativity for Classification 3070 will be limited to a 25% increase, in accordance with standard WCIRB classification ratemaking procedures. Applying the companion Classification 8874(2) to include computer programming, design engineering, clerical and outside sales operations of employers assigned to Classification 3070 would have no impact on employers assigned to Classifications 8810, 8742 and 8874.

Based on the findings, WCIRB staff recommended:

1. Combining Classification 3070, *Computer Memory Disk Mfg.*, with Classification 3681(2), *Computer or Computer Peripheral Equipment Mfg. – all other employees*, for ratemaking purposes and limiting the advisory pure premium rate relativity change for constituents of Classification 3070 to 25% each year until the advisory pure premium rate for Classification 3070 better aligns with that of Classification 3681, at which time Classification 3070 would be eliminated and Classification 3070 employers would be assigned to Classification 3681(2).
2. Reassigning the hardware and software design and development, clerical and outside sales operations performed in connection with computer memory disk manufacturing operations assigned to Classification 3070 from Classifications 8810, 8871 and 8742 to 8874(2) in conjunction with the elimination of Classification 3070 and assignment of Classification 3070 employers to Classification 3681(2).

### **Power Supply Mfg. (Classification 3573)**

The key findings included:

1. The low wattage and high wattage power supply manufacturing operations assigned to Classifications 3573 and 3643(1) share some similarities, particularly with respect to employees' job duties, but require the use of different manufacturing tools. In addition, only about a quarter of inspected employers with operations assigned to Classification 3643(1) manufacture high wattage power supplies, while the remaining employers manufacture other types of electric power or transmission equipment, use different raw materials and have different manufacturing processes.
2. The loss to payroll ratios for Classification 3573 are much lower than those for Classifications 3643 and 3643(1) and high wattage operations in Classification 3643(1). The typical causes of injury were generally dissimilar between claims of Classification 3573 and those of Classification 3643. In addition, the payroll, number of employers and advisory pure premium rates for Classification 3573 have been stable historically, suggesting a further reduction in credibility for Classification 3573 is unlikely.

Based on the findings, WCIRB staff did not recommend any changes to the operations assigned to Classification 3573, *Power Supply Mfg.*, at this time.

In response to a question from a Committee member regarding the impact of reassigning Classification 3070, *Computer Memory Disk Mfg.*, to Classification 3681(2), *Computer or Computer Peripheral Equipment Mfg. – all other employees*, based on the average payroll reported in Classifications 3070, 8810 and 8742, it was confirmed that the impact would vary depending on each employer's mix of payroll reported in these three classifications. Additionally, in response to a question from a Committee member regarding the impact on employers' experience modifications, it was stated that the impact on rated employers would be minimal. Finally, in response to a question from a Committee member regarding other potential destination classifications for Classification 3070 employers, it was stated that three other classifications were considered, but operational and/or data analyses did not support any of these classifications as appropriate destinations for Classification 3070 employers.

In response to a question from a Committee member regarding potential destination classifications for Classification 3573, *Power Supply Mfg.*, it was explained that two other classifications were initially considered in addition to Classification 3643; however, operational and/or data analyses did not support these classifications as appropriate destinations for constituents of Classification 3573. Additionally, in response to a question from a Committee member regarding combining Classification 3643 employers who manufacture high wattage power supplies with Classification 3573, it was explained that combining the limited number of high wattage power supply manufacturers would not largely improve the credibility of Classification 3573 and the operational and/or data analyses did not support combining them.

Following staff's presentation and discussion, a motion was made, seconded and unanimously passed to recommend to the Governing Committee that the proposed changes be included in the September 1, 2024 Regulatory Filing and that Classification 3070 be combined with Classification 3681(2) for ratemaking purposes until such time as the advisory pure premium rates better align at which time Classification 3070 would be eliminated and its constituents reassigned to 3681(2) and 8874(2).

### **Item III-E**

#### **Proposed Classification Enhancements to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995***

The Committee was reminded that the WCIRB continually reviews the standard classifications contained in the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* to ensure that the intended application of each classification is comprehensive and clear. WCIRB staff has identified several classifications that could be clarified and, therefore, recommended revisions for clarity and consistency and to provide direction about how related operations are classified.

Following discussion regarding the proposed changes, a motion was made, seconded and unanimously passed to recommend to the WCIRB Governing Committee that the proposed changes be included in the September 1, 2024 Regulatory Filing.

### **Item III-F**

#### **Proposed Non-Substantive Amendments**

The Committee was advised that WCIRB staff were proposing several non-substantive changes to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* (USRP) for clarity and consistency with previously approved changes.

As there were no questions about the proposed changes, a motion was made, seconded and unanimously passed to recommend to the WCIRB Governing Committee that the proposed changes to the USRP be included in the September 1, 2024 Regulatory Filing.

### Item III-G Potential Classification Studies

WCIRB staff summarized the potential studies proposed to be conducted in 2023-2024 for inclusion in the September 1, 2025 Regulatory Filing. The Committee was advised that these studies include continuing of multi-year initiatives as well as input provided by the California Department of Insurance, Committee members, stakeholders and staff.

Following staff's presentation, the consensus of the Committee was that the following classification studies should be completed in 2023-24 for consideration for inclusion in the September 1, 2025 Regulatory Filing.

**Table 1  
 Recommended Classification Research Studies  
 September 1, 2025 Regulatory Filing**

Potential Classification Studies	Anticipated Commitment <sup>1</sup>
Food and Beverage Manufacturing or Processing Industry (Phase II) <ul style="list-style-type: none"> <li>• N.O.C. Classification 6504, <i>Food Products Mfg. or Processing</i></li> <li>• Classification 2003, <i>Bakeries or Cracker Mfg.</i></li> <li>• Low credibility classifications:                             <ul style="list-style-type: none"> <li>○ 4717, <i>Butter Substitutes Mfg.</i></li> <li>○ 4683(1), <i>Vegetable Oil Mfg. or Refining</i>, and 4683(2), <i>Cottonseed Oil Mfg. or Refining</i></li> <li>○ 2030, <i>Sugar Mfg. or Refining</i></li> </ul> </li> </ul>	Very High
Potential Universal Maximum Payroll Limitation	Moderate to Very High
Telecommuting Classification: Policy Year 2021 Experience Review	Low
Sheltered Workshops	Low
Classification Enhancements	Low

<sup>1</sup> Estimated WCIRB staff resource commitment: "Low" corresponds to an estimate of below 100 hours, "Moderate" corresponds to an estimate of between 101 and 250 hours, "High" corresponds to an estimate between 251 and 400 hours, and "Very High" corresponds to an estimate exceeding 400 hours.

### **Item III-H**

#### **2024 Schedule of Meetings**

The following schedule of Classification and Rating Committee meetings for the coming year was presented to the Committee and approved.

<b>Day of Week</b>	<b>Date &amp; Time</b>	<b>Content</b>
Tuesday	January 30, 2024 at 9:30 AM	Review classification relativities for September 1, 2024 Regulatory Filing
Tuesday	May 21, 2024 at 9:30 AM	Review September 1, 2025 Regulatory Filing matters
Tuesday	August 6, 2024 at 9:30 AM	Review September 1, 2025 Regulatory Filing matters
Tuesday	November 12, 2024 at 9:30 AM	Review September 1, 2025 Regulatory Filing matters

Classification and Rating Committee  
Meeting Minutes for November 14, 2023

The meeting was adjourned at 11:25 AM.

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Note to Committee Members: These Minutes, as written, have not been approved. Please refer to the Minutes of the meeting scheduled for January 30, 2024 for approval and/or modification.

## **Item V-A**

### **September 1, 2024 Regulatory Filing**

The Classification and Rating (C & R) Committee is recommending changes to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* (USRP), *Miscellaneous Regulations for the Recording and Reporting of Data—1995* (Miscellaneous Regulations) and *California Workers' Compensation Experience Rating Plan—1995* (ERP) for inclusion in the WCIRB's September 1, 2024 Regulatory Filing. The changes, if approved, would take effect September 1, 2024.

A copy of the draft Regulatory Filing, excluding the proposed 2024 experience rating eligibility threshold, classification relativities, Table I, *Expected Loss Rates and D-Ratios*, and Table II, *Primary Thresholds*, is being provided to the Governing Committee for review and approval. (These tables of values, for which methodologies underlying their development are separately reviewed by the C & R or Actuarial Committees, have been excluded from the Agenda due to their voluminous nature.) If the Governing Committee approves the draft filing, the WCIRB anticipates submitting it to the California Department of Insurance by the end of February.

#### **A. WCIRB Classification Research and Studies**

In preparation for the September 1, 2024 Regulatory Filing, WCIRB staff conducted classification studies which resulted in proposed USRP changes that the C & R Committee is recommending for clarity and consistency and to restructure classifications into more homogenous statistically credible classifications that are reflective of current industry operations.

##### **1. Electronics Industry Study**

As part of a multi-year effort, the WCIRB completed its second and final phase of a comprehensive review of the Electronics Industry Group to determine whether Classifications 3572, *Medical Instrument Mfg. – electronic*, and 3682, *Instrument Mfg. – non-electronic*, meet the criteria for establishing companion Classification 8874 to apply to hardware or software design and development as well as clerical and outside sales operations performed in connection with Classification 3572 or 3682. In addition, the study also evaluated whether Classifications 3070, *Computer Memory Disk Mfg.*, and 3573, *Power Supply Mfg.*, should continue to be stand-alone classifications or if some or all of the operations should be combined with operations in other classifications.

Based on the findings of the study, the C & R Committee is recommending:

- a. Establishing Classification 8874(6), *Medical Instrument Mfg. – electronic – diagnostic or treatment – hardware or software design or development – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons*, as a companion to Classification 3572. The classification will be included in the Electronics Industry Group and apply to the hardware and software design and development, clerical and outside sales operations performed in connection with the manufacturing operations assigned to Classification 3572.
- b. Establishing Classification 8874(7), *Instrument Mfg. – non-electronic – scientific or medical – hardware or software design or development – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons – N.O.C.*, as a companion to Classification 3682 to apply to hardware and software design and development, clerical and outside sales operations associated with the manufacturing operations assigned to Classification 3682.
- c. Combining Classification 3070, *Computer Memory Disk Mfg.*, with Classification 3681(2), *Computer or Computer Peripheral Equipment Mfg. – all other employees*, for ratemaking purposes and limiting the advisory pure premium rate relativity change for constituents of

Classification 3070 to 25% each year until the advisory pure premium rate better aligns with that of Classification 3681. At that time, Classification 3070 would be eliminated and its constituents assigned to 3681(2) and the hardware and software design and development, clerical and outside sales operations performed in connection with memory disk manufacturing assigned to Classification 8874(2), *Computer or Computer Peripheral Equipment Mfg. – hardware or software design or development.*

## **2. Dual Wage Classification Thresholds**

The WCIRB completed an analytical review of WCIRB unit statistical data and external wage data from published government sources. As a result of this analysis, the C & R Committee is recommending amendments to increase the proposed threshold for each pair of dual wage classifications since the thresholds were last amended.

## **3. Other Classification Changes**

The C & R Committee is also recommending amendments to clarify the application of multiple classifications as a result of the WCIRB's continual effort to review the standard classifications to ensure that the intended application of each classification is comprehensive and clear. The C & R Committee is also recommending amendments to the minimum and maximum payroll limitations for executive officers, partners, individual employers and members of a limited liability company, as well as other payroll limitations relevant to specific classifications to reflect the increase in wage levels that has occurred since the minimum and maximum payroll limitations were last amended in 2023. Additionally, the C & R Committee is recommending an increase to the minimum annual payroll per taxicab from \$42,400 to \$43,800.

## **B. Additional Recommended Amendments**

In addition to the changes noted above, the C & R Committee is recommending changes to indicate that only COVID-19 claims with accident dates from December 1, 2019 through August 31, 2024 should be excluded from experience rating, update the expected loss ranges in the Experience Rating Plan corresponding to each primary threshold to reflect the most current available experience and make non-substantive amendments for clarity and consistency with related regulations.

## Proposed Regulatory Changes Effective September 1, 2024

The WCIRB is recommending:

1. Amendments to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* (Title 10, California Code of Regulations, Section 2318.6), to be effective September 1, 2024 and applied to a policy with an effective date on or after September 1, 2024 (Section A);
2. Amendments to the *Miscellaneous Regulations for the Recording and Reporting of Data—1995* (Title 10, California Code of Regulations, Section 2354), to be effective September 1, 2024 and applied to a policy with an effective date on or after September 1, 2024 (Section B); and
3. Amendments to the *California Workers' Compensation Experience Rating Plan—1995* (Title 10, California Code of Regulations, Section 2353.1), to be effective September 1, 2024 and applied as of the first rating effective date of a risk on or after September 1, 2024 (Section C).

**Section A**

**Recommended Amendment to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995*  
Title 10, California Code of Regulations, Section 2318.6  
Effective September 1, 2024**

The WCIRB recommends that the following amendment to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* (Uniform Statistical Reporting Plan) be approved effective September 1, 2024 and applied to a policy with an effective date on or after September 1, 2024.

**Part 1 — General Provisions**

Amend Section I, *Introduction*, Rule 3, *Effective Date*, to show that the effective date of the amended Uniform Statistical Reporting Plan is 12:01 AM, September 1, 2024.

PROPOSED

**Section I — Introduction**

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**3. Effective Date**

The provisions of this Plan are effective at 12:01 AM, September 1, ~~2023~~2024. When an amendment to this Plan is approved, a notice summarizing the amendment and its effective date, as specified by the Insurance Commissioner, will be published by the WCIRB.

This Plan and all amendments thereto, unless otherwise specifically provided, shall apply to a policy with an effective date on or after the effective date of the amendment.

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**Part 3 — Standard Classification System**

Amend Section IV, *Special Industry Classification Procedures*, Rule 5, *Stores*, subrules e, for consistency with other proposed changes.

PROPOSED

**Section IV – Special Industry Classification Procedures**

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**5. Stores**

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e. If a store maintains a department for the preparation and sale of ~~hot foods or beverages~~, unless otherwise provided in the classification phraseology or footnote, such operations shall be separately classified. Refer to the *Food and Beverage Service* Industry Group for a complete list of classifications applicable to the preparation or serving of food or beverages. The payroll of employees who interchange between store operations and the department engaged in the preparation and sale of ~~hot foods or beverages~~ shall be assigned in accordance with Section V, Rule 3, *Division of Single Employee’s Payroll*.

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Amend Section V, *Payroll – Remuneration*, Rule 1, *Payroll – Remuneration*, Subrule j, *Executive Officers*, Subrule k, *Partners*, Subrule l, *Individual Employers*, and Subrule m, *Members of a Limited Liability Company*, to adjust the minimum and maximum payroll limitations for executive officers, partners, individual employers and members of a limited liability company to reflect wage inflation since the minimum and maximum payroll limitations were last amended in 2023.

PROPOSED

**Section V – Payroll – Remuneration**

**1. Payroll – Remuneration**

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## j. Executive Officers

The entire remuneration earned by each executive officer during the policy period shall be used as the payroll, subject to a minimum remuneration of ~~\$59,800~~62,400 per annum and a maximum remuneration of ~~\$154,700~~159,900 per annum for each executive officer covered under the policy. This provision also applies to executive officers of a corporation while the corporation is covered as a member of a partnership or joint venture operation and to executive officers of a limited liability company.

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## k. Partners

If the policy covers one or more partners as employee(s) during the policy period, the entire remuneration earned by such partner(s) during such coverage (including the annual amount of wages, salary, emoluments or profits of each such partner) shall be included in the payroll, subject to a minimum remuneration of ~~\$59,800~~62,400 per annum and a maximum remuneration of ~~\$154,700~~159,900 per annum for each partner so included. This provision also applies to partners of a partnership while such partnership is covered as a member of another partnership or joint venture.

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## l. Individual Employers

If an individual employer is covered under the policy, the entire remuneration earned by such person during the policy period (including the annual amount of wages, salary, emoluments or profits of such person) shall be included in payroll, subject to a minimum remuneration of ~~\$59,800~~62,400 per annum and a maximum remuneration of ~~\$154,700~~159,900 per annum for such person.

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## m. Members of a Limited Liability Company

If the policy covers one or more members as employee(s) during the policy period, the entire remuneration earned by such member(s) during such coverage (including the annual amount of wages, salary, emoluments or profits of each such member) shall be included in the payroll, subject to a minimum remuneration of ~~\$59,800~~62,400 per annum and a maximum remuneration of ~~\$154,700~~159,900 per annum for each member so included. This provision also applies to managers of a limited liability company when the limited liability company is manager-managed.

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**Examples – for subrules j, k, l and m**

A person joined a partnership as a partner effective week 27 of a 52-week policy period. The person did not work as an employee prior to becoming partner. The partner drew only \$400 per week as partner and no other earnings were distributed to the partner. ( $\$400 \times 26$ , or \$10,400, was drawn during the policy period.) The prorated weekly minimum payroll for partners based upon Subrule k, above, is more than \$10,400 ( $\$59,800 \div 52 \times 26 = \$29,900$ ). The reportable payroll for this partner must therefore be increased by ~~\$19,500~~\$20,800 to equal the prorated minimum remuneration for this person's 26 weeks as partner ( $\$10,400 + \$19,500 = \$29,900$ ).

An employee is promoted to an executive officer position effective week 40 during a 52-week policy period. The individual was paid an annual salary of \$200,000 for the policy period. Payroll for weeks 1 through 39 is \$112,500. The earnings for the 13-week period as executive officer are reduced to the prorated executive officer maximum remuneration based upon Subrule j above ( $\$154,700 \div 52 \times 13 = \$39,175$ ).

52 x 13 = ~~\$38,675,39,975~~). The total reportable payroll for this individual is \$112,500 + ~~\$38,675,39,975~~  
= ~~\$151,175,152,475~~.

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Amend Section VII, *Standard Classifications*, Rule 1, *Classification Section*, subrule a, Industry Groups, for consistency with other industry group naming conventions.

PROPOSED

**Section VII – Standard Classifications**

**1. Classification Section**

This section contains an alphabetical listing of classifications that describe most occupations, employments, industries and businesses. The classifications are organized as follows:

a. Industry Groups

Some classifications are grouped alphabetically under industry groupings to assist users in identifying and assigning classifications within similar industries. Construction-related classifications are listed in Appendix I, *Construction and Erection Classifications*. The following other industry groups are incorporated into the classifications listed in Rule 2, *Standard Classifications*, below:

- (1) Aircraft Operation
- (2) Automotive ~~Industry~~
- (3) Electronics
- (4) Farms
- (5) Food and Beverage Service
- (6) Food Packaging and Processing
- (7) Health and Human Services
- (8) Metal Working ~~Classifications~~
- (9) Municipal, State or Other Public Agencies
- (10) Petroleum ~~Industry~~
- (11) Plastic Products Manufacturing
- (12) Printing, Publishing and Duplicating
- (13) Property Management/Operation
- (14) Recycling and Refuse Management
- (15) Sign ~~Industry~~
- (16) Stores

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Amend Section VII, *Standard Classifications*, Rule 2, *Standard Classifications*, as follows:

Amend the cross-reference to Classification 3066(3), *Aluminum Ware Mfg.*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**ALUMINUM WARE MFG. – shop only – from sheet aluminum**

See Metal Working ~~Classifications~~.

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Amend Classification 9181, *Athletic Teams or Athletic Facilities – players, umpires, referees and game officials*, to increase the annual payroll limitation for players from \$154,700 to \$159,900 per player per season to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**ATHLETIC TEAMS OR ATHLETIC FACILITIES – players, umpires, referees and game officials 9181**

**The entire remuneration of each player shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per season. When a player works for two or more teams in the same sport during the season, the ~~\$154,700~~\$159,900 per player maximum shall be prorated.**

This classification applies to the players, playing managers, and umpires, referees and game officials who monitor play, of professional and amateur athletic teams, including all players on the salary list of the insured whether regularly played or not. This classification also applies to umpires, referees and game officials in connection with youth or recreational athletic teams or facilities.

Season shall include preseason and postseason exposure.

Also refer to companion Classification 9182, *Athletic Teams or Athletic Facilities – all employees other than players, umpires, referees and game officials*.

If an employee who performs duties described by Classification 9181 also performs duties described by Classification 9182, the payroll of that employee may be divided between Classifications 9181 and 9182, provided the employer maintains accurate records supported by time cards or time book entries that show such division. See Section V, Rule 3, *Division of Single Employee’s Payroll*.

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Amend Classification 7607(2), *Audio Post-Production*, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**AUDIO POST-PRODUCTION – computer or electronic – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons 7607(2)**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to employers engaged exclusively in computer or electronic audio post-production operations for other concerns in connection with audio or music recording or mixing, or scoring of motion pictures, television features, commercials or similar productions, including dubbing type work and incidental studio recording, on a contract basis.

This classification does not apply to computer or electronic audio post-production operations performed in connection with audio duplication on a contract basis. This classification also does not apply to computer or electronic audio post-production operations performed by the same employer in connection with audio or music recording or mixing, or scoring of motion pictures, television features, commercials or similar productions.

Video post-production operations performed in connection with motion pictures, television features, commercials or similar productions for other concerns on a contract basis shall be classified as 7607(1), *Video Post-Production*.

Audio or music recording studios shall be classified as 7610, *Radio, Television or Commercial Broadcasting Stations*.

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Amend Classification 8803, *Auditing, Accounting or Management Consulting Services*, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**AUDITING, ACCOUNTING OR MANAGEMENT CONSULTING SERVICES – all employees – including Clerical Office Employees and Clerical Telecommuter Employees 8803**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to the provision of accounting or auditing services to other concerns on a fee basis, including but not limited to traveling to customers' locations, reviewing records, inventorying assets, preparing tax documents, providing accounting advice and ensuring regulatory compliance of financial records. This classification also applies to consulting firms that provide managerial advice to other concerns on a fee basis.

Consulting firms providing services limited to computer programming or software development to other concerns on a fee basis shall be classified as 8859(1), *Computer Programming or Software Development*.

Law firms that provide legal services on a fee basis shall be classified as 8820, *Law Firms*.

This classification does not apply to accounting, auditing or management consulting operations performed by the same employer in connection with its other separately classified operations.

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Amend Classifications 5185/5186, *Automatic Sprinkler Installation*, to increase the hourly wage threshold from \$32.00 to \$33.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**AUTOMATIC SPRINKLER INSTALLATION – within buildings – including shop, yard or storage operations – employees whose regular hourly wage does not equal or exceed ~~\$32~~33.00 per hour** 5185

This classification applies to the installation, service and repair of automatic fire suppression sprinkler systems that disperse water or fire suppressant powder, gas or liquid chemicals within commercial and residential buildings.

The inspection and certification of automatic sprinkler systems on a job basis shall be classified as 8720(1), *Inspection for Insurance, Safety or Valuation Purposes*, provided the employer performs no service or repair work at the same job or location. If the employer performs sprinkler system inspection and certification and also performs service or repair work at the same job or location, all operations shall be assigned to Classifications 5185/5186.

The sale and service of portable fire extinguishers shall be classified as 8018, *Stores – wholesale*.

**AUTOMATIC SPRINKLER INSTALLATION – within buildings – including shop, yard or storage operations – employees whose regular hourly wage equals or exceeds ~~\$32~~33.00 per hour** 5186

**Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds ~~\$32~~33.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$32~~33.00 per hour shall be classified as 5185, *Automatic Sprinkler Installation*.**

This classification applies to the installation, service and repair of automatic fire suppression sprinkler systems that disperse water or fire suppressant powder, gas or liquid chemicals within commercial and residential buildings.

The inspection and certification of automatic sprinkler systems on a job basis shall be classified as 8720(1), *Inspection for Insurance, Safety or Valuation Purposes*, provided the employer per-

forms no service or repair work at the same job or location. If the employer performs sprinkler system inspection and certification and also performs service or repair work at the same job or location, all operations shall be assigned to Classifications 5185/5186.

The sale and service of portable fire extinguishers shall be classified as 8018, *Stores – wholesale*.

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Amend the Automotive Industry Group for consistency with other industry group naming conventions.

PROPOSED

**AUTOMOTIVE INDUSTRY**

\* \* \* \* \*

Amend the cross-reference to Classification 8046, *Stores – automobile or truck parts or accessories*, in the Automotive Industry Group, for consistency with previously approved changes.

PROPOSED

**STORES – automobile or truck parts or accessories – wholesale or retail – including ~~inside Salespersons or~~ Outside Salespersons**

See Stores.

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Amend Classification 8808, *Banks*, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**BANKS – all employees – including appraisers, bank guards and attendants, field auditors, office machine repair, Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons** **8808**

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

This classification applies to the operation of depository financial institutions that are licensed to perform financial services, including but not limited to accepting deposits, paying interest, clearing checks, making loans and exchanging currency. This classification also applies to depository financial institutions that operate entirely online or through electronic transactions.

The operation of properties away from the bank premises, including but not limited to trusts, re-possessed properties and other business properties shall be separately classified.

Mortgage brokers shall be classified as 8743, *Mortgage Brokers*.

Mortgage bankers shall be classified as 8749, *Mortgage Bankers*.

Credit unions shall be classified as 8801, *Credit Unions*.

Check cashing locations at which the fees charged for check cashing, deferred deposit transactions, money orders and wire transfers equal or exceed 75% of gross receipts shall be classified as 8850, *Check Cashers*.

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Amend Classification 4512, *Biomedical Research Laboratories*, to limit an employee’s annual payroll to \$159,900.

PROPOSED

**BIOMEDICAL RESEARCH LABORATORIES – all employees – including Clerical Office Employees and Clerical Telecommuter Employees 4512**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$XXX,XXX~~159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to biomedical research, including outside operations, in fields such as medicine, pharmacology, pathology, toxicology and microbiology. The research may be performed on a contract basis or in connection with the proprietary development of new products, medications or procedures to treat or cure diseases or conditions that cause illness.

This classification does not apply when the biomedical research is in connection with, or in support of, the commercial production of products or medications by the employer. Biomedical research in connection with other operations of the same employer is a General Inclusion. See Section III, Rule 5, *General Inclusions*.

The manufacturing, blending or packaging of drugs, medicines or pharmaceutical preparations that are intended for use in the diagnosis, cure, mitigation, treatment or prevention of disease shall be classified as 4611, *Drug, Medicine or Pharmaceutical Preparations Mfg.*

The manufacture of serums, antitoxins, viruses or medical diagnostic test kits shall be classified as 5951, *Serum, Antitoxin or Virus Mfg.*

The diagnostic testing of human tissues, blood or other biologic specimens on a fee basis shall be classified as 8834, *Physicians’ Practices and Outpatient Clinics*.

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Amend the cross-reference to Classification 3620(1), *Boiler Mfg.*, for consistency with other industry group naming conventions.

PROPOSED

**BOILER MFG. – plate steel – shop only**

See Metal Working Classifications.

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Amend Classifications 5403/5432, *Carpentry*, to increase the hourly wage threshold from \$39.00 to \$41.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**CARPENTRY – including the installation of interior trim, doors and cabinet work in connection therewith – employees whose regular hourly wage does not equal or exceed \$3941.00 per hour – N.O.C. 5403**

This classification applies to rough carpentry, or a combination of rough and finish carpentry operations in connection with the new construction or remodeling of residential or commercial buildings.

This classification also applies to the installation of shingle roofing or the installation or application of insulation materials in buildings or within building walls, but only if installed by the same employer that performs the carpentry work in constructing new buildings or additions to existing buildings at the same job or location. All other roofing shall be separately classified.

The making, erecting or stripping of forms in connection with concrete work shall be assigned to the appropriate concrete classification.

The installation of cabinets, fixtures or interior trim shall be classified as 5146(1), *Cabinet, Fixture or Trim Installation*, only if the employer performs no rough carpentry operations at the same job or location.

The installation of prefabricated doors, door frames or pre-glazed windows shall be classified as 5107, *Door, Door Frame or Pre-Glazed Window Installation*, only if the employer performs no rough carpentry operations at the same job or location.

The structural framing of residential or commercial structures using light gauge, cold formed steel studs and joists shall be classified as 5632/5633, *Steel Framing*.

**CARPENTRY – including the installation of interior trim, doors and cabinet work in connection therewith – employees whose regular hourly wage equals or exceeds \$3941.00 per hour – N.O.C. 5432**

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds \$3941.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$3941.00 per hour shall be classified as 5403, *Carpentry*.**

This classification applies to rough carpentry, or a combination of rough and finish carpentry operations in connection with the new construction or remodeling of residential or commercial buildings.

This classification also applies to the installation of shingle roofing or the installation or application of insulation materials in buildings or within building walls, but only if installed by the same employer that performs the carpentry work in constructing new buildings or additions to existing buildings at the same job or location. All other roofing shall be separately classified.

The making, erecting or stripping of forms in connection with concrete work shall be assigned to the appropriate concrete classification.

The installation of cabinets, fixtures or interior trim shall be classified as 5146(1), *Cabinet, Fixture or Trim Installation*, only if the employer performs no rough carpentry operations at the same job or location.

The installation of prefabricated doors, door frames or pre-glazed windows shall be classified as 5107, *Door, Door Frame or Pre-Glazed Window Installation*, only if the employer performs no rough carpentry operations at the same job or location.

The structural framing of residential or commercial structures using light gauge, cold formed steel studs and joists shall be classified as 5632/5633, *Steel Framing*.

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Amend Classification 8859(1), *Computer Programming or Software Development*, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**COMPUTER PROGRAMMING OR SOFTWARE DEVELOPMENT – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons 8859(1)**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to those employers that engage in the development or customization of computer programs or software for other concerns on a contract basis, as well as the development of standard (“generic”) programs for use by other concerns.

This classification does not apply to employers that engage in computer programming or software development in support of the employer’s operations, which includes but is not limited to the development of programs for integration into a hardware product sold by the employer.

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Amend Classifications 5201(2)/5205(2), *Concrete or Cement Work – pouring or finishing of concrete floor slabs, poured in place and on the ground, and concrete slab-type foundations, for other than concrete buildings or structural steel buildings of multi-story construction*, to increase the hourly wage threshold from \$32.00 to \$33.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**CONCRETE OR CEMENT WORK – pouring or finishing of concrete floor slabs, poured in place and on the ground, and concrete slab-type foundations, for other than concrete buildings or structural steel buildings of multi-story construction – including the making or stripping of forms – employees whose regular hourly wage does not equal or exceed \$3233.00 per hour** **5201(2)**

This classification applies to the pouring or finishing of concrete foundations, footings and slabs for residential buildings not exceeding three stories in height. This classification also applies to the pouring or finishing of concrete slab foundations, with or without integrated footings, for one or two story wood framed or masonry commercial buildings and single story structural steel commercial buildings. This classification includes the incidental installation of reinforcing steel by the employer engaged in the pouring or finishing of concrete flatwork.

This classification also applies to the installation and removal of forms at the job site whether performed by the employer engaged in the pouring or finishing of concrete or by a separate employer.

This classification also applies to the pouring or finishing of lightweight cellular concrete floors within buildings.

The pouring or finishing of concrete floor slabs, foundations, retaining walls, basement walls and/or footings in connection with the construction of poured in place concrete buildings, residential buildings exceeding three stories in height, masonry commercial buildings exceeding two stories in height, and multi-story structural steel buildings, shall be separately classified as 5213, *Concrete Construction – N.O.C.*

**CONCRETE OR CEMENT WORK – pouring or finishing of concrete floor slabs, poured in place and on the ground, and concrete slab-type foundations, for other than concrete buildings or structural steel buildings of multi-story construction – including the making or stripping of forms – employees whose regular hourly wage equals or exceeds \$3233.00 per hour** **5205(2)**

**Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds \$3233.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$3233.00 per hour shall be classified as 5201(2), *Concrete or Cement Work*.**

This classification applies to the pouring or finishing of concrete foundations, footings and slabs for residential buildings not exceeding three stories in height. This classification also applies to the pouring or finishing of concrete slab foundations, with or without integrated footings, for one or two story wood framed or masonry commercial buildings and single story structural steel commercial buildings. This classification includes the incidental installation of reinforcing steel by the employer engaged in the pouring or finishing of concrete flatwork.

This classification also applies to the installation and removal of forms at the job site whether performed by the employer engaged in the pouring or finishing of concrete or by a separate employer.

This classification also applies to the pouring or finishing of lightweight cellular concrete floors within buildings.

The pouring or finishing of concrete floor slabs, foundations, retaining walls, basement walls and/or footings in connection with the construction of poured in place concrete buildings, residential buildings exceeding three stories in height, masonry commercial buildings exceeding two stories in height, and multi-story structural steel buildings, shall be separately classified as 5213, *Concrete Construction – N.O.C.*

\* \* \* \* \*

Amend Classifications 5201(1)/5205(1), *Concrete or Cement Work – pouring or finishing of concrete sidewalks, driveways, patios, curbs or gutters*, to increase the hourly wage threshold from \$32.00 to \$33.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**CONCRETE OR CEMENT WORK – pouring or finishing of concrete sidewalks, driveways, patios, curbs or gutters – including the making or stripping of forms – employees whose regular hourly wage does not equal or exceed ~~\$32~~33.00 per hour** 5201(1)

This classification applies to the pouring or finishing of concrete flatwork, including but not limited to sidewalks, driveways, patios, curbs and gutters. This classification includes the incidental installation of reinforcing steel by the employer engaged in the pouring or finishing of concrete.

This classification also applies to the installation and removal of forms at the job site whether performed by the employer engaged in the pouring or finishing of concrete or by a separate employer.

This classification also applies to the pouring or finishing of concrete slabs, islands and driveways for gasoline service stations; the application of self-leveling cementitious polymer subflooring material; the repair of concrete flatwork using epoxy and resin materials that restore the structural integrity of the concrete; and the construction of concrete drainage gutters or concrete lined ditches for erosion control purposes.

This classification also applies to the application of plaster in swimming pools.

The pouring or finishing of concrete floor slabs, foundations, retaining walls, basement walls and/or footings in connection with the construction of poured in place concrete buildings, residential buildings exceeding three stories in height, masonry commercial buildings exceeding two stories in height, and multi-story structural steel buildings, shall be separately classified as 5213, *Concrete Construction – N.O.C.*

**CONCRETE OR CEMENT WORK – pouring or finishing of concrete sidewalks, driveways, patios, curbs or gutters – including the making or stripping of forms – employees whose regular hourly wage equals or exceeds ~~\$32~~33.00 per hour** 5205(1)

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds ~~\$32~~33.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$32~~33.00 per hour shall be classified as 5201(1), *Concrete or Cement Work*.**

This classification applies to the pouring or finishing of concrete flatwork, including but not limited to sidewalks, driveways, patios, curbs and gutters. This classification includes the incidental installation of reinforcing steel by the employer engaged in the pouring or finishing of concrete.

This classification also applies to the installation and removal of forms at the job site whether performed by the employer engaged in the pouring or finishing of concrete or by a separate employer.

This classification also applies to the pouring or finishing of concrete slabs, islands and driveways for gasoline service stations; the application of self-leveling cementitious polymer subflooring material; the repair of concrete flatwork using epoxy and resin materials that restore the structural integrity of the concrete; and the construction of concrete drainage gutters or concrete lined ditches for erosion control purposes.

This classification also applies to the application of plaster in swimming pools.

The pouring or finishing of concrete floor slabs, foundations, retaining walls, basement walls and/or footings in connection with the construction of poured in place concrete buildings, residential buildings exceeding three stories in height, masonry commercial buildings exceeding two stories in height, and multi-story structural steel buildings, shall be separately classified as 5213, *Concrete Construction – N.O.C.*

\* \* \* \* \*

Amend the cross-reference to Classification 3066(4), *Coppersmithing*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**COPPERSMITHING – shop only**

See Metal Working-Classifications.

\* \* \* \* \*

Amend Classification 8801, *Credit Unions*, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**CREDIT UNIONS – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons**

**8801**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to not-for-profit, member-owned depository financial institutions that are chartered as federal or state credit unions providing financial services, including but not limited to share draft accounts, individual retirement accounts, savings accounts, travelers' checks and consumer and commercial loans.

Commissioned loan brokers engaged exclusively in matching qualified mortgage applicants with lenders with no direct lending of funds shall be classified as 8743, *Mortgage Brokers*.

Companies that specialize in direct lending of funds for residential or commercial mortgages shall be classified as 8749, *Mortgage Bankers*.

Real estate agencies that represent buyers, sellers, lessees and lessors in real estate transactions shall be classified as 8741, *Real Estate Agencies*.

The operation of depository financial institutions that are licensed as banks to perform financial services, including but not limited to accepting deposits, paying interest, clearing checks, making loans and exchanging currency shall be classified as 8808, *Banks*.

The operation of properties away from the credit union premises, including but not limited to trusts, repossessed properties and other business properties shall be separately classified.

\* \* \* \* \*

Amend Classifications 5190/5140, *Electrical Wiring*, to increase the hourly wage threshold from \$34.00 to \$36.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**ELECTRICAL WIRING – within buildings – including installation or repair of electrical fixtures – including shop, yard or storage operations – employees whose regular hourly wage does not equal or exceed ~~\$34~~36.00 per hour** **5190**

This classification applies to the installation or repair of electrical wiring, circuit breaker panels, switches, outlets, lighting fixtures or related electrical wiring system components within buildings. This classification includes the installation and connection of electrical appliances when performed in connection with electrical wiring. This classification also applies to the installation of lighting fixtures onto exterior building surfaces or the maintenance of interior or exterior lighting.

The installation or repair of photovoltaic solar panels, electrical machinery or auxiliary apparatus shall be separately classified as 3724(2), *Electrical Machinery or Auxiliary Apparatus*.

The installation or repair of aerial electric power lines shall be classified as 7538, *Electric Power Line Construction*.

The installation or repair of electrical wiring underground, including trenching and the placement of conduit, shall be classified as 6325, *Conduit Construction or Underground Wiring*.

The installation or repair of exterior pole mounted lighting, including but not limited to street lights and traffic signals, shall be classified as 6325, *Conduit Construction or Underground Wiring*.

The installation or repair of low voltage communications cabling within buildings for voice or data transmission shall be classified as 5195, *Communications Cabling*.

**ELECTRICAL WIRING – within buildings – including installation or repair of electrical fixtures – including shop, yard or storage operations – employees whose regular hourly wage equals or exceeds \$3436.00 per hour** 5140

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds \$3436.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$3436.00 per hour shall be classified as 5190, *Electrical Wiring*.**

This classification applies to the installation or repair of electrical wiring, circuit breaker panels, switches, outlets, lighting fixtures or related electrical wiring system components within buildings. This classification includes the installation and connection of electrical appliances when performed in connection with electrical wiring. This classification also applies to the installation of lighting fixtures onto exterior building surfaces or the maintenance of interior or exterior lighting.

The installation or repair of photovoltaic solar panels, electrical machinery or auxiliary apparatus shall be separately classified as 3724(2), *Electrical Machinery or Auxiliary Apparatus*. 3

The installation or repair of aerial electric power lines shall be classified as 7538, *Electric Power Line Construction*.

The installation or repair of electrical wiring underground, including trenching and the placement of conduit, shall be classified as 6325, *Conduit Construction or Underground Wiring*.

The installation or repair of exterior pole mounted lighting, including but not limited to street lights and traffic signals, shall be classified as 6325, *Conduit Construction or Underground Wiring*.

The installation or repair of low voltage communications cabling within buildings for voice or data transmission shall be classified as 5195, *Communications Cabling*.

\* \* \* \* \*

Amend Classification 8874(4), *Audio/Video Electronic Products Mfg. – hardware or software design or development*, which is part of the Electronics Industry Group, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**ELECTRONICS**

**AUDIO/VIDEO ELECTRONIC PRODUCTS MFG. – hardware or software design or development – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons** 8874(4)

**The entire remuneration of each employee shall be included, subject to a maximum of \$154,700 ~~159,900~~ per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to employees engaged exclusively in hardware or software design or development, computer aided design, or clerical or outside sales operations in connection with the employer’s consumer or professional electronic audio or video products manufacturing operations.

This classification does not apply to employees engaged in the manufacture, assembly, repair, testing or otherwise handling of electronic audio or video equipment or prototypes in connection with the employer’s manufacturing operations.

Also refer to companion Classification 3681(4), *Audio/Video Electronic Products Mfg.*

\* \* \* \* \*

Amend Classification 8874(2), *Computer or Computer Peripheral Equipment Mfg. – hardware or software design or development*, which is part of the Electronics Industry Group, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**ELECTRONICS**

**COMPUTER OR COMPUTER PERIPHERAL EQUIPMENT MFG. – hardware or software design or development – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons – N.O.C. 8874(2)**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to employees engaged exclusively in hardware or software design or development, computer aided design, or clerical or outside sales operations in connection with the employer’s computer or computer peripheral equipment manufacturing operations.

This classification does not apply to employees engaged in the manufacture, assembly, repair, testing or otherwise handling of computer hardware, computer peripheral equipment or prototypes in connection with the employer’s manufacturing operations.

Also refer to companion Classification 3681(2), *Computer or Computer Peripheral Equipment Mfg.*

\* \* \* \* \*

Amend Classification 8874(1), *Instrument Mfg. – electronic – professional or scientific – hardware or software design or development*, which is part of the Electronics Industry Group, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**ELECTRONICS**

**INSTRUMENT MFG. – electronic – professional or scientific – hardware or software design or development – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons** 8874(1)

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to employees engaged exclusively in hardware or software design or development, computer aided design, or clerical or outside sales operations in connection with the employer’s electronic instrument manufacturing operations.

This classification does not apply to employees engaged in the manufacture, assembly, repair, testing or otherwise handling of electronic instruments or prototypes in connection with the employer’s manufacturing operations.

Also refer to companion Classification 3681(1), *Instrument Mfg. – electronic – professional or scientific*.

\* \* \* \* \*

Amend Classification 8874(5), *Integrated Circuit and Semiconductor Wafer Mfg. – hardware or software design or development*, which is part of the Electronics Industry Group, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**ELECTRONICS**

**INTEGRATED CIRCUIT AND SEMICONDUCTOR WAFER MFG. – hardware or software design or development – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons** 8874(5)

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to employees engaged exclusively in hardware or software design or development, computer aided design, or clerical or outside sales operations in connection with the employer’s integrated circuit or semiconductor wafer manufacturing operations.

This classification does not apply to employees engaged in the manufacture, assembly, repair, testing or otherwise handling of integrated circuits or semiconductor wafers or prototypes in connection with the employer’s manufacturing operations.

Also refer to companion Classification 4112, *Integrated Circuit and Semiconductor Wafer Mfg.*

\* \* \* \* \*

Amend Classification 3572, *Medical Instrument Mfg.*, which is part of the Electronics Industry Group, to reference the corresponding proposed companion Classification 8874(6), *Medical Instrument Mfg. – electronic – diagnostic or treatment – hardware or software design or development*, clarify its intended application and for consistency with previously approved changes.

PROPOSED

**ELECTRONICS**

**MEDICAL INSTRUMENT MFG. – electronic – diagnostic or treatment – all other employees 3572**

This classification applies to the manufacture or shop repair of electronic medical ~~equipment~~ instruments used for diagnostic or treatment purposes, including but not limited to medical X-ray equipment, blood pressure monitors, pulse monitors, magnetic resonance imaging (MRI) equipment, heart scan systems, ophthalmology diagnostic ~~and/or~~ eye surgery equipment, endoscopes, vital sign monitoring equipment, radiation treatment equipment, blood ~~and/or~~ gas analyzers, brain analyzers, surgical lasers, computerized axial tomography (CAT) scanners, ultrasound imagers ~~and/or~~ defibrillators.

The installation or repair of instruments away from the shop shall be separately classified as 5128, *Instrument Installation, Service or Repair.*

The manufacture of non-electronic medical instruments shall be classified as 3682, *Instrument Mfg. – non-electronic.*

~~The installation or repair of instruments away from the shop shall be separately classified as 5128, *Instrument*~~ Also refer to companion Classification 8874(6), *Medical Instrument Mfg. – electronic – diagnostic or treatment – hardware or software design or development.*

\* \* \* \* \*

Establish Classification 8874(6), *Medical Instrument Mfg. – electronic – diagnostic or treatment – hardware or software design or development*, as a companion classification in the Electronics Industry Group to (1) apply to hardware or software design or development, clerical office and outside sales operations performed in connection with manufacturing operations assigned to Classification 3572, *Medical Instrument Mfg.*, (2) direct that the maximum payroll amount be prorated based upon the number of weeks in the policy period when the policy is in force for less than a 12-month period and (3) limit an employee’s annual payroll to \$159,900.

PROPOSED

**ELECTRONICS**

**MEDICAL INSTRUMENT MFG. – electronic – diagnostic or treatment – hardware or software design or development – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons** **8874(6)**

**The entire remuneration of each employee shall be included, subject to a maximum of \$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to employees engaged exclusively in hardware or software design or development, computer aided design, or clerical or outside sales operations in connection with the employer’s electronic medical instrument manufacturing operations.

This classification does not apply to employees engaged in the manufacture, assembly, repair, testing or otherwise handling of electronic medical instruments or prototypes in connection with the employer’s manufacturing operations.

Also refer to companion Classification 3572, *Medical Instrument Mfg. – electronic – diagnostic or treatment.*

\* \* \* \* \*

Amend Classification 8874(3), *Telecommunications Equipment Mfg. – hardware or software design or development*, which is part of the Electronics Industry Group, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**ELECTRONICS**

**TELECOMMUNICATIONS EQUIPMENT MFG. – hardware or software design or development – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons** **8874(3)**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to employees engaged exclusively in hardware or software design or development, computer aided design, or clerical or outside sales operations in connection with the employer's electronic telecommunications equipment manufacturing operations.

This classification does not apply to employees engaged in the manufacture, assembly, repair, testing or otherwise handling of electronic telecommunications equipment or prototypes in connection with the employer's manufacturing operations.

Also refer to companion Classification 3681(3), *Telecommunications Equipment Mfg.*

\* \* \* \* \*

Amend Classification 8601(1), *Engineers*, to increase the annual payroll limitation from \$154,700 to \$159,900 per person to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**ENGINEERS – consulting – mechanical, civil, electrical or mining engineers or architects – not engaged in actual construction or operation – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons** **8601(1)**

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

This classification applies to engineering or architectural consultants who provide technical advice to construction companies, land development companies, building contractors or similar concerns on a fee basis, or to the testing of construction building materials in connection with consulting engineering performed by the same employer. This classification also applies to land surveying prior to or during construction for separate concerns on a fee basis.

Engineering, when performed in support of an employer's own manufacturing, processing or construction operations, is assigned to the applicable manufacturing, processing or construction classification or to the applicable Standard Exception classification.

This classification also applies to fee-based construction management companies that do not engage in or supervise construction operations, but serve as an intermediary between the general contractor and project owner, or otherwise provide expertise regarding a construction project.

Forest engineers shall be classified as 8601(4), *Forest Engineers*.

Oil or gas geologists or scouts shall be classified as 8601(2), *Oil or Gas Geologists or Scouts*.

Fee-based testing operations, including but not limited to the testing of air, water, soil, metal, concrete and other building materials not resulting in recommendations, remediation options or design advice shall be classified as 4511, *Analytical or Testing Laboratories*.

\* \* \* \* \*

Amend Classifications 6218(1)/6220(1), *Excavation*, to increase the hourly wage threshold from \$38.00 to \$40.00 per hour to reflect wage inflation since the threshold was last amended in 2023.

PROPOSED

**EXCAVATION – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage does not equal or exceed \$3840.00 per hour** 6218(1)

This classification applies to the excavation of land to prepare sites for the construction of buildings or structures, including but not limited to residential or commercial buildings, bridges, aerial line towers, driveways, parking lots and swimming pools. This classification includes incidental grading operations. This classification also applies to excavation for removal of contaminated soil.

This classification also applies to off-street snow removal using vehicles or construction equipment, including but not limited to plows, excavators or loaders.

Snow removal from public streets or highways shall be classified as 9403(2), *Street Sweeping Service Companies*.

Excavation in connection with the construction of streets, roads, highways or airport runways, or the excavation of all other areas in preparation for asphalt paving shall be classified as 5507, *Street or Road Construction – grading*.

Trenching operations conducted in connection with the construction of canals, irrigation systems, cross-country water pipelines, oil or gas pipelines or sewers shall be assigned to the applicable construction classification.

Mass rock excavation, pile driving, shaft sinking, caisson or cofferdam work shall be separately classified.

**EXCAVATION – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage equals or exceeds \$3840.00 per hour** 6220(1)

**Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds \$3840.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$3840.00 per hour shall be classified as 6218(1), *Excavation – N.O.C.***

This classification applies to the excavation of land to prepare sites for the construction of buildings or structures, including but not limited to residential or commercial buildings, bridges, aerial line towers, driveways, parking lots and swimming pools. This classification includes incidental grading operations. This classification also applies to excavation for removal of contaminated soil.

This classification also applies to off-street snow removal using vehicles or construction equipment, including but not limited to plows, excavators or loaders.

Snow removal from public streets or highways shall be classified as 9403(2), *Street Sweeping Service Companies*.

Excavation in connection with the construction of streets roads, highways or airport runways, or the excavation of all other areas in preparation for asphalt paving shall be classified as 5507, *Street or Road Construction – grading*.

Trenching operations conducted in connection with the construction of canals, irrigation systems, cross-country water pipelines, oil or gas pipelines or sewers shall be assigned to the applicable construction classification.

Mass rock excavation, pile driving, shaft sinking, or caisson or cofferdam work shall be separately classified.

\* \* \* \* \*

Amend Classification 8078(2), *Beverage Preparation Shops*, which is part of the Food and Beverage Service Industry Group, to clarify its intended application and provide direction as to how related operations should be classified.

PROPOSED

**FOOD AND BEVERAGE SERVICE**

**BEVERAGE PREPARATION SHOPS – not restaurants, bars or taverns**

**8078(2)**

This classification applies to preparing and serving beverages such as coffee; coffee-based beverages such as mochas, cappuccinos, lattes ~~and/or~~ espressos; tea or tea-based beverages; ~~and/or~~ juice drinks such as juice blends, smoothies ~~and/or~~ lemonade; for consumption by the walk-in trade on or away from the premises. This classification ~~shall apply~~ applies to each separate ~~location at which~~ distinct department where 50% or more of the gross receipts are generated from the sale of prepared nonalcoholic beverages for consumption on or away from the premises ~~equals or exceeds 50% of gross receipts~~. This classification includes the sale of additional items, including but not limited to muffins, pastries and other baked goods.

Shops that prepare and sell a combination of (1) cold items such as sandwiches, wraps and salads; (2) coffee, tea or other nonalcoholic beverages and (3) individual servings of ice cream, gelato or frozen yogurt shall be assigned to Classifications 8078(1), *Sandwich Shops*, 8078(2), *Beverage Preparation Shops*, or 8078(3), *Ice Cream or Frozen Yogurt Shops*, based on the category of items with the highest percentage of sales.

The bottling or canning of beverages or the manufacture of concentrates shall be separately classified.

This classification does not apply to locations that: (1) prepare and serve hot food or (2) pour and serve alcoholic beverages for consumption by the walk-in trade. Such operations shall be assigned to the applicable *Food and Beverage Service* Industry Group classification.

\* \* \* \* \*

Amend Classification 9082, *Caterers*, which is part of the Food and Beverage Service Industry Group, to clarify its intended application.

PROPOSED

**FOOD AND BEVERAGE SERVICE**

**CATERERS – not restaurants**

**9082**

This classification applies to employers engaged exclusively in the preparation, delivery and set-up or service of hot and cold food at customer-specified locations for weddings, conferences, parties, meetings or similar events and includes the pouring and serving of beverages in connection with the employer’s catering operations. Employers typically prepare large quantities of food in advance that are kept warm and served from a warming tray or similar device or reheated and served hot. This classification applies only to employers that do not maintain a location for (1) customers to dine-in or consume beverages, or (2) for the preparation of individually ordered meals for consumption away from the premises.

Employers that do not operate restaurants but manufacture or process individually packaged meals or salads that are not cooked to order, kept warm or served hot to the walk-in trade shall be classified as 6504, *Food Products Mfg. or Processing*.

Mobile food vendors that prepare hot food shall be classified as 9081(1), *Restaurants – N.O.C.* Mobile food vendors that do not prepare hot food shall be classified as 8017(1), *Stores – retail*, 8078(1), *Sandwich Shops*, 8078(2), *Beverage Preparation Shops*, or 8078(3), *Ice Cream or Frozen Yogurt Shops*, depending on the products sold.

App-based on-demand Delivery Network Companies (DNC) that deliver restaurant meals on a fee basis shall be classified as 7198(1), *Parcel Delivery and Messenger Service Companies*.

Off-site catering operations performed by a restaurant or hotel shall be assigned to the applicable *Food and Beverage Service Industry Group* classification.

\* \* \* \* \*

Amend Classification 8078(3), *Ice Cream or Frozen Yogurt Shops*, which is part of the Food and Beverage Service Industry Group, to clarify its intended application and provide direction as to how related operations should be classified.

PROPOSED

**FOOD AND BEVERAGE SERVICE**

**ICE CREAM OR FROZEN YOGURT SHOPS – not restaurants, bars or taverns**

**8078(3)**

This classification applies to the sale of individual servings of ice cream, gelato or frozen yogurt for consumption by the walk-in trade on or away from the premises. This classification ~~shall apply~~ applies to each separate location at which and distinct department where 50% or more of the gross receipts are generated from the sale of individual servings of ice cream, gelato or frozen yogurt for consumption on or away from the premises equals or exceeds 50% of gross receipts. This classification includes the incidental sale of hand-packed ice cream or prepackaged ice cream confections sold as such.

Shops that prepare and sell a combination of (1) cold items such as sandwiches, wraps and salads; (2) coffee, tea or other nonalcoholic beverages and (3) individual servings of ice cream, gelato or frozen yogurt shall be assigned to Classifications 8078(1), *Sandwich Shops*, 8078(2), *Beverage Preparation Shops*, or 8078(3), *Ice Cream or Frozen Yogurt Shops*, based on the category of items with the highest percentage of sales.

This classification does not apply to locations that: (1) prepare and serve hot food or (2) pour and serve alcoholic beverages for consumption by the walk-in trade. Such operations shall be assigned to the applicable *Food and Beverage Service* Industry Group classification.

\* \* \* \* \*

Amend Classification 8078(1), *Sandwich Shops*, which is part of the Food and Beverage Service Industry Group, to clarify its intended application and provide direction as to how related operations should be classified.

PROPOSED

**FOOD AND BEVERAGE SERVICE**

**SANDWICH SHOPS – N.O.C. – not restaurants, bars or taverns**

**8078(1)**

This classification applies to the preparation, serving or sale of cold food items such as sandwiches, wraps or salads and side dishes that are prepared for consumption by the walk-in trade. This classification shall apply to each separate location at which and distinct department where 50% or more of the gross receipts are generated from the sale of prepared cold food items for consumption on or away from the premises equals or exceeds 50% of gross receipts and where no hot food or alcoholic beverages are prepared or poured and served.

Cold food items ~~are~~include:

- foods that are prepared and served cold or;
- foods that are cooked in advance of orders, and allowed to cool; This classification includes the incidental warming of cold food items and served cold or warmed using microwave ovens, sandwich presses, toaster ovens or heat lamps;
- and the preparation of sandwiches prepared with meats that are kept warm in a steam table cooked in advance of orders and kept warm; and
- fresh, unbaked pizzas.

~~This classification also applies to the preparation and sale of fresh, unbaked pizzas.~~ Shops that prepare and sell a combination of (1) cold items such as sandwiches, wraps and salads; (2) coffee, tea or other nonalcoholic beverages and (3) individual servings of ice cream, gelato or frozen yogurt shall be assigned to Classifications 8078(1), *Sandwich Shops*, 8078(2), *Beverage Preparation Shops*, or 8078(3), *Ice Cream or Frozen Yogurt Shops*, based on the category of items with the highest percentage of sales.

Employers that do not operate sandwich shops but manufacture or process individually packaged meals or salads that are not prepared and served to the walk-in trade shall be classified as 6504, *Food Products Mfg. or Processing*.

~~This classification does not apply to locations that: (1) prepare and serve hot food or (2) pour and serve alcoholic beverages for consumption by the walk-in trade. Such operations shall be assigned to the applicable *Food and Beverage Service* Industry Group classification.~~ Hot food

items are foods that are cooked to order from a raw or partially cooked state to a safe consumable minimum internal temperature using cooking equipment, including but not limited to deep fryers, ovens, stovetops, griddles, barbecues, grills, hot plates and pressure or steam cookers and served hot for consumption by the walk-in trade. Except for the cold food items listed above, this also includes foods that are cooked in advance and served from a warming tray or similar device.

Refer to the Food and Beverage Service Industry Group for a complete list of classifications applicable to the preparation or serving of hot food or pouring and serving of alcoholic beverages.

\* \* \* \* \*

Amend Classification 2063, *Dairy Products or Ice Mfg.*, which is part of the Food Packaging and Processing Industry Group, to clarify its intended application and for consistency with other proposed changes.

PROPOSED

**FOOD PACKAGING AND PROCESSING**

**DAIRY PRODUCTS OR ICE MFG.**

**2063**

This classification applies to the manufacturing or processing, including pasteurization, of dairy products, including but not limited to milk, evaporated milk, dairy beverages, powdered milk, cheese, ice cream, yogurt, whipped cream and butter, and includes the incidental packaging of products in containers, including but not limited to bottles, boxes, plastic containers and metal or paper cans. This classification also applies to route drivers who deliver bottled milk to customers and perform no other duties on the farm premises.

This classification also applies to the manufacture of ice or the purchase and resale of ice.

This classification also applies to the manufacture of sorbet, gelato or sherbet, as well as frozen dairy or nondairy novelty treats, including but not limited to ice pops, fruit juice bars, ice cream bars and ice cream sandwiches.

The manufacture of nonalcoholic juice or juice concentrates from fruit, vegetables, nuts or seeds shall be separately classified as 2116, *Juice or Juice Concentrate Mfg.*

The sale of individual servings of ice cream, gelato or frozen yogurt for consumption by the walk-in trade on or away from the premises, including the incidental sale of hand-packed ice cream or prepackaged ice cream confections sold as such, shall be classified as 8078(3), *Ice Cream or Frozen Yogurt Shops*, at each separate ~~location at which~~ distinct department where 50% or more of the gross receipts are generated from the sale of individual servings of ice cream, gelato or frozen yogurt for consumption on or away from the premises ~~equals or exceeds 50% of gross receipts.~~

The manufacture of dry ice shall be classified as 4635, *Oxygen or Hydrogen Mfg.*

The mixing or packaging of artificial (blue) ice shall be classified as 4828, *Chemical Mixing or Repackaging.*

The manufacture of butter substitutes shall be classified as 4717, *Butter Substitutes Mfg.*

The bottling or packaging of nondairy, nonalcoholic beverages shall be classified as 2163, *Bottling*.

\* \* \* \* \*

Amend Classification 8601(4), *Forest Engineers*, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**FOREST ENGINEERS – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons** **8601(4)**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to forest engineers performing forest management related duties in support of the employer’s own operations or on a consulting basis. Such duties include but are not limited to developing or reviewing logging plans, computing the value of standing timber and planning extensions of fire roads constructed in connection with logging operations.

This classification includes timber cruising.

Commercial timber harvesting shall be separately classified as 2702(1), *Logging*.

\* \* \* \* \*

Amend Classification 3082, *Foundries – steel castings*, for consistency with previously approved changes.

PROPOSED

**FOUNDRIES – steel castings** **3082**

This classification applies to foundries that produce steel castings, including incidental processing operations such as the removal of gates, risers, burrs and flash.

This classification includes the manufacture of foundry sand cores that are used in the employer’s foundry operations.

Foundry operations are General Exclusions; therefore, unless specifically included in the language of a classification, foundry operations shall be separately classified. See Part 3, Section III, Rule 6, *General Exclusions*.

The manufacture of patterns for use in foundry operations shall be separately classified as 2790, *Pattern or Model Mfg.*

The casting of nonferrous metal shall be classified as 3085, *Foundries – nonferrous*, in accordance with the provisions of the Multiple Enterprises rule.

The casting of iron shall be classified as 3081, *Foundries – iron*, in accordance with the provisions of the Multiple Enterprises rule.

Die casting shall be classified as 1925, *Die Casting Mfg.*

The manufacture of metal castings, either ferrous or nonferrous, by the lost wax or investment process shall be classified as 3339, *Foundries – investment casting*.

The machining and assembly of castings to produce finished parts or products, including but not limited to ~~water meter covers, pump housings, fire grates, bolt anchors, gas burners and weights~~ suspension components, impellers, hinges, golf club heads, valves and rods shall be separately classified.

\* \* \* \* \*

Amend Classifications 6315(2)/6316(2), *Gas Mains or Connections Construction*, to increase the hourly wage threshold from \$38.00 to \$40.00 per hour to reflect wage inflation since the threshold was last amended in 2023.

PROPOSED

**GAS MAINS OR CONNECTIONS CONSTRUCTION – including tunneling at street crossings – employees whose regular hourly wage does not equal or exceed ~~\$38~~40.00 per hour** **6315(2)**

This classification applies to the construction of gas mains and laterals from the main line to the property line, and includes incidental trenching, shoring and tunneling at street crossings. This classification also applies to the installation of gas lines within property lines when the gas pipe exceeds 6" in diameter.

The installation of gas lines within property lines using pipe that does not exceed 6" in diameter shall be classified as 5183(1)/5187(1), *Plumbing*.

The construction of cross-country pipelines between natural gas producing fields and points of connection with local distributing systems shall be separately classified as 6233, *Oil or Gas Pipeline Construction*.

All tunneling other than at street crossings shall be separately classified.

**GAS MAINS OR CONNECTIONS CONSTRUCTION – including tunneling at street crossings – employees whose regular hourly wage equals or exceeds ~~\$38~~40.00 per hour** **6316(2)**

**Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds ~~\$38~~40.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$38~~40.00 per hour shall be classified as 6315(2), *Gas Mains or Connections Construction*.**

This classification applies to the construction of gas mains and laterals from the main line to the property line, and includes incidental trenching, shoring and tunneling at street crossings. This classification also applies to the installation of gas lines within property lines when the gas pipe exceeds 6" in diameter.

The installation of gas lines within property lines using pipe that does not exceed 6" in diameter shall be classified as 5183(1)/5187(1), *Plumbing*.

The construction of cross-country pipelines between natural gas producing fields and points of connection with local distributing systems shall be separately classified as 6233, *Oil or Gas Pipeline Construction*.

All tunneling other than at street crossings shall be separately classified.

\* \* \* \* \*

Amend the cross-reference to Classification 8350, *Gasoline or Oil Dealers*, for consistency with other industry group naming conventions.

PROPOSED

**GASOLINE OR OIL DEALERS – wholesale – including mixing or blending**

See Petroleum-Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 4740(3), *Gasoline Recovery*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**GASOLINE RECOVERY – from casing head or natural gas**

See Petroleum-Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 8324, *Gasoline Stations*, for consistency with other industry group naming conventions.

PROPOSED

**GASOLINE STATIONS – retail – all employees – including cashiers**

See Automotive-Industry.

\* \* \* \* \*

Amend Classifications 5467/5470, *Glaziers*, to increase the hourly wage threshold from \$36.00 to \$39.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**GLAZIERS – away from shop – employees whose regular hourly wage does not equal or exceed ~~\$36~~39.00 per hour** **5467**

This classification applies to the installation of glass panes or insulated glass units within framework in connection with residential or commercial buildings. This classification includes the incidental installation of framework and glass cutting at the job site.

The installation of prefabricated doors, door frames or pre-glazed windows within residential or commercial buildings shall be classified as 5107, *Door, Door Frame or Pre-Glazed Window Installation*, provided such operations are not performed in connection with structures framed by the employer at the same job or location. If the employer is engaged in wood or light gauge steel framing, the installation of doors, door frames or pre-glazed windows at such job or location shall be classified as 5403/5432, *Carpentry*, or 5632/5633, *Steel Framing*.

The installation of tub or shower enclosures, mirrors, mirrored wardrobe doors or window screens shall be separately classified as 5146(1), *Cabinet, Fixture or Trim Installation*.

The application of window film or glass tinting shall be classified as 9507, *Sign Painting or Lettering and Quick Sign Shops*.

The shop cutting of glass shall be classified as 4130, *Glass Merchants*.

The repair or replacement of automobile or truck glass shall be separately classified as 8389, *Automobile or Truck Repair Facilities*.

**GLAZIERS – away from shop – employees whose regular hourly wage equals or exceeds ~~\$36~~39.00 per hour** **5470**

**Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds ~~\$36~~39.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$36~~39.00 per hour shall be classified as 5467, *Glaziers*.**

This classification applies to the installation of glass panes or insulated glass units within framework in connection with residential or commercial buildings. This classification includes the incidental installation of framework and glass cutting at the job site.

The installation of prefabricated doors, door frames or pre-glazed windows within residential or commercial buildings shall be classified as 5107, *Door, Door Frame or Pre-Glazed Window Installation*, provided such operations are not performed in connection with structures framed by the employer at the same job or location. If the employer is engaged in wood or light gauge steel framing, the installation of doors, door frames or pre-glazed windows at such job or location shall be classified as 5403/5432, *Carpentry*, or 5632/5633, *Steel Framing*.

The installation of tub or shower enclosures, mirrors, mirrored wardrobe doors or window screens shall be separately classified as 5146(1), *Cabinet, Fixture or Trim Installation*.

The application of window film or glass tinting shall be classified as 9507, *Sign Painting or Lettering and Quick Sign Shops*.

The shop cutting of glass shall be classified as 4130, *Glass Merchants*.

The repair or replacement of automobile or truck glass shall be separately classified as 8389, *Automobile or Truck Repair Facilities*.

\* \* \* \* \*

Amend Classifications 6218(2)/6220(2), *Grading Land*, to increase the hourly wage threshold from \$38.00 to \$40.00 per hour to reflect wage inflation since the threshold was last amended in 2023.

PROPOSED

**GRADING LAND – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage does not equal or exceed ~~\$38~~40.00 per hour** 6218(2)

This classification applies to land grading that is not more specifically described by another classification.

Trenching operations conducted in connection with the construction of canals, irrigation systems, cross-country water pipelines, oil or gas pipelines or sewers shall be assigned to the applicable construction classification.

Grading when performed in connection with the construction of streets, roads, highways or airport runways, or grading of all other areas in preparation for asphalt paving, shall be classified as 5507, *Street or Road Construction – grading*.

Mass rock excavation, pile driving, shaft sinking, or caisson or cofferdam work shall be separately classified.

**GRADING LAND – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage equals or exceeds ~~\$38~~40.00 per hour** 6220(2)

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds ~~\$38~~40.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$38~~40.00 per hour shall be classified as 6218(2), *Grading Land*.**

This classification applies to land grading that is not more specifically described by another classification.

Trenching operations conducted in connection with the construction of canals, irrigation systems, cross-country water pipelines, oil or gas pipelines or sewers shall be assigned to the applicable construction classification.

Grading when performed in connection with the construction of streets, roads, highways or airport runways, or grading of all other areas in preparation for asphalt paving, shall be classified as 5507, *Street or Road Construction – grading*.

Mass rock excavation, pile driving, shaft sinking, or caisson or cofferdam work shall be separately classified.

\* \* \* \* \*

Amend Classification 8839, *Dental or Orthodontia Practices*, which is part of the Health and Human Services Industry Group, to limit an employee’s annual payroll to \$159,900.

PROPOSED

**HEALTH AND HUMAN SERVICES**

**DENTAL OR ORTHODONTIA PRACTICES – including Clerical Office Employees and Clerical Telecommuter Employees 8839**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$\$\$~~159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to dental practices or clinics that provide general, restorative or cosmetic dental services or teeth whitening or straightening procedures. This classification also applies to periodontal or oral surgery practices. This classification includes the manufacture or customization of dental products, including but not limited to crowns, dentures, inlays and bridges when performed in connection with the dental services provided.

Physicians’ practices or clinics that provide outpatient medical services shall be classified as 8834, *Physicians’ Practices and Outpatient Clinics*.

The manufacture of dental products primarily for other concerns shall be separately classified as 4692, *Dental Laboratories*.

\* \* \* \* \*

Amend Classification 9043, *Hospitals*, which is part of Health and Human Services Industry Group, to limit an employee’s annual payroll to \$159,900.

PROPOSED

**HEALTH AND HUMAN SERVICES**

**HOSPITALS – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons 9043**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$\$\$~~159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

The payroll for student nurses and interns shall be included at an average wage of at least \$100 per week.

This classification applies to facilities that are licensed by the California Department of Public Health as a General Acute Care Hospital, Acute Psychiatric Hospital or Special Hospital. Hospitals retain medical staff with the capability to provide 24-hour inpatient care. This classification includes skilled nursing facilities operated by the acute care hospital when both facilities operate

under a single license as an acute care hospital.

Skilled nursing facilities operated under a separate license shall be classified as 8829(1), *Skilled Nursing Facilities*.

A medical clinic that operates at a location separate from the hospital shall be classified as 8834, *Physicians' Practices and Outpatient Clinics*, provided the clinic does not provide 24-hour inpatient care.

Hospitals operated by municipal, state or other public agencies shall be classified as 8830, *Institutional Employees*.

Hospitals operated in connection with jails or prisons shall be classified as 7720, *Police, Sheriffs, Marshals, Animal Control Officers, Fish and Wildlife Officers and Correctional Officers – including deputies – not volunteers*.

\* \* \* \* \*

Amend Classification 8834, *Physician's Practices and Outpatient Clinics*, which is part of Health and Human Services Industry Group, to limit an employee's annual payroll to \$159,900.

PROPOSED

**HEALTH AND HUMAN SERVICES**

**PHYSICIANS' PRACTICES AND OUTPATIENT CLINICS – all employees – including Clerical Office Employees and Clerical Telecommuter Employees 8834**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$XXX,XXX~~159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to physicians' practices or clinics that provide outpatient medical services that are less than 24 hours in duration to treat patients for illness, disease or disorders. Outpatient medical services also include but are not limited to surgery; medical weight loss treatment; physical therapy; acupuncture; chiropractic care; dialysis; X-ray laboratory services; and blood, body fluid or tissue collection or testing. This classification includes the dispensing or provision of medication or medical equipment exclusively to patients by physicians' practices or outpatient clinics, including but not limited to eyeglasses, braces, supports, mobility aids and home testing or monitoring equipment.

This classification also applies to blood banks or blood donor centers.

Physicians employed by facilities, including but not limited to hospitals, skilled nursing facilities and residential care facilities shall be assigned to the classification applicable to the facility.

\* \* \* \* \*

Amend Classifications 5538(2)/5542(2), *Heating or Air Conditioning Ductwork*, to increase the hourly wage threshold from \$29.00 to \$33.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**HEATING OR AIR CONDITIONING DUCTWORK – installation or repair – including shop, yard or storage operations – including installation of furnaces or air conditioning equipment – employees whose regular hourly wage does not equal or exceed ~~\$29~~33.00 per hour – N.O.C. 5538(2)**

This classification applies to the installation or repair of sheet metal or nonmetallic, rigid or flexible ductwork for heating or air conditioning systems.

This classification also applies to the installation or repair of heating or air conditioning equipment provided the same employer engages in the installation of ductwork at the same job or location. The installation or repair of heating or air conditioning equipment where no ductwork installation is performed by the employer at the same job or location shall be classified as 5183(3)/5187(3), *Heating or Air Conditioning Equipment*.

This classification includes the shop fabrication of ductwork or duct fittings when the employer installs any portion of the fabricated items.

The installation of pipe or pipe fittings shall be separately classified.

**HEATING OR AIR CONDITIONING DUCTWORK – installation or repair – including shop, yard or storage operations – including installation of furnaces or air conditioning equipment – employees whose regular hourly wage equals or exceeds ~~\$29~~33.00 per hour – N.O.C. 5542(2)**

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds ~~\$29~~33.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$29~~33.00 per hour shall be classified as 5538(2), *Heating or Air Conditioning Ductwork*.**

This classification applies to the installation or repair of sheet metal or nonmetallic, rigid or flexible ductwork for heating or air conditioning systems.

This classification also applies to the installation or repair of heating or air conditioning equipment provided the same employer engages in the installation of ductwork at the same job or location. The installation or repair of heating or air conditioning equipment where no ductwork installation is performed by the employer at the same job or location shall be classified as 5183(3)/5187(3), *Heating or Air Conditioning Equipment*.

This classification includes the shop fabrication of ductwork or duct fittings when the employer installs any portion of the fabricated items.

The installation of pipe or pipe fittings shall be separately classified.

\* \* \* \* \*

Amend Classifications 5183(3)/5187(3), *Heating or Air Conditioning Equipment*, to increase the hourly wage threshold from \$31.00 to \$32.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**HEATING OR AIR CONDITIONING EQUIPMENT – installation, service or repair – including shop, yard or storage operations – employees whose regular hourly wage does not equal or exceed ~~\$31~~\$32.00 per hour – N.O.C.** **5183(3)**

This classification applies to the installation, service or repair of warm air or hydronic heating or air conditioning equipment within commercial or residential buildings provided the same employer does not engage in the installation of ductwork at the same job or location. The installation or repair of heating or air conditioning equipment where ductwork installation is performed by the employer at the same job or location shall be classified as 5538(2)/5542(2), *Heating or Air Conditioning Ductwork*.

The manufacture of air conditioning systems or equipment, or the shop repair of air conditioning systems or equipment by employers that do not perform installation, service or repair at customers' locations shall be classified as 3165(1), *Air Conditioning or Refrigeration Equipment Mfg.*

The manufacture of commercial or household furnaces or gas or propane heaters, or the shop repair of commercial or household furnaces or gas or propane heaters by employers that do not perform installation, service or repair at customers' locations shall be classified as 3175, *Furnace or Heater Mfg.*

The installation, service or repair of commercial refrigeration equipment, when any portion of these operations is performed away from the shop, shall be classified as 5183(2)/5187(2), *Refrigeration Equipment*.

The installation, service or repair of household refrigerators, freezers, dehumidifiers, or portable air conditioning units shall be classified as 9519(1), *Household Appliances*.

The installation of plate steel boilers shall be separately classified as 3726, *Boiler Installation, Service or Repair*.

**HEATING OR AIR CONDITIONING EQUIPMENT – installation, service or repair – including shop, yard or storage operations – employees whose regular hourly wage equals or exceeds ~~\$31~~\$32.00 per hour – N.O.C.** **5187(3)**

**Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds ~~\$31~~\$32.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$31~~\$32.00 per hour shall be classified as 5183(3), *Heating or Air Conditioning Equipment*.**

This classification applies to the installation, service or repair of warm air or hydronic heating or air conditioning equipment within commercial or residential buildings provided the same employer does not engage in the installation of ductwork at the same job or location. The installation or repair of heating or air conditioning equipment where ductwork installation is performed by the employer at the same job or location shall be classified as 5538(2)/5542(2), *Heating or Air Conditioning Ductwork*.

The manufacture of air conditioning systems or equipment, or the shop repair of air conditioning systems or equipment by employers that do not perform installation, service or repair at customers' locations shall be classified as 3165(1), *Air Conditioning or Refrigeration Equipment Mfg.*

The manufacture of commercial or household furnaces or gas or propane heaters, or the shop repair of commercial or household furnaces or gas or propane heaters by employers that do not perform installation, service or repair at customers' locations shall be classified as 3175, *Furnace or Heater Mfg.*

The installation, service or repair of commercial refrigeration equipment, when any portion of these operations is performed away from the shop, shall be classified as 5183(2)/5187(2), *Refrigeration Equipment.*

The installation, service or repair of household refrigerators, freezers, dehumidifiers, or portable air conditioning units shall be classified as 9519(1), *Household Appliances.*

The installation of plate steel boilers shall be separately classified as 3726, *Boiler Installation, Service or Repair.*

\* \* \* \* \*

Amend Classification 3682, *Instrument Mfg. – non-electronic*, to reference the corresponding proposed companion Classification 8874(7), *Instrument Mfg. – non-electronic – scientific or medical – hardware or software design or development.*

PROPOSED

**INSTRUMENT MFG. – non-electronic – scientific or medical – all other employees – N.O.C. 3682**

This classification applies to the manufacture or shop repair of non-electronic instruments, including but not limited to micrometers, surveying levels, sighting rods, hypodermic syringes, scalpels and microscopes. This classification also applies to the manufacture of catheters, binoculars, compasses, telescopes, implantable medical devices, orthodontic components, medical hand tools, non-electronic scales, measuring tapes or rifle scopes.

This classification also applies to employers that design proprietary, non-electronic instruments and subcontract manufacturing to other concerns provided the employer also:

1. Manufactures the prototype or subcontracts the manufacture of the prototype; or
2. Receives the manufactured product and performs quality control operations prior to shipment.

Employers that neither design nor manufacture the product, but purchase products from manufacturers for resale purposes, shall be assigned to the applicable *Stores* Industry Group classification notwithstanding that they may engage in some product preparation or quality control operations.

The manufacture of electronic medical instruments shall be classified as 3572, *Medical Instrument Mfg.*

The manufacture of electronic professional or scientific instruments shall be classified as 3681(1), *Instrument Mfg. – electronic.*

The repair of instruments away from the shop shall be separately classified.

Also refer to companion Classification 8874(7), *Instrument Mfg. – non-electronic – scientific or medical – hardware or software design or development.*

\* \* \* \* \*

Establish Classification 8874(7), *Instrument Mfg. – non-electronic – scientific or medical – hardware or software design or development*, as a companion classification to (1) apply to hardware or software design or development, clerical office and outside sales operations performed in connection with manufacturing operations assigned to Classification 3682, *Instrument Mfg. – non-electronic – scientific or medical*, (2) direct that the maximum payroll amount be prorated based upon the number of weeks in the policy period when the policy is in force for less than a 12-month period and (3) limit an employee’s annual payroll to \$159,900.

PROPOSED

**INSTRUMENT MFG. – non-electronic – scientific or medical – hardware or software design or development – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons – N.O.C.** **8874(7)**

**The entire remuneration of each employee shall be included, subject to a maximum of \$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to employees engaged exclusively in hardware or software design or development, computer aided design, or clerical or outside sales operations in connection with the employer’s non-electronic instrument manufacturing operations.

This classification does not apply to employees engaged in the manufacture, assembly, repair, testing or otherwise handling of non-electronic instruments or prototypes in connection with the employer’s manufacturing operations.

Also refer to companion Classification 3682, *Instrument Mfg. – non-electronic – scientific or medical*.

\* \* \* \* \*

Amend Classification 8822, *Insurance Companies*, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**INSURANCE COMPANIES – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons** **8822**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to employers licensed by the California Department of Insurance as insurance companies to underwrite a variety of commercial or personal coverages, including but not limited to health, disability, automobile, property, title, liability, workers’ compensation, life and annuity insurance, and surety bonds.

Fee-based inspections for insurance, safety or valuation purposes shall be classified as 8720(1), *Inspection for Insurance, Safety or Valuation Purposes*.

The operations performed by insurance administrators, brokers, agents or adjustors who are not employed by a licensed insurance company shall be assigned to the employer’s standard classification or to the applicable Standard Exception classification.

\* \* \* \* \*

Amend Classification 8859(2), *Internet or Web-Based Application Development or Operation*, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**INTERNET OR WEB-BASED APPLICATION DEVELOPMENT OR OPERATION – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons 8859(2)**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~**\$159,900** per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to firms that specialize in the development and operation of Internet or web-based applications and websites. This classification also applies to employers engaged in such operations for other concerns on a contract basis.

This classification does not apply to firms that operate as Internet Service Providers (ISP) or to firms that operate websites in connection with additional separately classified operations by the same employer.

\* \* \* \* \*

Amend the cross-reference to Classification 3040, *Iron or Steel Works – non-structural*, for consistency with other industry group naming conventions.

PROPOSED

**IRON OR STEEL WORKS – non-structural – shop – fabricating, assembling or manufacturing ornamental brass, bronze or iron work; railings; balconies; fire escapes; staircases; iron shutters or other non-structural iron or steel work**

See Metal Working Classifications.

\* \* \* \* \*

Amend the cross-reference to Classification 3030, *Iron or Steel Works – structural*, for consistency with other industry group naming conventions.

PROPOSED

**IRON OR STEEL WORKS – structural – shop – fabricating or assembling girders, beams, columns, trusses, stringers or other structural iron or steel**

See Metal Working Classifications.

\* \* \* \* \*

Amend Classifications 6218(3)/6220(3), *Land Leveling*, to increase the hourly wage threshold from \$38.00 to \$40.00 per hour to reflect wage inflation since the threshold was last amended in 2023.

PROPOSED

**LAND LEVELING – grading farm lands – employees whose regular hourly wage does not equal or exceed \$3840.00 per hour** **6218(3)**

This classification applies to leveling, smoothing and shaping agricultural land for other concerns on a fee basis. This classification also applies to ripping and subsequent grading of soil when such operations are not performed in connection with land clearing.

Land leveling performed in connection with the employer’s own farming operations shall be assigned to the applicable *Farms* Industry Group classification.

Land clearing operations, including land ripping, shall be classified as 2702(2), *Land Clearing*.

**LAND LEVELING – grading farm lands – employees whose regular hourly wage equals or exceeds \$3840.00 per hour** **6220(3)**

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds \$3840.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$3840.00 per hour shall be classified as 6218(3), *Land Leveling*.**

This classification applies to leveling, smoothing and shaping agricultural land for other concerns on a fee basis. This classification also applies to ripping and subsequent grading of soil when such operations are not performed in connection with land clearing.

Land leveling performed in connection with the employer’s own farming operations shall be assigned to the applicable *Farms* Industry Group classification.

Land clearing operations, including land ripping, shall be classified as 2702(2), *Land Clearing*.

\* \* \* \* \*

Amend Classification 8820, *Law Firms*, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**LAW FIRMS – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons** **8820**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to licensed attorneys and law firms that provide legal services to clients on a fee or pro bono basis, including but not limited to supplying legal advice and representation in civil and criminal litigation, administrative hearings, personal and business transactions and other legal matters.

The operations performed by legal staff who are not employed by a law firm shall be assigned to the standard classification assignable to the employer or to the applicable Standard Exception classification.

Employers providing legal support services to attorneys and law firms on a fee basis, including but not limited to process serving summonses, complaints and subpoenas, preparing or filing court documents and reproducing documents shall be classified as 8821, *Law Firm Support Services*.

\* \* \* \* \*

Amend the cross-reference to Classification 3647(2), *Lead, Reclaiming or Alloying*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**LEAD, RECLAIMING OR ALLOYING – including litharge and lead oxide manufacturing**

See Metal Working Classifications

\* \* \* \* \*

Amend Classifications 5027/5028, *Masonry*, to increase the hourly wage threshold from \$32.00 to \$35.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**MASONRY – employees whose regular hourly wage does not equal or exceed ~~\$32~~35.00 per hour – N.O.C. 5027**

This classification applies to the construction of structures, load bearing or non-load bearing walls, fences, fireplaces, walkways, retaining walls, barbecues, enclosures or 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 swimming pool coping, fireproofing tile or cemetery monuments.

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*.

Masonry work performed in connection with sewer construction shall be classified as 6307/6308, *Sewer Construction*.

**MASONRY – employees whose regular hourly wage equals or exceeds ~~\$32~~35.00 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 ~~\$32~~35.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$32~~35.00 per hour shall be classified as 5027, *Masonry*.**

This classification applies to the construction of structures, load bearing or non-load bearing walls, fences, fireplaces, walkways, retaining walls, barbecues, enclosures or 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 swimming pool coping, fireproofing tile or cemetery monuments.

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*.

Masonry work performed in connection with sewer construction shall be classified as 6307/6308, *Sewer Construction*.

\* \* \* \* \*

Amend the cross-reference to Classification 3400, *Metal Goods Mfg.*, for consistency with other industry group naming conventions.

PROPOSED

**METAL GOODS MFG. – N.O.C.**

See Metal Working-Classifications.

\* \* \* \* \*

Amend the Metal Working Classifications Industry Group for consistency with other industry group naming conventions.

PROPOSED

**METAL WORKING CLASSIFICATIONS**

The following grouping includes classifications applicable to the manufacturing and machining of metal stock to produce an end-product that is not specifically described by another classification. Pursuant to Part 3, Section II, Rule 17, a classification having a N.O.C. (not otherwise classified) qualifier shall not be used if another classification more accurately describes the operation. As such, the following group does not include all possible classifications applicable to the manufacture or machining of metal products. For classifications that describe the manufacture or assembly of specific products, refer to the alphabetical listing of classifications. Foundry operations shall be classified in accordance with the provisions of Part 3, Section III, Rule 6, *General Exclusions*.

\* \* \* \* \*

Amend Classification 8749, *Mortgage Bankers*, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**MORTGAGE BANKERS – all employees – including Clerical Office Employees, Clerical Tele-commuter Employees and Outside Salespersons 8749**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to companies that specialize in direct lending of funds for residential or commercial mortgages. This classification includes loaning money held on deposit and funding loans through a line of credit.

Commissioned loan brokers engaged exclusively in matching qualified mortgage applicants with lenders with no direct lending of funds shall be classified as 8743, *Mortgage Brokers*.

Real estate agencies that represent buyers, sellers, lessees and lessors in real estate transactions shall be classified as 8741, *Real Estate Agencies*.

The operation of depository financial institutions that are licensed as banks to perform financial services, including but not limited to accepting deposits, paying interest, clearing checks, making loans and exchanging currency, shall be classified as 8808, *Banks*.

\* \* \* \* \*

Amend Classification 8743, *Mortgage Brokers*, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**MORTGAGE BROKERS – no direct lending – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons** **8743**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to commissioned loan brokers engaged in matching qualified mortgage applicants with lenders.

Companies that specialize in direct lending of funds for residential or commercial mortgages shall be classified as 8749, *Mortgage Bankers*.

Real estate agencies that represent buyers, sellers, lessees and lessors in real estate transactions shall be classified as 8741, *Real Estate Agencies*.

The operation of depository financial institutions that are licensed as banks to perform financial services, including but not limited to accepting deposits, paying interest, clearing checks, making loans and exchanging currency, shall be classified as 8808, *Banks*.

\* \* \* \* \*

Amend Classification 9610, *Motion Pictures – production*, to increase the annual payroll limitation for actors, musicians, producers and the motion picture director from \$154,700 to \$159,900 per person to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**MOTION PICTURES – production – in studios and outside – all employees** **9610**

**The entire remuneration of actors, musicians, producers and the motion picture director shall be included subject to a maximum of ~~\$154,700~~\$159,900 per year per person. When such employees do not work the entire year, the payroll limitation shall be prorated based upon the number of weeks in which such employees worked during the policy period.**

This classification applies to companies that specialize in the production of motion pictures, television features, commercials, music videos, videotaped depositions, videotaped court proceedings or industrial films that are recorded on motion picture film stock, videotape, digital or other media.

Employees engaged exclusively in the electronic editing of digital files using computerized editing equipment are assignable to Classification 8810, *Clerical Office Employees*, or 8871, *Clerical Telecommuter Employees*, subject to the Standard Exceptions rule. See Section III, Rule 4, *Standard Exceptions*.

Employees who create animation using computer or digital applications are assignable to Classification 8810, *Clerical Office Employees*, or 8871, *Clerical Telecommuter Employees*, subject to the Standard Exceptions rule. See Section III, Rule 4, *Standard Exceptions*.

The payroll limitation of this classification is applicable to the director responsible for all aspects of production. The payroll for all other directors such as assistant and associate directors is not subject to limitation.

The payroll limitation also applies to motion picture producers responsible for overseeing the financial, administrative or creative aspects of a motion picture.

\* \* \* \* \*

Amend Classification 2923, *Musical Instrument Mfg.*, for consistency with other industry group naming conventions.

PROPOSED

**MUSICAL INSTRUMENT MFG. – other than metal – N.O.C.**

**2923**

This classification applies to the manufacture or repair of non-metal musical instruments, including but not limited to pianos, guitars, violins, cellos, violas, harps, banjos, organs and drums.

The manufacture of electronic music instruments, synthesizers, amplifiers and musical instrument digital interface (MIDI) equipment shall be classified as 3681(4), *Audio/Video Electronic Products Mfg.*

The manufacture or repair of metal musical instruments shall be assigned to the applicable *Metal Working Classifications*-Industry Group classification.

\* \* \* \* \*

Amend the cross-reference to Classification 8601(2), *Oil or Gas Geologists or Scouts*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**OIL OR GAS GEOLOGISTS OR SCOUTS – including mapping of subsurface areas – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons**

See Petroleum-Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 1320, *Oil or Gas Lease Operators*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**OIL OR GAS LEASE OPERATORS – all operations**

See Petroleum-Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 6216, *Oil or Gas Lease Work*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**OIL OR GAS LEASE WORK – N.O.C. – not lease operators**

See Petroleum-Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 6233, *Oil or Gas Pipeline Construction*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**OIL OR GAS PIPELINE CONSTRUCTION – all operations**

See Petroleum-Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 7515, *Oil or Gas Pipeline Operation*, for consistency with other industry group naming conventions.

PROPOSED

**OIL OR GAS PIPELINE OPERATION**

See Petroleum-Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 3719, *Oil or Gas Refineries*, for consistency with other industry group naming conventions.

PROPOSED

**OIL OR GAS REFINERIES – erection or repair – all operations**

See Petroleum-Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 1322, *Oil or Gas Well Servicing*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**OIL OR GAS WELL SERVICING – N.O.C. – by contractors using well service or work-over rigs – no drilling or re-drilling – including Outside Salespersons**

See Petroleum-Industry.

\* \* \* \* \*

Eliminate the cross-reference to *Oil or Gas Well Supplies or Equipment Dealers*, for consistency with previously approved changes.

PROPOSED

~~OIL OR GAS WELL SUPPLIES OR EQUIPMENT DEALERS – store or yard only – not  
secondhand~~

~~See Petroleum Industry.~~

\* \* \* \* \*

Amend the cross-reference to Classification 6206(2), *Oil or Gas Wells – acidizing or hydraulic fracturing*, for consistency with other industry group naming conventions.

PROPOSED

**OIL OR GAS WELLS – acidizing or hydraulic fracturing – all operations**

See Petroleum Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 6206(1), *Oil or Gas Wells – cementing*, for consistency with other industry group naming conventions.

PROPOSED

**OIL OR GAS WELLS – cementing**

See Petroleum Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 6235(1), *Oil or Gas Wells – drilling or redrilling*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**OIL OR GAS WELLS – drilling or redrilling – including installation of casing**

See Petroleum Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 6206(4), *Oil or Gas Wells – gravel packing*, for consistency with other industry group naming conventions.

PROPOSED

**OIL OR GAS WELLS – gravel packing**

See ~~Petroleum Industry~~.

\* \* \* \* \*

Amend the cross-reference to Classification 6235(2), *Oil or Gas Wells – installation or recovery of casing*, for consistency with other industry group naming conventions.

PROPOSED

**OIL OR GAS WELLS – installation or recovery of casing**

See ~~Petroleum Industry~~.

\* \* \* \* \*

Amend the cross-reference to Classification 6237(2), *Oil or Gas Wells – perforating of casing*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**OIL OR GAS WELLS – perforating of casing – all operations**

See ~~Petroleum Industry~~.

\* \* \* \* \*

Amend the cross-reference to Classification 6213, *Oil or Gas Wells – specialty tool companies*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**OIL OR GAS WELLS – specialty tool companies – N.O.C. – all employees – including shop, yard or storage operations and outside supervisors**

See ~~Petroleum Industry~~.

\* \* \* \* \*

Amend the cross-reference to Classification 6206(3), *Oil or Gas Wells – vacuum truck service companies*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**OIL OR GAS WELLS – vacuum truck service companies – all operations**

See Petroleum Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 6237(1), *Oil or Gas Wells – wireline service companies*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**OIL OR GAS WELLS – wireline service companies – including instrument logging or survey work in wells**

See Petroleum Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 4740(1), *Oil Refining*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**OIL REFINING – petroleum**

See Petroleum Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 9501(3), *Painting – automobile or truck bodies*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**PAINTING – automobile or truck bodies – including incidental sanding – no body or fender repairing – including estimators, service writers and customer service representatives who inspect vehicles**

See Automotive Industry.

\* \* \* \* \*

Amend Classifications 5474(1)/5482(1), *Painting or Wallpaper Installation*, to increase the hourly wage threshold from \$31.00 to \$32.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**PAINTING OR WALLPAPER INSTALLATION – including shop, yard or storage operations – employees whose regular hourly wage does not equal or exceed ~~\$31.00~~ \$32.00 per hour – N.O.C.** **5474(1)**

This classification applies to interior or exterior painting at customers' locations by application of decorative or protective coatings, including but not limited to paint, stain or varnish. This classification also applies to wallpaper installation, lead paint abatement operations, or graffiti abatement by painting.

This classification includes cleaning, stripping, patching and surface preparation in connection with painting or wallpaper installation.

This classification also includes shop operations, including but not limited to mixing or blending paints, maintaining painting equipment and shop painting performed in connection with painting or wallpaper installation at customers' locations.

Shop painting operations performed on a fee basis that have no connection to any painting operations performed at customers' locations shall be classified as 9501(1), *Painting – shop only*.

Wallboard taping, finishing or texturing shall be classified as 5446/5447, *Wallboard Installation*.

Applying plaster, including veneer plaster, shall be classified as 5484/5485, *Plastering or Stucco Work*.

Painting steel structures or bridges shall be classified as 5040, *Iron or Steel Erection – structural*. Painting water, oil or gasoline storage tanks shall be classified as 5474(3)/5482(3), *Painting – water, oil or gasoline storage tanks*.

Applying water repellent coatings, membranes or caulking to interior or exterior building surfaces (not roofs) shall be classified as 5474(2)/5482(2), *Waterproofing*.

Applying or installing paved surface improvements, including but not limited to thermoplastic or

painted lines or traffic markings; truncated domes; and wheel stop bumpers to paved surfaces such as streets, roads or parking lots shall be classified as 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping.*

**PAINTING OR WALLPAPER INSTALLATION – including shop, yard or storage operations – employees whose regular hourly wage equals or exceeds ~~\$34~~32.00 per hour – N.O.C. 5482(1)**

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds ~~\$34~~32.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$34~~32.00 per hour shall be classified as 5474(1), *Painting or Wallpaper Installation.***

This classification applies to interior or exterior painting at customers’ locations by application of decorative or protective coatings, including but not limited to paint, stain or varnish. This classification also applies to wallpaper installation, lead paint abatement operations, or graffiti abatement by painting.

This classification includes cleaning, stripping, patching and surface preparation in connection with painting or wallpaper installation.

This classification also includes shop operations, including but not limited to mixing or blending paints, maintaining painting equipment and shop painting performed in connection with painting or wallpaper hanging at customers’ locations.

Shop painting operations performed on a fee basis that have no connection to any painting operations performed at customers’ locations shall be classified as 9501(1), *Painting – shop only.*

Wallboard taping, finishing or texturing shall be classified as 5446/5447, *Wallboard Installation.*

Applying plaster, including veneer plaster, shall be classified as 5484/5485, *Plastering or Stucco Work.*

Painting steel structures or bridges shall be classified as 5040, *Iron or Steel Erection – structural.* Painting water, oil or gasoline storage tanks shall be classified as 5474(3)/5482(3), *Painting – water, oil or gasoline storage tanks.*

Applying water repellent coatings, membranes or caulking to interior or exterior building surfaces (not roofs) shall be classified as 5474(2)/5482(2), *Waterproofing.*

Applying or installing paved surface improvements, including but not limited to thermoplastic or painted lines or traffic markings; truncated domes; and wheel stop bumpers to paved surfaces such as streets, roads or parking lots shall be classified as 5506, *Street or Road Construction – paving or repaving, surfacing or resurfacing or scraping.*

\* \* \* \* \*

Amend Classifications 5474(3)/5482(3), *Painting – water, oil or gasoline storage tanks*, to increase the hourly wage threshold from \$31.00 to \$32.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**PAINTING – water, oil or gasoline storage tanks – including shop, yard or storage operations – employees whose regular hourly wage does not equal or exceed ~~\$31~~32.00 per hour** 5474(3)

This classification applies to the painting of water, oil and gasoline storage tanks. This classification includes incidental cleaning, abrasive blasting and surface preparation.

This classification applies to shop operations, including but not limited to mixing and blending paints, maintaining painting equipment and shop painting in connection with painting at the customers’ locations.

The painting of steel structures or bridges shall be classified as 5040, *Iron or Steel Erection – structural*.

**PAINTING – water, oil or gasoline storage tanks – including shop, yard or storage operations – employees whose regular hourly wage equals or exceeds ~~\$31~~32.00 per hour** 5482(3)

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds ~~\$31~~32.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$31~~32.00 per hour shall be classified as 5474(3), *Painting*.**

This classification applies to the painting of water, oil and gasoline storage tanks. This classification includes incidental cleaning, abrasive blasting and surface preparation.

This classification applies to shop operations, including but not limited to mixing and blending paints, maintaining painting equipment and shop painting in connection with painting at the customers’ locations.

The painting of steel structures or bridges shall be classified as 5040, *Iron or Steel Erection – structural*.

\* \* \* \* \*

Amend the Petroleum Industry Group for consistency with other industry group naming conventions.

PROPOSED

**PETROLEUM INDUSTRY**

\* \* \* \* \*

Amend Classification 8601(2), *Oil or Gas Geologists or Scouts*, which is part of the Petroleum Industry Group, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**PETROLEUM INDUSTRY**

**OIL OR GAS GEOLOGISTS OR SCOUTS – including mapping of subsurface areas – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons 8601(2)**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to geologists or scouts who travel to potential oil drilling sites to observe and gather data that is compiled into reports that describe the probability that oil or gas deposits are present. This classification includes analyzing technical data from monitoring instruments and analyzing drilling mud or well cuttings to identify the types of subsurface formations in the region and the presence of hydrocarbons. This classification also applies to the geophysical exploration of subsurface areas using physical methods, including but not limited to seismic, gravitational, magnetic, electrical and electromagnetic methods to measure the physical properties of rock.

Consulting engineers, including but not limited to civil, electrical, mechanical and mining engineers who do not perform oil or gas related operations as described above shall be classified as 8601(1), *Engineers*.

Geologists or scouts who perform outside operations in connection with oil or gas well drilling or redrilling, oil or gas lease operations, or oil or gas pipeline operations by the employer shall be assigned to the applicable *Petroleum* Industry Group classification.

\* \* \* \* \*

Amend the cross-reference to Classification 3022, *Pipe, Tube or Extrusion Mfg.*, for consistency with other industry group naming conventions.

PROPOSED

**PIPE, TUBE OR EXTRUSION MFG. – metal – not iron or steel**

See Metal Working ~~Classifications~~.

\* \* \* \* \*

Amend Classifications 5484/5485, *Plastering or Stucco Work*, to increase the hourly wage threshold from \$36.00 to \$38.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**PLASTERING OR STUCCO WORK – employees whose regular hourly wage does not equal or exceed ~~\$36~~38.00 per hour 5484**

This classification applies to the application of plaster, including veneer plaster, or stucco onto interior and exterior building surfaces.

This classification also applies to the application of fireproofing materials onto structural steel members and the application of cement-based pigmented coatings (fog coat) to stucco surfaces.

Lathing operations shall be separately classified as 5443, *Lathing*.

Swimming pool plastering shall be classified as 5201(1)/5205(1), *Concrete or Cement Work*.

**PLASTERING OR STUCCO WORK – employees whose regular hourly wage equals or exceeds ~~\$36~~38.00 per hour 5485**

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds ~~\$36~~38.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$36~~38.00 per hour shall be classified as 5484, *Plastering or Stucco Work*.**

This classification applies to the application of plaster, including veneer plaster, or stucco onto interior and exterior building surfaces.

This classification also applies to the application of fireproofing materials onto structural steel members and the application of cement-based pigmented coatings (fog coat) to stucco surfaces.

Lathing operations shall be separately classified as 5443, *Lathing*.

Swimming pool plastering shall be classified as 5201(1)/5205(1), *Concrete or Cement Work*.

\* \* \* \* \*

Amend the cross-reference to Classification 3620(2), *Plate Steel Products Fabrication*, for consistency with other industry group naming conventions.

PROPOSED

**PLATE STEEL PRODUCTS FABRICATION – N.O.C.**

See Metal Working ~~Classifications~~.

\* \* \* \* \*

Amend Classifications 5183(1)/5187(1), *Plumbing*, to increase the hourly wage threshold from \$31.00 to \$32.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**PLUMBING – including shop, yard or storage operations – gas, steam, hot water or other pipe fittings installation, including house connections installation – employees whose regular hourly wage does not equal or exceed ~~\$31~~32.00 per hour – N.O.C.** 5183(1)

This classification applies to the installation, service or repair of plumbing systems, including but not limited to piping, valves, faucets, toilets, sinks, showers, bathtubs, water heaters and water heating systems within the property line of commercial or residential properties. This classification also applies to drain clearing operations for pipe that does not exceed 6” in diameter. This classification includes excavation operations performed by the same employer in support of its plumbing operations.

This classification also applies to the installation or repair of solar water heating systems, swimming pool plumbing, water meters or central vacuum systems. This classification also applies to the installation or repair of radiators used for heating, oil or gas burners, burner dampers, air diffusers or burner rings.

This classification also applies to the installation or repair of outdoor sprinkler systems provided the employer is not primarily engaged in landscape gardening operations at the same job or location. If the employer is primarily engaged in landscape gardening at a particular job or location, sprinkler installation or repair at such job or location shall be classified as 0042, *Landscape Gardening*.

The installation of underground water, gas or sewer lines along streets or roads shall be classified as 6315(1)/6316(1), *Water Mains or Connections Construction*, 6315(2)/6316(2), *Gas Mains or Connections Construction*, or 6307/6308, *Sewer Construction*, respectively.

The installation of sewer lines within property lines where the sewer pipe exceeds 6” in diameter shall be classified as 6307/6308, *Sewer Construction*.

The cleaning of sewer lines within property lines where the sewer pipe exceeds 6” in diameter shall be classified as 9402, *Sewer, Tank or Hazardous Spill Cleaning*.

The installation, service or repair of water softening, conditioning or filtration systems shall be classified as 9519(4), *Water Softening, Conditioning or Filtration Systems*.

Automatic fire suppression sprinkler system installation within buildings shall be classified as 5185/5186, *Automatic Sprinkler Installation*.

**PLUMBING – including shop, yard or storage operations – gas, steam, hot water or other pipe fittings installation, including house connections installation – employees whose regular hourly wage equals or exceeds ~~\$31~~32.00 per hour – N.O.C.** 5187(1)

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds ~~\$31~~32.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$31~~32.00 per hour shall be classified as 5183(1), *Plumbing*.**

This classification applies to the installation, service or repair of plumbing systems, including but not limited to piping, valves, faucets, toilets, sinks, showers, bathtubs, water heaters and water heating systems within the property line of commercial or residential properties. This classification also applies to drain clearing operations for pipe that does not exceed 6” in diameter. This classification includes excavation operations performed by the same employer in support of its plumbing operations.

This classification also applies to the installation or repair of solar water heating systems, swimming pool plumbing, water meters or central vacuum systems. This classification also applies to the installation or repair of radiators used for heating, oil or gas burners, burner dampers, air diffusers or burner rings.

This classification also applies to the installation or repair of outdoor sprinkler systems provided the employer is not primarily engaged in landscape gardening operations at the same job or location. If the employer is primarily engaged in landscape gardening at a particular job or location, sprinkler installation or repair at such job or location shall be classified as 0042, *Landscape Gardening*.

The installation of underground water, gas or sewer lines along streets or roads shall be classified as 6315(1)/6316(1), *Water Mains or Connections Construction*, 6315(2)/6316(2), *Gas Mains or Connections Construction*, or 6307/6308, *Sewer Construction*, respectively.

The installation of sewer lines within property lines where the sewer pipe exceeds 6" in diameter shall be classified as 6307/6308, *Sewer Construction*.

The cleaning of sewer lines within property lines where the sewer pipe exceeds 6" in diameter shall be classified as 9402, *Sewer, Tank or Hazardous Spill Cleaning*.

The installation, service or repair of water softening, conditioning or filtration systems shall be classified as 9519(4), *Water Softening, Conditioning or Filtration Systems*.

Automatic fire suppression sprinkler system installation within buildings shall be classified as 5185/5186, *Automatic Sprinkler Installation*.

\* \* \* \* \*

Amend Classification 4297(1), *Electronic Pre-Press*, which is part of the Printing, Publishing and Duplicating Industry Group, to limit an employee's annual payroll to \$159,900.

PROPOSED

**PRINTING, PUBLISHING AND DUPLICATING**

**ELECTRONIC PRE-PRESS – all operations – including Clerical Office Employees and Clerical Telecommuter Employees 4297(1)**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$XXX,XXX~~159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to the production of computer generated typeset materials or color separations, including all incidental camera work, that are used by separate concerns in connection with commercial printing operations.

This classification does not apply when electronic pre-press operations are performed by an employer in connection with its own operations. Such operations shall be assigned to the applicable classification.

\* \* \* \* \*

Amend Classification 4297(2), *Graphic Design*, which is part of the Printing, Publishing and Duplicating Industry Group, to limit an employee’s annual payroll to \$159,900.

PROPOSED

**PRINTING, PUBLISHING AND DUPLICATING**

**GRAPHIC DESIGN – all operations – including Clerical Office Employees and Clerical Tele-commuter Employees** **4297(2)**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$XXX,XXX~~159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to the production of camera-ready layouts by combining text, photographs, artwork and graphics for use in commercial printing operations performed by separate concerns.

This classification does not apply when graphic design operations are performed by an employer in connection with its own operations. Such operations shall be assigned to the applicable classification.

\* \* \* \* \*

Amend Classification 8807, *Newspaper, Magazine or Book Publishing*, which is part of the Printing, Publishing and Duplicating Industry Group, to limit an employee’s annual payroll to \$159,900.

PROPOSED

**PRINTING, PUBLISHING AND DUPLICATING**

**NEWSPAPER, MAGAZINE OR BOOK PUBLISHING – no printing or distribution – editing, designing, proofreading or photographic composing – including Clerical Office Employees and Clerical Telecommuter Employees** **8807**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$XXX,XXX~~159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to pre-press activities of employers engaged in publishing printed newspapers, magazines or books where all printing and distribution is conducted by separate concerns. Pre-press activities include editing, designing, proofreading, and photographic composing, including negative stripping and plate making.

Newspaper reporters, photographers and advertising or circulation solicitors employed by newspaper publishers or printers shall be separately classified as 8746, *Newspaper Publishing or Printing – reporters or photographers – including Outside Salespersons*.

Newspaper printing operations shall be classified as 4304, *Newspaper Publishing or Printing – all other employees*, or 8818, *Newspaper Publishing or Printing – editing, designing, proofreading and photographic composing*.

Magazine or book printing operations shall be classified as 4299(1), *Printing Operation – all other employees*, or 8813(1), *Printing Operation – editing, designing, proofreading and photographic composing*.

\* \* \* \* \*

Amend Classification 8741, *Real Estate Agencies*, which is part of the Property Management/Operation Industry Group, to increase an employee’s annual payroll limitation from \$154,700 to \$159,900 per person to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**PROPERTY MANAGEMENT/OPERATION**

**REAL ESTATE AGENCIES – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons 8741**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to real estate agencies that represent buyers, sellers, lessees and lessors in real estate transactions.

The operation or management of rental property, construction and remodeling operations shall be separately classified.

This classification also applies to non-residing leasing agents of a property management company who are engaged exclusively in the rental or leasing of property to clients and who have no other duties of any kind except clerical office work and the property management company retains separate employees to manage the property.

Employers that specialize in residential and commercial mortgage brokerage or mortgage banking operations that do not engage in the direct lending of mortgage funds shall be classified as 8743, *Mortgage Brokers*.

Employers that specialize in the direct lending of funds for residential and commercial mortgages shall be classified as 8749, *Mortgage Bankers*.

\* \* \* \* \*

Amend Classification 7610, *Radio, Television or Commercial Broadcasting Stations*, to increase the annual payroll limitation for on-air personalities, entertainers and musicians from \$154,700 to \$159,900 per person to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**RADIO, TELEVISION OR COMMERCIAL BROADCASTING STATIONS – all employees –** **7610**  
**including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons**

**The entire remuneration of on-air personalities, entertainers and musicians shall be included subject to a maximum of ~~\$154,700~~ \$159,900 per year per person. When such employees do not work the entire year, the payroll limitation shall be prorated based upon the number of weeks in which such employees worked during the policy period.**

This classification applies to Federal Communications Commission licensed radio, television or commercial wireless broadcasting stations. This classification also applies to contract video duplication, television studios that are operated by cable television companies, or the operation of music recording studios.

The dissemination of audio or video programming exclusively over the internet shall be classified as 8859(2), *Internet or Web-Based Application Development or Operation*.

Employers licensed by the Federal Communications Commission that provide cable or satellite television connectivity services or internet connectivity using cable or satellite infrastructure shall be classified as 7600, *Communication Service Providers*.

Computer or electronic video or audio post-production for other concerns on a contract basis shall be classified as 7607(1), *Video Post-Production*, or 7607(2), *Audio Post-Production*, respectively.

Motion picture production shall be classified as 9610, *Motion Pictures – production*.

\* \* \* \* \*

Amend the cross-reference to Classification 2797(3), *Recreational Vehicle Mfg.*, for consistency with other industry group naming conventions.

PROPOSED

**RECREATIONAL VEHICLE MFG.**

See Automotive Industry.

\* \* \* \* \*

Amend Classifications 5183(2)/5187(2), *Refrigeration Equipment*, to increase the hourly wage threshold from \$31.00 to \$32.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**REFRIGERATION EQUIPMENT – not household units – installation, service or repair – including shop, yard or storage operations – employees whose regular hourly wage does not equal or exceed ~~\$31~~32.00 per hour – N.O.C. 5183(2)**

This classification applies to the installation, service or repair of commercial refrigeration systems or equipment, including but not limited to walk-in refrigerators, commercial refrigerators or freezers, refrigerated display cases, refrigerated drinking fountains and ice makers.

The manufacture of commercial refrigeration systems or equipment, or shop repair of commercial refrigeration systems or equipment by employers that do not perform installation, service or repair at customers' locations shall be classified as 3165(1), *Air Conditioning or Refrigeration Equipment Mfg.*

The installation, service or repair of self-contained metal refrigerators or freezers, refrigerated drink dispensing machines or refrigerated ice cream cabinets, other than shop repair by the manufacturer, shall be classified as 9519(1), *Household Appliances*.

The shop repair of self-contained metal refrigerators or freezers, refrigerated drink dispensing machines or refrigerated ice cream cabinets by the manufacturer shall be classified as 3165(2), *Refrigerator Mfg.*

**REFRIGERATION EQUIPMENT – not household units – installation, service or repair – including shop, yard or storage operations – employees whose regular hourly wage equals or exceeds ~~\$31~~32.00 per hour – N.O.C. 5187(2)**

**Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds ~~\$31~~32.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$31~~32.00 per hour shall be classified as 5183(2), *Refrigeration Equipment*.**

This classification applies to the installation, service or repair of commercial refrigeration systems or equipment, including but not limited to walk-in refrigerators, commercial refrigerators or freezers, refrigerated display cases, refrigerated drinking fountains and ice makers.

The manufacture of commercial refrigeration systems or equipment, or shop repair of commercial refrigeration systems or equipment by employers that do not perform installation, service or repair at customers' locations shall be classified as 3165(1), *Air Conditioning or Refrigeration Equipment Mfg.*

The installation, service or repair of self-contained metal refrigerators or freezers, refrigerated drink dispensing machines or refrigerated ice cream cabinets, other than shop repair by the manufacturer, shall be classified as 9519(1), *Household Appliances*.

The shop repair of self-contained metal refrigerators or freezers, refrigerated drink dispensing machines or refrigerated ice cream cabinets by the manufacturer shall be classified as 3165(2), *Refrigerator Mfg.*

\* \* \* \* \*

Amend the cross-reference to Classification 3039, *Reinforcing Steel Fabrication*, for consistency with other industry group naming conventions.

PROPOSED

**REINFORCING STEEL FABRICATION – at permanent shop or yard location**

See Metal Working ~~Classifications~~.

\* \* \* \* \*

Amend Classifications 5552/5553, *Roofing*, to increase the hourly wage threshold from \$29.00 to \$31.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**ROOFING – all kinds – including shop, yard or storage operations – employees whose regular hourly wage does not equal or exceed \$2931.00 per hour 5552**

This classification applies to the installation, repair, removal or waterproofing of all types of roofs or roofing systems to prevent water or other substances from penetrating or damaging the structure. This classification includes but is not limited to preparing surfaces and applying torchdown or adhesive modified bitumen, hot or cold tar, felt glass, fabric, urethane foam, shakes, shingles, tile, slat, sheet metal, and other roofing, waterproofing, weatherproofing or membrane material onto rooftops.

A physical audit shall be conducted on the complete policy period of each policy insuring the holder of a C-39 Roofing Contractor license from the Contractors State License Board. See Section VI, Rule 4, *Audit of Payroll*.

The installation of shingle roofing when performed by the same employer that performs carpentry work in constructing new buildings or additions to existing buildings at the same job or location shall be classified as 5403/5432, *Carpentry*.

The installation of sheet metal roofing when installed by the same employer that performs sheet metal skinning in constructing new buildings or additions to existing buildings at the same job or location shall be classified as 5538(1)/5542(1), *Sheet Metal Work*.

The installation of photovoltaic solar panels shall be separately classified as 3724(2), *Electrical Machinery or Auxiliary Apparatus*.

**ROOFING – all kinds – including shop, yard or storage operations – employees whose regular hourly wage equals or exceeds \$2931.00 per hour 5553**

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds \$2931.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$2931.00 per hour shall be classified as 5552, *Roofing*.**

This classification applies to the installation, repair, removal or waterproofing of all types of roofs or roofing systems to prevent water or other substances from penetrating or damaging the structure. This classification includes but is not limited to preparing surfaces and applying of torch-down or adhesive modified bitumen, hot or cold tar, felt, glass, fabric, urethane foam, shakes, shingles, tile, slat, sheet metal, and other roofing, waterproofing, weatherproofing or membrane material onto rooftops.

A physical audit shall be conducted on the complete policy period of each policy insuring the holder of a C-39 Roofing Contractor license from the Contractors State License Board. See Section VI, Rule 4, *Audit of Payroll*.

The installation of shingle roofing when performed by the same employer that performs carpentry work in constructing new buildings or additions to existing buildings at the same job or location shall be classified as 5403/5432, *Carpentry*.

The installation of sheet metal roofing when installed by the same employer that performs sheet metal skinning in constructing new buildings or additions to existing buildings at the same job or location shall be classified as 5538(1)/5542(1), *Sheet Metal Work*.

The installation of photovoltaic solar panels shall be separately classified as 3724(2), *Electrical Machinery or Auxiliary Apparatus*.

\* \* \* \* \*

Amend the cross-reference to Classification 8388, *Rubber Tire Dealers*, for consistency with other industry group naming conventions and previously approved changes.

PROPOSED

**RUBBER TIRE DEALERS – including estimators, service writers, customer service representatives, ~~and~~ cashiers, and accessories and spare parts departments**

See Automotive Industry.

\* \* \* \* \*

Amend Classifications 6307/6308, *Sewer Construction*, to increase the hourly wage threshold from \$38.00 to \$40.00 per hour to reflect wage inflation since the threshold was last amended in 2023.

PROPOSED

**SEWER CONSTRUCTION – all operations – including construction of laterals and tunneling at street crossings – employees whose regular hourly wage does not equal or exceed ~~\$38~~40.00 per hour** 6307

This classification applies to the construction of sewer main lines and laterals from the main line to the property line, and includes incidental trenching, shoring and tunneling at street crossings.

This classification also applies to the installation of sewer lines within property lines when the sewer pipe exceeds 6” in diameter. This classification also applies to the construction of closed concrete culverts, monolithic or concrete pipe storm drains and catch basins and the installation of septic tanks and cesspools.

The installation of sewer lines within property lines using pipe that does not exceed 6” in diameter shall be classified as 5183(1)/5187(1), *Plumbing*.

**SEWER CONSTRUCTION – all operations – including construction of laterals and tunneling at street crossings – employees whose regular hourly wage equals or exceeds ~~\$3840.00~~ per hour 6308**

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds ~~\$3840.00~~ per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$3840.00~~ per hour shall be classified as 6307, *Sewer Construction*.**

This classification applies to the construction of sewer main lines and laterals from the main line to the property line, and includes incidental trenching, shoring and tunneling at street crossings. This classification also applies to the installation of sewer lines within property lines when the sewer pipe exceeds 6” in diameter. This classification also applies to the construction of closed concrete culverts, monolithic or concrete pipe storm drains and catch basins and the installation of septic tanks and cesspools.

The installation of sewer lines within property lines using pipe that does not exceed 6” in diameter shall be classified as 5183(1)/5187(1), *Plumbing*.

\* \* \* \* \*

Amend the cross-reference to Classification 3066(1), *Sheet Metal Products Mfg.*, for consistency with other industry group naming conventions.

PROPOSED

**SHEET METAL PRODUCTS MFG. – shop only – N.O.C.**

See Metal Working-Classifications.

\* \* \* \* \*

Amend Classifications 5538(1)/5542(1), *Sheet Metal Work*, to increase the hourly wage threshold from \$29.00 to \$33.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**SHEET METAL WORK – erection, installation or repair – including shop, yard or storage operations – employees whose regular hourly wage does not equal or exceed \$2933.00 per hour – N.O.C. 5538(1)**

This classification applies to the installation of sheet metal items that are not more specifically described by another classification, including but not limited to gutters, downspouts, flashings, siding, flues, commercial kitchen vent hoods, counters, wall lining, expansion joint covers, decorative metal ceilings and corrugated metal decking.

This classification includes the shop fabrication of sheet metal items when the employer installs any portion of the fabricated items.

This classification applies to the installation of sheet metal roofing when installed by the same employer who performs the sheet metal skinning in constructing new buildings or additions to existing buildings at the same job or location. All other roofing shall be separately classified.

This classification also applies to the installation of vinyl siding.

The installation of ductwork for heating or air conditioning systems shall be classified as 5538(2)/5542(2), *Heating or Air Conditioning Ductwork*.

The installation of pipe and pipe fittings shall be separately classified.

**SHEET METAL WORK – erection, installation or repair – including shop, yard or storage operations – employees whose regular hourly wage equals or exceeds \$2933.00 per hour – N.O.C. 5542(1)**

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds \$2933.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$2933.00 per hour shall be classified as 5538(1), *Sheet Metal Work*.**

This classification applies to the installation of sheet metal items that are not more specifically described by another classification, including but not limited to gutters, downspouts, flashings, siding, flues, commercial kitchen vent hoods, counters, wall lining, expansion joint covers, decorative metal ceilings and corrugated metal decking.

This classification includes the shop fabrication of sheet metal items when the employer installs any portion of the fabricated items.

This classification applies to the installation of sheet metal roofing when installed by the same employer who performs the sheet metal skinning in constructing new buildings or additions to existing buildings at the same job or location. All other roofing shall be separately classified.

This classification also applies to the installation of vinyl siding.

The installation of ductwork for heating or air conditioning systems shall be classified as 5538(2)/5542(2), *Heating or Air Conditioning Ductwork*.

The installation of pipe and pipe fittings shall be separately classified.

\* \* \* \* \*

Amend the Sign Industry Group for consistency with other industry group naming conventions.

PROPOSED

**SIGN INDUSTRY**

\* \* \* \* \*

Amend Classifications 5632/5633, *Steel Framing*, to increase the hourly wage threshold from \$39.00 to \$41.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**STEEL FRAMING – light gauge – including the incidental installation of interior trim, doors and cabinet work – employees whose regular hourly wage does not equal or exceed \$3941.00 per hour** **5632**

This classification applies to the structural framing of buildings using cold formed, light gauge steel studs and joists that are #15 gauge or lighter.

This classification also applies to incidental carpentry operations, including but not limited to the installation of interior trim, doors or cabinets; the installation of shingle roofing; and the installation or application of insulation materials in buildings or within building walls, but only if such work is performed by the same employer that performs light gauge steel framing in constructing new buildings or additions to existing buildings at the same job or location. All other roofing shall be separately classified.

The making, erecting or stripping of forms in connection with concrete work shall be assigned to the appropriate concrete classification.

The assembly of light gauge steel building components, including but not limited to wall panels and trusses at a permanent shop or yard location shall be classified as 3066(1), *Sheet Metal Products Mfg.*

The erection of steel structures constructed from steel beams shall be classified as 5040, *Iron or Steel Erection – structural.*

**STEEL FRAMING – light gauge – including the incidental installation of interior trim, doors and cabinet work – employees whose regular hourly wage equals or exceeds \$3941.00 per hour** **5633**

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds \$3941.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$3941.00 per hour shall be classified as 5632, *Steel Framing.***

This classification applies to the structural framing of buildings using cold formed, light gauge steel studs and joists that are #15 gauge or lighter.

This classification also applies to incidental carpentry operations, including but not limited to the installation of interior trim, doors or cabinets; the installation of shingle roofing; and the installation or application of insulation materials in buildings or within building walls, but only if such work is performed by the same employer that performs light gauge steel framing in constructing new buildings or additions to existing buildings at the same job or location. All other roofing shall be separately classified.

The making, erecting or stripping of forms in connection with concrete work shall be assigned to the appropriate concrete classification.

The assembly of light gauge steel building components, including but not limited to wall panels and trusses at a permanent shop or yard location shall be classified as 3066(1), *Sheet Metal Products Mfg.*

The erection of steel structures constructed from steel beams shall be classified as 5040, *Iron or Steel Erection – structural.*

\* \* \* \* \*

Amend the cross-reference to Classification 3018, *Steel Making or Processing*, for consistency with other industry group naming conventions.

PROPOSED

**STEEL MAKING OR PROCESSING**

See Metal Working ~~Classifications~~.

\* \* \* \* \*

Amend Classification 8006(2), *Stores – fruit or vegetables – retail*, which is part of the Stores Industry Group, to clarify its intended application.

PROPOSED

**STORES**

**STORES – fruit or vegetables – retail**

**8006(2)**

This classification applies to stores primarily (over 50% of gross receipts) engaged in the sale of fresh produce. This classification includes the preparation or serving of sandwiches or salads or the preparation and sale of coffee, tea or other nonalcoholic beverages.

The following departments shall be separately classified:

- Fresh meat (cutting or wrapping)
- Bakery
- Hot food (preparation or serving)

For purposes of determining gross receipts, only the portion of lottery ticket sales identified by the California State Lottery as commission shall be included in the calculation. Refer to Section IV, Rule 5, *Stores*.

Stores primarily (over 50% of gross receipts) engaged in the sale of grocery items shall be classified as 8006(1), *Stores – groceries – retail*.

\* \* \* \* \*

Amend Classification 8006(1), *Stores – groceries – retail*, which is part of the Stores Industry Group, to clarify its intended application.

PROPOSED

**STORES**

**STORES – groceries – retail**

**8006(1)**

This classification applies to stores primarily (over 50% of gross receipts) engaged in the sale of grocery items, including but not limited to fresh or frozen produce, dairy products, cereals, canned goods, frozen foods, bread, condiments, herbal spices or flavorings, baking supplies, flour, soft drinks, coffee, tea, delicatessen style meats, salads, and cheeses. This classification includes the preparation or serving of delicatessen style meats, cheeses, sandwiches, salads or the preparation and sale of coffee, tea and other nonalcoholic beverages.

The following departments shall be separately classified:

- Fresh meat (cutting or wrapping)
- Bakery
- Hot food (preparation or serving)

For purposes of determining gross receipts, only the portion of lottery ticket sales identified by the California State Lottery as commission shall be included in the calculation. Refer to Section IV, Rule 5, *Stores*.

Stores engaged in the sale of grocery, snack and convenience items, having less than 5,000 square feet devoted to the display and sale of merchandise and open after 11:00 PM any night of the week shall be classified as 8061, *Stores – convenience*.

Stores engaged in the sale of gasoline or automobile services shall be classified in accordance with Section IV, Rule 5, *Stores*.

\* \* \* \* \*

Amend Classification 7365, *Taxicab Operations*, to increase the minimum annual payroll per taxicab from \$42,400 to \$43,800 to reflect wage inflation since the threshold was last amended in 2023.

PROPOSED

**TAXICAB OPERATIONS – all employees**

**7365**

**Payroll shall include the entire remuneration earned by all taxicab drivers during the policy period. In the event an employer does not keep verifiable payroll records for all taxicab drivers, the minimum remuneration for taxicab drivers shall not be less than ~~\$42,400~~\$43,800 per annum per taxicab dispatched by or operated under the auspices of the insured. The minimum payroll amount is in consideration of taxicab downtime, vacation time or other periods during which the taxicab is not in operation, as well as the use of a single taxicab by multiple drivers. The per annum payroll amount shall be prorated only when the taxicab is not dispatched by or under the auspices of the insured or registered for the full policy period or when the policy period is less than one year.**

This classification applies to the operation of taxicab services engaged in transporting the general public on a fee basis. Taxicab operations provide passenger transportation services that are available for immediate hire with fares that must be determined by either zone or meter. This classification includes the maintenance and repair of vehicles in connection with taxicab operations by the same employer.

Dispatchers engaged in clerical activities shall be separately classified as 8810, *Clerical Office Employees*, or 8871, *Clerical Telecommuter Employees*, subject to the Standard Exceptions rule. See Section III, Rule 4, *Standard Exceptions*.

Transportation services provided to passengers exclusively on a scheduled route, charter or other pre-arranged basis, including Transportation Network Companies (TNC) that employ drivers, shall be classified as 7382, *Bus, Shuttle Van or Limousine Operations*.

\* \* \* \* \*

Amend Classification 9156, *Theaters – dance, opera or theater companies*, to increase the annual payroll limitation for performers and directors of performers from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**THEATERS – dance, opera or theater companies – all performers and directors of performers – N.O.C.**

**9156**

**The entire remuneration of performers and directors of performers shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year per person. When such employees do not work the entire year, the payroll limitation shall be prorated based upon the number of weeks in which such employees worked during the policy period.**

This classification applies to the production of live musical, dance, opera, dramatic, comedic, circus or other theatrical presentations before a live audience. This classification includes all performers, directors and musicians in connection with the theater operations.

Musical entertainers who are not employees of dance, opera or theater companies, but who provide entertainment for a live audience, including but not limited to orchestras, touring bands, casual or steady engagement music groups and event disc jockeys, shall be classified as 9151, *Theaters – musical entertainment*.

The operation of motion picture theaters shall be classified as 9155, *Theaters – motion picture*.

Also refer to companion Classification 9154, *Theaters – not motion picture – all employees other than performers and directors of performers*.

If an employee who performs duties described by Classification 9156 also performs duties described by Classification 9154, the payroll of that employee may be divided between Classifications 9154 and 9156, provided the employer maintains accurate records supported by time cards or time book entries that show such division. See Section V, Rule 3, *Division of Single Employee’s Payroll*.

\* \* \* \* \*

Amend Classification 9151, *Theaters – musical entertainment*, to increase the annual payroll limitation for performers and directors of performers from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**THEATERS – musical entertainment – live performances – all performers and directors of performers 9151**

**The entire remuneration of performers and directors of performers shall be included subject to a maximum of ~~\$154,700~~ **\$159,900** per year per person. When such employees do not work the entire year, the payroll limitation shall be prorated based upon the number of weeks in which such employees worked during the policy period.**

This classification applies to employers that provide musical entertainment for a live audience. This classification includes but is not limited to orchestras, touring bands, casual or steady engagement music groups and event disc jockeys. This classification also applies to stage performers or dancers incidental to the musical performance.

Theatrical performers, directors or musicians engaged in dance, opera, dramatic, comedic, circus or other live theater performers shall be classified as 9156, *Theaters – dance, opera or theater companies*.

Also refer to companion Classification 9154, *Theaters – not motion picture – all employees other than performers and directors of performers*.

If an employee who performs duties described by Classification 9151 also performs duties described by Classification 9154, the payroll of that employee may be divided between Classifications 9151 and 9154 provided the employer maintains accurate records supported by time cards or time book entries that show such division. See Section V, Rule 3, *Division of Single Employee’s Payroll*.

\* \* \* \* \*

Amend the cross-reference to Classification 3815(2), *Truck Body Mfg.*, for consistency with other industry group naming conventions.

PROPOSED

**TRUCK BODY MFG. – truck, truck trailer or bus bodies**

See Automotive Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 3815(1), *Truck, Truck Trailer or Bus Mfg. or Assembling*, for consistency with other industry group naming conventions.

PROPOSED

**TRUCK, TRUCK TRAILER OR BUS MFG. OR ASSEMBLING**

See Automotive Industry.

\* \* \* \* \*

Amend the cross-reference to Classification 3401(1), *Tube or Pipe Products Mfg.*, for consistency with other industry group naming conventions.

PROPOSED

**TUBE OR PIPE PRODUCTS MFG. – N.O.C.**

See Metal Working Classifications.

\* \* \* \* \*

Amend Classification 7607(1), *Video Post-Production*, to increase the annual payroll limitation from \$154,700 to \$159,900 per employee to reflect wage inflation since the payroll limitation was last amended in 2023.

PROPOSED

**VIDEO POST-PRODUCTION – computer or electronic – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons** **7607(1)**

**The entire remuneration of each employee shall be included, subject to a maximum of ~~\$154,700~~\$159,900 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

This classification applies to employers engaged exclusively in computer or electronic video post-production operations for other concerns in connection with motion pictures, television features, commercials or similar productions, on a contract basis.

This classification does not apply to computer or electronic video post-production operations performed in connection with motion pictures, television features, commercials or similar productions by the same employer; such operations shall be classified as 8810, *Clerical Office Employees*, or 8871, *Clerical Telecommuter Employees*, subject to the Standard Exceptions rule. See Section III, Rule 4, *Standard Exceptions*.

Non-computer or non-electronic post-production operations, including but not limited to developing film, production of prints by exposing raw film stock, or editing film prints by cutting or splicing shall be classified as 4362, *Motion Pictures – negative and print processors, distributors and film exchanges*.

Audio post-production operations performed on a contract basis in connection with audio or music recording or mixing, or scoring of motion pictures, television features, commercials or similar productions shall be classified as 7607(2), *Audio Post-Production*.

Audio or music recording studios or contract video duplication shall be classified as 7610, *Radio, Television or Commercial Broadcasting Stations*.

\* \* \* \* \*

Amend Classifications 5446/5447, *Wallboard Installation*, to increase the hourly wage threshold from \$38.00 to \$41.00 per hour to reflect wage inflation since the threshold was last amended in 2023.

PROPOSED

**WALLBOARD INSTALLATION – within buildings – including finishing and preparation prior to painting – employees whose regular hourly wage does not equal or exceed ~~\$38~~\$41.00 per hour – N.O.C.** **5446**

This classification applies to the installation of gypsum wallboard within buildings, and includes non-structural metal stud wall framing and the installation or application of insulating materials within building walls if installed or applied by the same employer that performs the wallboard installation at the same job or location.

This classification includes wallboard taping and texturing whether or not it is performed by the same employer that performs the wallboard installation.

The framing of interior, non-structural walls using light gauge steel studs by an employer that performs no structural steel framing or wallboard installation operations at the same job or location shall be classified as 5443, *Lathing*.

When an employer engages in the structural framing of buildings using cold formed, light gauge steel studs and joists, all metal framing operations performed by the same employer at the same job or location shall be classified as 5632/5633, *Steel Framing*.

The application of veneer plaster over installed wallboard shall be separately classified as 5484/5485, *Plastering or Stucco Work*.

**WALLBOARD INSTALLATION – within buildings – including finishing and preparation prior to painting – employees whose regular hourly wage equals or exceeds \$3841.00 per hour – N.O.C. 5447**

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds \$3841.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$3841.00 per hour shall be classified as 5446, *Wallboard Installation*.**

This classification applies to the installation of gypsum wallboard within buildings, and includes non-structural metal stud wall framing and the installation or application of insulating materials within building walls if installed or applied by the same employer that performs the wallboard installation at the same job or location.

This classification includes wallboard taping and texturing whether or not it is performed by the same employer that performs the wallboard installation.

The framing of interior, non-structural walls using light gauge steel studs by an employer that performs no structural steel framing or wallboard installation operations at the same job or location shall be classified as 5443, *Lathing*.

When an employer engages in the structural framing of buildings using cold formed, light gauge steel studs and joists, all metal framing operations performed by the same employer at the same job or location shall be classified as 5632/5633, *Steel Framing*.

The application of veneer plaster over installed wallboard shall be separately classified as 5484/5485, *Plastering or Stucco Work*.

\* \* \* \* \*

Amend Classifications 6315(1)/6316(1), *Water Mains or Connections Construction*, to increase the hourly wage threshold from \$38.00 to \$40.00 per hour to reflect wage inflation since the threshold was last amended in 2023.

PROPOSED

**WATER MAINS OR CONNECTIONS CONSTRUCTION – including tunneling at street crossings 6315(1)  
– employees whose regular hourly wage does not equal or exceed ~~\$38~~40.00 per hour**

This classification applies to the construction of water mains and laterals from the main line to the property line, and includes incidental trenching, shoring and tunneling at street crossings. This classification also applies to the installation of water lines within property lines when the water pipe exceeds 6” in diameter.

The installation of water lines within property lines using pipe that does not exceed 6” in diameter shall be classified as 5183(1)/5187(1), *Plumbing*.

The construction of aqueducts, cross-country pipelines and hydroelectric projects shall be separately classified.

All tunneling other than at street crossings shall be separately classified.

**WATER MAINS OR CONNECTIONS CONSTRUCTION – including tunneling at street crossings 6316(1)  
– employees whose regular hourly wage equals or exceeds ~~\$38~~40.00 per hour**

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds ~~\$38~~40.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$38~~40.00 per hour shall be classified as 6315(1), *Water Mains or Connections Construction*.**

This classification applies to the construction of water mains and laterals from the main line to the property line, and includes incidental trenching and shoring and tunneling at street crossings. This classification also applies to the installation of water lines within property lines when the water pipe exceeds 6” in diameter.

The installation of water lines within property lines using pipe that does not exceed 6” in diameter shall be classified as 5183(1)/5187(1), *Plumbing*.

The construction of aqueducts, cross-country pipelines and hydroelectric projects shall be separately classified.

All tunneling other than at street crossings shall be separately classified.

\* \* \* \* \*

Amend Classifications 5474(2)/5482(2), *Waterproofing*, to increase the hourly wage threshold from \$31.00 to \$32.00 per hour to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

**WATERPROOFING – other than roofing or subaqueous work – performed as a separate operation not a part of or incidental to any other operation – including shop, yard or storage operations – employees whose regular hourly wage does not equal or exceed ~~\$31~~32.00 per hour** 5474(2)

This classification applies to the application of water repellent coatings, membranes or caulking to interior or exterior building surfaces. This classification also applies to the application of fire-stop caulking.

This classification includes shop operations, including but not limited to mixing and blending waterproofing materials and equipment maintenance.

The application of water repellent coatings, membranes or caulking to roof surfaces shall be classified as 5552/5553, *Roofing*.

Waterproofing operations in connection with the employer’s other classifiable operations shall not be separately classified.

**WATERPROOFING – other than roofing or subaqueous work – performed as a separate operation not a part of or incidental to any other operation – including shop, yard or storage operations – employees whose regular hourly wage equals or exceeds ~~\$31~~32.00 per hour** 5482(2)

**Assignment of this classification is subject to verification at the time of final audit that the employee’s regular hourly wage equals or exceeds ~~\$31~~32.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$31~~32.00 per hour shall be classified as 5474(2), *Waterproofing*.**

This classification applies to the application of water repellent coatings, membranes or caulking to interior or exterior building surfaces. This classification also applies to the application of fire-stop caulking.

This classification includes shop operations, including but not limited to mixing and blending waterproofing materials and equipment maintenance.

The application of water repellent coatings, membranes or caulking to roof surfaces shall be classified as 5552/5553, *Roofing*.

Waterproofing operations in connection with the employer’s other classifiable operations shall not be separately classified.

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Amend the cross-reference to Classification 3257, *Wire Goods Mfg.*, for consistency with other industry group naming conventions.

PROPOSED

**WIRE GOODS MFG. – N.O.C.**

See Metal Working ~~Classifications~~.

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Amend Section VIII, *Abbreviated Classifications – Numeric Listing*, for consistency with other proposed changes.

PROPOSED

**Section VIII – Abbreviated Classifications – Numeric Listing**

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- 3572      Medical Instrument Mfg–electronic–all other employees
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- 3682      Instrument Mfg–non-electronic–all other employees
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- 8874(6)    Medical Instrument Mfg–electronic–design
- 8874(7)    Instrument Mfg–non-electronic–design
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Amend Appendix IV, *Classifications Including Clerical Office Employees, Clerical Telecommuter Employees or Outside Salespersons*, for consistency with other proposed changes.

PROPOSED

**Appendix IV**

**Classifications Including Clerical Office Employees, Clerical Telecommuter Employees or Outside Salespersons**

See Section III, *General Classification Procedures*, Rule 4, *Standard Exceptions*, Subrule c, *Standard Exception Classification Procedures*.

Code	Name	Including Clerical Office Employees / Clerical Telecommuter Employees	Including Outside Salespersons
•			
•			
•			
<u>8874(6)</u>	<u>Medical Instrument Mfg–electronic–design</u>	<u>X</u>	<u>X</u>
<u>8874(7)</u>	<u>Instrument Mfg–non-electronic–design</u>	<u>X</u>	<u>X</u>
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**Part 4 — Unit Statistical Reporting Requirements**

Amend Section V, *Loss Information*, Subsection B, *Loss Data Elements*, Rule 4, *Catastrophe Number*, to confine the reporting of “Catastrophe Number” 12 to claims arising from a diagnosis of Coronavirus disease 2019 (COVID-19) with accident dates of December 1, 2019 through August 31, 2024.

PROPOSED

**Section V – Loss Information**

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**B. Loss Data Elements**

All loss-related fields shall be reported on all claims as required for California in WCSTAT except as indicated below.

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**4. Catastrophe Number**

Report the 2-digit sequential number for two or more claims resulting from the same occurrence. For each policy, all claims resulting from the first such occurrence shall be assigned a “Catastrophe Number” of 01, all claims resulting from the second occurrence shall be 02, etc. When an occurrence results in only one claim being reported, report zero.

**Example**

Claim No.	Policy No.	Date of Injury	Cat. No.
123	WC-1	2/15/yy	01
456	WC-1	2/15/yy	01
321	WC-1	4/23/yy	00
789	WC-1	6/14/yy	02
987	WC-1	6/14/yy	02

With respect to unit statistical report data with a required date of reporting on or after August 1, 2020, report “Catastrophe Number” 12 for all claims directly arising from a diagnosis of Coronavirus disease 2019 (COVID-19) and an accident date ~~on or after~~ of December 1, 2019 through August 31, 2024.

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**Section B**

**Recommended Amendments to the *Miscellaneous Regulations for the Recording and Reporting of Data—1995***

**Title 10, California Code of Regulations, Section 2354  
Effective September 1, 2024**

The WCIRB recommends that the following amendments to the *Miscellaneous Regulations for the Recording and Reporting of Data—1995* (Miscellaneous Regulations) be approved effective September 1, 2024 and applied to a policy with an effective date on or after September 1, 2024.

**Part 1 — General Provisions**

Amend Section I, *Introduction*, Rule 2, *Effective Date*, to show that the effective date of the amended Miscellaneous Regulations is 12:01 AM, September 1, 2024.

PROPOSED

**Section I — Introduction**

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**2. Effective Date**

This regulation is effective at 12:01 AM, September 1, ~~2023~~2024. When an amendment to this regulation is approved, a notice summarizing the amendment and its effective date, as specified by the Insurance Commissioner, will be published by the WCIRB.

This regulation and all amendments thereto, unless otherwise specifically provided, shall apply to a policy with an effective date on or after the effective date of the amendment.

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**Section C**

**Recommended Amendments to the *California Workers’ Compensation Experience Rating Plan—1995***

**Title 10, California Code of Regulations, Section 2353.1  
Effective September 1, 2024**

The WCIRB recommends that the following amendments to the *California Workers’ Compensation Experience Rating Plan—1995* (Experience Rating Plan) be approved effective September 1, 2024 with respect to new and renewal policies as of the first rating effective date of a risk on or after September 1, 2024.

**Section I — General Provisions**

Amend Rule 2, *Effective Date*, to show that the effective date of the amended Experience Rating Plan is 12:01 AM, September 1, 2024.

PROPOSED

**Section I – General Provisions**

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**2. Effective Date**

The rules and rating values of this Plan are effective at 12:01 AM, September 1, ~~2023~~2024. When an amendment to this Plan is approved, a notice summarizing the amendment and its effective date, as specified by the Insurance Commissioner, will be published by the WCIRB.

This Plan and all amendments thereto, unless otherwise specifically provided, shall be applied as of the first rating effective date of the risk, as established by the WCIRB, which occurs on or after the effective date of the amendment. (See Section II, *Definitions*, for the definition of “Risk”, and Section V, *Application of Experience Modification*, Rule 1, *General Application of Experience Modification*, for information on the rating effective date). No policy may be cancelled or rewritten to avoid application of this provision.

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**Section III – Eligibility and Experience Period**

Amend Rule 1, *Eligibility Requirements for California Workers’ Compensation Insurance*, to adjust the eligibility threshold from \$10,200 to \$X,XXX to reflect wage inflation and the proposed September 1, 2024 expected loss rates.

PROPOSED

**Section III – Eligibility and Experience Period**

- 1. **Eligibility Requirements for California Workers’ Compensation Insurance.** A risk shall qualify for experience rating of its California workers’ compensation insurance premium under this Plan if not less than \$10,200X,XXX is produced by applying expected loss rates to the total remuneration that would be used in the experience rating calculation for the risk. Only completed policy periods shall be used in determining eligibility. Any risk eligible for experience rating shall be experience rated.

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**Section VI – Rating Procedure**

Amend Rule 2, *Actual Losses and Actual Primary (Ap) Losses*, to exclude COVID-19 claims with accident dates of December 1, 2019 through August 31, 2024 from the computation of experience modifications.

PROPOSED

**Section VI – Rating Procedure**

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**2. Actual Losses and Actual Primary (Ap) Losses**

Unless otherwise noted in this Rule, Actual Losses shall be the sum of the indemnity incurred loss and medical incurred loss on each claim, with the sum limited to the Maximum Loss Value shown in Table II of this Plan.

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- j. Claims directly arising from a diagnosis of Coronavirus disease 2019 (COVID-19), reported with a Catastrophe Number 12 pursuant to the Uniform Statistical Reporting Plan and an accident date of December 1, 2019 through August 31, 2024, shall not be reflected in the computation of the experience modification.

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