

STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
300 Capitol Mall, 17th Floor
Sacramento, California 95814

NOTICE OF PROPOSED ACTION AND NOTICE OF PUBLIC HEARING

**JANUARY 1, 2020 WORKERS' COMPENSATION INSURANCE RATING RULES
FILING**

June 27, 2019

File No. REG-2019-00019

SUBJECT OF PROPOSED RULEMAKING

Notice is given that a public hearing will be held in response to a filing by the Workers' Compensation Insurance Rating Bureau of California ("WCIRB"), submitted on June 26, 2019. The WCIRB proposes amendments to the Insurance Commissioner's Regulations pertaining to the Classification of Risks, Recording and Reporting of Data, Statistical Reporting and Experience Rating to be effective January 1, 2020, as follows:

- Approval of proposed amendments to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* as proposed by the WCIRB as the Insurance Commissioner's designated statistical agent.
- Approval of proposed amendments to the *Miscellaneous Regulations for the Recording and Reporting of Data—1995* as proposed by the WCIRB as the Insurance Commissioner's designated statistical agent.
- Approval of proposed amendments to the *California Workers' Compensation Experience Rating Plan—1995* as proposed by the WCIRB as the Insurance Commissioner's designated statistical agent.

HEARING

Public Hearing Date and Location

A public hearing will be conducted to permit all interested persons the opportunity to present statements or arguments, verbally or in writing, with respect to the matters proposed in the WCIRB's filing, at the following date, time and place:

July 30, 2019 – 9:00 AM
California Department of Insurance
45 Fremont Street, 22nd Floor - Hearing Room
San Francisco, California 94105

The hearing will continue on the date noted above until all testimony has been submitted or until 5:00 p.m., whichever is earlier.

Access to Hearing Rooms

The facility to be used for the public hearing is accessible to persons with mobility impairment. Persons with sight or hearing impairments are requested to notify the contact person for these hearings (listed below) in order to make special arrangements, if necessary.

WRITTEN COMMENT PERIOD

Presentation of Written or Oral Comments; Contact Persons

All persons are invited to submit written comments on the proposed regulations during the public comment period. The public comment period will end at **5:00 p.m. on Tuesday, July 30, 2019**. Please direct all written comments to the following contact person:

Brentley Yim, Attorney
California Department of Insurance
45 Fremont Street, 21st Floor
San Francisco, CA 94105
Telephone: (415) 538-4113
brentley.yim@insurance.ca.gov

Questions regarding procedure, comments, or the substance of the proposed action should be addressed to the above contact person. If he is unavailable, inquiries may be addressed to the following backup contact person:

Patricia Hein, Attorney
California Department of Insurance
45 Fremont Street, 21st Floor
San Francisco, CA 94105
Telephone: (415) 538-4430
patricia.hein@insurance.ca.gov

Please note that under the California Public Records Act (Government Code Section 6250, et seq.), your written and oral comments, and associated contact information (e.g., your address, phone number, e-mail, etc.) become part of the public record and can be released to the public upon request.

Deadline for Written Comments

All written materials must be received by the Insurance Commissioner, addressed to the contact person at the address listed above, no later than **5:00 p.m. on Tuesday, July 30, 2019**. Any written materials received after that time may not be considered.

Comments Transmitted by E-Mail or Facsimile

The Commissioner will accept written comments transmitted by e-mail provided they are sent to the following e-mail address: brentley.yim@insurance.ca.gov. The Commissioner will also accept written comments transmitted by facsimile provided they are directed to the attention of Brentley Yim and sent to the following facsimile number: (415) 904-5490. **Comments sent to e-mail addresses or facsimile numbers other than those designated in this notice will not be accepted. Comments sent by e-mail or facsimile are subject to the deadline set forth above for written comments.**

PROCEEDINGS NOT SUBJECT TO ADMINISTRATIVE PROCEDURE ACT

The regulations contained in the *California Workers' Compensation Uniform Statistical Reporting Plan—1995*, the *Miscellaneous Regulations for the Recording and Reporting of Data—1995*, and the *California Workers' Compensation Experience Rating Plan—1995* pertain to the establishment of workers' compensation insurance rates. Government Code Section 11340.9(g) states that the Administrative Procedure Act [Chapter 3.5 of the Government Code] shall not apply to regulations that establish or fix rates, prices, or tariffs, and the Office of Administrative Law has determined that these regulations are excluded from the requirements of the Administrative Procedure Act.

This Notice and any accompanying documents are being offered by the Commissioner to obtain written public comment before the Commissioner determines whether to approve the amendments to these regulations. The Commissioner shall issue an Order regarding his determination pursuant to Insurance Code Section 11734.

AUTHORITY AND REFERENCE

Uniform Plans and Regulations

The workers' compensation classification of risks and statistical reporting rules are set forth in Title 10, California Code of Regulations, Section 2318.6. The miscellaneous regulations for the recording and reporting of data are set forth in Title 10, California Code of Regulations, Section 2354. The workers' compensation experience rating regulations are set forth in Title 10, California Code of Regulations, Section 2353.1. These regulations are promulgated by the Insurance Commissioner pursuant to the authority granted by Insurance Code Section 11734.

INFORMATIVE DIGEST

Pursuant to Insurance Code Sections 11734 and 11751.5, the Insurance Commissioner has designated the WCIRB as his statistical agent. As the designated statistical agent, the WCIRB collects insurer data and recommends revisions to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995*; the *Miscellaneous Regulations for the Recording and Reporting of Data—1995*; and the *California Workers' Compensation Experience Rating Plan—1995* for approval. Adherence to the regulations contained in the *California Workers' Compensation Uniform Statistical Reporting Plan—1995*, the *Miscellaneous Regulations for the Recording and Reporting of Data—1995*, and

the *California Workers' Compensation Experience Rating Plan—1995* is mandatory for insurers. However, Insurance Code Section 11734 provides that an insurer may develop its own classification system if it is filed with the Insurance Commissioner 30 days prior to its use and is not disapproved by the Insurance Commissioner for failure to demonstrate that the data produced by the insurer's classification system can be reported consistently with the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* or the standard classification system developed by the WCIRB and approved by the Insurance Commissioner.

The amendments to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995*, the *Miscellaneous Regulations for the Recording and Reporting of Data—1995*, and the *California Workers' Compensation Experience Rating Plan—1995* are summarized below.

**Amendments to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995*, Title 10, California Code of Regulations, Section 2318.6,
Effective January 1, 2020**

1. Amend Part 1, *General Provisions*, Section I, *Introduction*, Rule 3, *Effective Date*, to show that the effective date of the amended USRP is 12:01 AM, January 1, 2020.
2. Amend Part 1, Section V, *Inquiries, Complaints and Requests for Action, Reconsideration and Appeals*, Rule 1, *Purpose and Time Limitation*, for consistency with the *California Workers' Compensation Experience Rating Plan—1995*.
3. Amend Part 3, *Standard Classification System*, Section III, *General Classification Procedures*, Rule 2, *Single Enterprise*, for consistency with other proposed changes.
4. Amend Part 3, Section III, Rule 6, *General Exclusions*, to direct that new construction, remodeling, erection or installation operations shall be separately classified.
5. Amend Part 3, Section IV, *Special Industry Classification Procedures*, Rule 2, *Construction or Erection Work*, to cross-reference the *Wrecking or Demolition and Building Raising or Moving* Special Industry Procedures and for clarity and consistency with other citations within the USRP.
6. Amend Part 3, Section IV, Rule 3, *Electronic Products Design and Manufacturing*, to clarify the intended application.
7. Amend Part 3, Section IV, Rule 6, *Stores*, for clarity and consistency with previously approved changes.
8. Amend Part 3, Section IV, Rule 7, *Wrecking or Demolition and Building Raising or Moving*, to clarify the procedures for the assignment of Classifications 5606, *Contractors – construction or erection – executive level supervisors*, 5610, *Contractors – construction or erection – all construction subcontracted*, and 8227, *Construction or Erection Permanent Yards or Shops*, and the procedure for determining the applicable classification for soft demolition operations.
9. Amend Part 3, Section IV, Rule 9, *Property Management/Operation*, for consistency with other proposed changes.

10. Amend Part 3, 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 2019.
11. Amend Part 3, Section VI, *Administration of Classification System*, Rule 4, *Audit of Payroll*, to decrease the physical audit threshold from \$13,000 to \$10,500.
12. Amend Part 3, Section VII, *Standard Classifications*, Rule 2, *Standard Classifications*, as follows:
 - Amend Classification 9549, *Advertising Companies*, to clarify its intended application and for consistency with other proposed changes.
 - Amend Classification 7601, *Aerial Line Construction*, for clarity and consistency with previously approved changes.
 - Amend Classification 3165(1), *Air Conditioning or Refrigeration Equipment Mfg.*, to provide direction as to how related operations should be classified.
 - Amend Classification 7428(2), *Aircraft Operation – flight schools and pilot training – not members of the flying crew*, which is part of the *Aircraft Operation* Industry Group, to remove the footnote assigning ticket sellers and information clerks to Classification 8810, *Clerical Office Employees*, and clarify the definition of ground operations.
 - Amend Classification 7428(1), *Aircraft Operation – other than agricultural or scheduled air carriers – not members of the flying crew*, which is part of the *Aircraft Operation* Industry Group, to remove the footnote assigning ticket sellers and information clerks to Classification 8810, *Clerical Office Employees*, and clarify the definition of ground operations.
 - Amend Classification 7403, *Aircraft Operation – scheduled passenger or cargo air carriers – not members of the flying crew*, which is part of the *Aircraft Operation* Industry Group, to remove the footnote assigning ticket sellers and information clerks to Classification 8810, *Clerical Office Employees*, and clarify the definition of ground operations.
 - Amend Classification 3830(1), *Aircraft or Spacecraft Mfg.*, for clarity and consistency with other footnotes within the classification.
 - Amend Classification 7429, *Airport Operators*, to remove the footnote assigning ticket sellers and information clerks to Classification 8810, *Clerical Office Employees*, and clarify the definition of ground operations.
 - Amend Classification 9016(1), *Amusement or Recreational Facilities – N.O.C. – all employees other than those engaged in the operation of maintenance of amusement devices, restaurants or retail stores*, to provide direction as to how related operations should be classified.
 - Amend Classification 4511, *Analytical or Testing Laboratories*, for consistency with other citations within the USRP.
 - Amend Classification 5473, *Asbestos Abatement*, to clarify its intended application.

- Amend Classification 9181, *Athletic Teams or Athletic Facilities – players, umpires, referees and game officials*, to increase the payroll limitation for players from \$133,900 to \$139,100 per player per season to reflect wage inflation since the payroll limitation was last amended in 2019.
- Amend Classification 7607(2), *Audio Post-Production*, to clarify its intended application, provide direction as to how related operations should be classified, direct that the maximum payroll amount shall 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 to limit an employee's annual payroll to \$139,100.
- Amend Classification 8803, *Auditing, Accounting or Management Consulting Services*, to direct that the maximum payroll amount shall 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 to limit an employee's annual payroll to \$139,100.
- Amend Classifications 5185/5186, *Automatic Sprinkler Installation*, to clarify its intended application and increase the hourly wage threshold from \$27.00 to \$29.00 per hour to reflect wage inflation since the threshold was last amended in 2009.
- Amend Classification 8370, *Automobile or Truck Radio, Alarm or Electronic Equipment Installation, Service or Repair*, which is part of the *Automotive Industry Group*, for consistency with other proposed changes.
- Amend Classification 9501(3), *Painting – automobile or truck bodies*, which is part of the *Automotive Industry Group*, for consistency with other proposed changes.
- Amend Classification 7392, *Beer Dealers*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 4512, *Biomedical Research Laboratories*, for consistency with other proposed changes.
- Amend Classification 8057, *Boat Dealers*, to include boat display and parts departments and the demonstration of boats on the water.
- Amend Classification 5130(2), *Building Automation or Energy Management Control Systems Installation, Service or Repair*, to clarify its intended application.
- Amend Classification 8232(2), *Building Material Dealers*, to include delivery and provide direction as to how related store operations should be classified.
- Amend Classification 5146(1), *Cabinet or Fixtures*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classifications 5403/5432, *Carpentry*, 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 2018.
- Amend Classification 9060, *Clubs – country or golf*, to provide direction as to how related operations should be classified and for clarity and consistency with other proposed changes.
- Amend Classification 5195, *Communications Cabling*, to clarify its intended application.

- Amend Classification 5193, *Computer or Telephone System or Equipment Installation, Service or Repair*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 8859(1), *Computer Programming or Software Development*, to direct that the maximum payroll amount shall 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 to limit an employee's annual payroll to \$139,100.
- 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 \$25.00 to \$28.00 per hour to reflect wage inflation since the threshold was last amended in 2018.
- 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 \$25.00 to \$28.00 per hour to reflect wage inflation since the threshold was last amended in 2018.
- Amend Classification 4623, *Cosmetic, Personal Care or Perfumery Products Mfg.*, to provide direction as to how related operations should be classified.
- Amend Classification 0401, *Cotton Gin Operation*, for consistency with other proposed changes.
- Eliminate Classification 0400(1), *Cotton Merchants*, and reassign the operations described by this classification to Classification 0400, *Warehouses – cotton – including cotton compressing*.
- Amend the cross-reference for Classification 2063, *Creameries and Dairy Products Mfg.*, which is part of the *Food Packaging and Processing Industry Group*, for consistency with other proposed changes.
- Amend Classification 1925, *Die Casting Mfg.*, to clarify its intended application.
- Amend Classification 3060(2), *Door or Window Frame Mfg. – metal or plastic*, for consistency with other proposed changes and to provide direction as to how related operations should be classified.
- Amend Classification 3060(1), *Door or Window Mfg. – metal or plastic*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 2806(1), *Door, Sash or Window Mfg.*, to provide direction as to how related operations should be classified.
- Amend Classification 4611, *Drug, Medicine or Pharmaceutical Preparations Mfg.*, to clarify its intended application.
- Amend Classification 3570, *Electric Appliance Mfg.*, to remove the footnote directing that display and parts departments be separately classified.

- Amend Classification 3569, *Electric Motor Mfg. or Repair*, for consistency with other proposed changes.
- Amend Classification 3724(2), *Electrical Machinery or Auxiliary Apparatus*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classifications 5190/5140, *Electrical Wiring*, to clarify its intended application.
- Amend Classification 3178, *Electronic Element Mfg.*, which is part of the *Electronics* Industry Group, to clarify its intended application.
- Amend Classifications 6218(1)/6220(1), *Excavation*, to increase the hourly wage threshold from \$31.00 to \$34.00 per hour to reflect wage inflation since the threshold was last amended in 2018.
- Amend Classification 8116, *Farm Machinery Dealers or Repair Facilities*, to include the display and sale of machines, equipment or parts.
- Amend Classification 0044, *Cotton Farms*, which is part of the *Farms* Industry Group, to provide direction as to how related operations should be classified and for consistency with other proposed changes.
- Amend Classification 0036, *Dairy Farms*, which is part of the *Farms* Industry Group, to clarify its intended application and for consistency with other proposed changes.
- Amend Classification 0172, *Truck Farms*, which is part of the *Farms* Industry Group, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 6400, *Fence Construction*, for clarity and consistency with other proposed changes.
- Amend Classification 2003, *Bakeries and Cracker Mfg.*, which is part of the *Food Packaging and Processing* Industry Group, for consistency with other proposed changes.
- Amend Classification 2163, *Bottling*, which is part of the *Food Packaging and Processing* Industry Group, to clarify its intended application and for consistency with other proposed changes.
- Amend Classification 2121, *Breweries*, which is part of the *Food Packaging and Processing* Industry Group, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 4717, *Butter Substitutes Mfg.*, which is part of the *Food Packaging and Processing* Industry Group, for consistency with other proposed changes.
- Amend Classification 2063, *Creameries and Dairy Products Mfg.*, which is part of the *Food Packaging and Processing* Industry Group, to include ice dealers, the manufacture of ice and the manufacture of nondairy frozen novelty treats, and provide direction as to how related operations should be classified.

- Amend Classification 2142(2), *Distilling*, which is part of the *Food Packaging and Processing* Industry Group, to clarify its intended application, provide direction as to how related operations should be classified and for consistency with other proposed changes.
- Amend Classification 6504, *Food Products Mfg. or Processing*, which is part of the *Food Packaging and Processing* Industry Group, for consistency with other proposed changes.
- Amend Classification 2116, *Fruit or Vegetable Juice or Concentrate Mfg.*, which is part of the *Food Packaging and Processing* Industry Group, to clarify its intended application, provide direction as to how related operations should be classified, for consistency with other proposed changes and to remote the reference to incidental packaging.
- Amend Classification 2002, *Macaroni Mfg.*, which is part of the *Food Packaging and Processing* Industry Group, for consistency with other proposed changes.
- Amend Classification 0096, *Nut Hulling, Shelling or Processing*, which is part of the *Food Packaging and Processing* Industry Group, to clarify its intended application.
- Amend Classification 2142(3), *Vinegar Mfg.*, which is part of the *Food Packaging and Processing* Industry Group, to clarify its intended application, provide direction as to how related operations should be classified and for consistency with other proposed changes.
- Amend Classification 4831, *Vitamin or Dietary Supplement Mfg.*, which is part of the *Food Packaging and Processing* Industry Group, for clarity and consistency with other proposed changes.
- Amend Classification 2142(1), *Wineries*, which is part of the *Food Packaging and Processing* Industry Group, to direct that it applies to the production of alcoholic cider, clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 8601(4), *Forest Engineers*, to provide direction as to how related operations should be classified.
- Amend Classification 3175, *Furnace or Heater Mfg.*, to provide direction as to how related operations should be classified and to remove redundant instructions regarding *General Exclusion* foundry operations.
- Amend Classifications 6315(2)/6316(2), *Gas Mains or Connections Construction*, to increase the hourly wage threshold from \$31.00 to \$34.00 per hour to reflect wage inflation since the threshold was last amended in 2018.
- Amend Classification 7500, *Gas Works*, for clarity and consistency with previously approved changes.
- Amend Classifications 5467/5470, *Glaziers*, 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 2019 and for consistency with other proposed changes.
- Amend Classifications 6218(2)/6220(2), *Grading Land*, to increase the hourly wage threshold from \$31.00 to \$34.00 per hour to reflect wage inflation since the threshold was last amended in 2018.

- Amend Classification 3146(1), *Hardware Mfg.*, to provide direction as to how related operations should be classified and for consistency with previously approved changes.
- Amend Classification 5436, *Hardwood Floor Laying*, to clarify its intended application.
- Amend Classification 9085, *Residential Care Facilities for the Developmentally Disabled*, which is part of the *Health and Human Services* Industry Group, for clarity and consistency with other citations within the USRP.
- Amend Classifications 5538(2)/5542(2), *Heating or Air Conditioning Ductwork*, to clarify its intended application.
- Amend Classifications 5183(3)/5187(3), *Heating or Air Conditioning Equipment*, to clarify its intended application, increase the hourly wage threshold from \$26.00 to \$28.00 per hour to reflect wage inflation since the threshold was last amended in 2014 and for consistency with other proposed changes.
- Amend Classification 9050(1), *Hotels*, to include motel and short-term rental housing operations and provide direction as to how related operations should be classified.
- Amend Classification 9519(1), *Household Appliances*, for clarity and consistency with other proposed changes.
- Eliminate Classification 2150, *Ice Mfg. or Ice Dealers*, and reassign the operations described by this classification to Classification 2063, *Creameries and Dairy Products Mfg.*
- Amend Classification 4111(2), *Incandescent Lamp and Fluorescent Tube Mfg.*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 3682, *Instrument Mfg. – non-electronic*, to specify the classification procedures for employers that design proprietary non-electronic instruments and subcontract the manufacturing operations.
- Amend Classification 8859(2), *Internet or Web-Based Application Development or Operation*, to direct that the maximum payroll amount shall 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 to limit an employee's annual payroll to \$139,100.
- Amend Classification 5102(1), *Iron, Steel, Brass, Bronze or Aluminum Erection*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 9008, *Janitorial Services*, to clarify its intended application and for consistency with other proposed changes.
- Amend Classifications 6218(3)/6220(3), *Land Leveling*, to increase the hourly wage threshold from \$31.00 to \$34.00 per hour to reflect wage inflation since the threshold was last amended in 2018.

- Amend Classification 0042, *Landscape Gardening*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 8820, *Law Firms*, to direct that the maximum payroll amount shall 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 to limit an employee's annual payroll to \$139,100.
- Amend Classification 3180, *Light Fixture or Lamp Mfg. or Assembly*, to provide direction as to how related operations should be classified.
- Amend Classification 2710(2), *Log Chipping*, to clarify its intended application.
- Amend Classification 2727, *Log Hauling*, to provide direction as to how related operations should be classified.
- Amend Classification 2702(1), *Logging*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 8232(1), *Lumberyards*, to include the delivery of lumber and provide direction as to how related store operations should be classified.
- Amend Classification 3632, *Machine Shops*, to provide direction as to how related operations should be classified.
- Amend Classification 8107, *Machinery Dealers*, to include the sale of oil or gas well equipment and parts and display departments, and provide direction as to how related operations should be classified.
- Amend Classification 8267, *Machinery and Equipment Dealers*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classifications 5027/5028, *Masonry*, to increase the hourly wage threshold from \$27.00 to \$28.00 per hour to reflect wage inflation since the threshold was last amended in 2013.
- Amend Classification 3724(1), *Millwright Work*, to clarify its intended application.
- Amend Classification 7219(3), *Mobile Crane and Hoisting Service Contractors*, to clarify its intended application.
- Amend Classification 8743, *Mortgage Brokers*, to direct that the maximum payroll amount shall 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 to limit an employee's annual payroll to \$139,100.
- Eliminate Classification 9050(2), *Motels*, and reassign the operations described by this classification to Classification 9050(1), *Hotels*.
- Amend Classification 9610, *Motion Pictures – production*, to increase the annual payroll limitation for actors, musicians, producers and the motion picture director from \$133,900 to \$139,100 per person to reflect wage inflation since the payroll limitation was last amended in 2019.

- Amend Classification 3152(1), *Nail, Tack or Rivet Mfg.*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 0005, *Nurseries*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 3152(2), *Nut, Bolt or Screw Mfg.*, to provide direction as to how related operations should be classified.
- Amend Classifications 5474(1)/5482(1), *Painting or Wallpaper Installation*, to clarify its intended application and increase the hourly wage threshold from \$26.00 to \$28.00 per hour to reflect wage inflation since the threshold was last amended in 2018.
- Amend Classifications 9501(1), *Painting – shop only*, for consistency with other proposed changes.
- Amend Classifications 5474(3)/5482(3), *Painting – water, oil or gasoline storage tanks*, to clarify its intended application and increase the hourly wage threshold from \$26.00 to \$28.00 per hour to reflect wage inflation since the threshold was last amended in 2018.
- Amend Classification 9031, *Pest Control*, to clarify its intended application.
- Eliminate Classification 8111(2), *Oil or Gas Well Supplies or Equipment Dealers*, which is part of the *Petroleum* Industry Group, and reassign the operations described by this classification to Classifications 8010, *Stores – hardware, electrical or plumbing supplies*, 8107, *Machinery Dealers*, 8267, *Machinery and Equipment Dealers – secondhand*, or 8232(2), *Building Material Dealers*, depending on the operations performed.
- Amend Classification 6213, *Oil or Gas Wells – specialty tool companies*, which is part of the *Petroleum* Industry Group, to clarify its intended application.
- Amend Classification 1741(2), *Plaster Mills*, to direct that employees engaged exclusively in delivery of the finished product shall be separately classified as 8232(2), *Building Material Dealers*.
- Amend Classifications 5484/5485, *Plastering or Stucco Work*, to increase the hourly wage threshold from \$29.00 to \$32.00 per hour to reflect wage inflation since the threshold was last amended in 2018.
- Amend Classification 4498, *Plastics – injection molded products mfg.*, which is part of the *Plastic Products Manufacturing* Industry Group, to clarify its intended application.
- Eliminate Classification 8111(1), *Plumbers' Supplies Dealers*, and reassign the operations described by this classification to Classification 8010, *Stores – hardware, electrical or plumbing supplies*.
- Amend Classifications 5183(1)/5187(1), *Plumbing*, to clarify its intended application and increase the hourly wage threshold from \$26.00 to \$28.00 per hour to reflect wage inflation since the threshold was last amended in 2014.

- Amend Classifications 8019(1), *Printing – quick printing*, which is part of the *Printing, Publishing and Duplicating* Industry Group, for consistency with other proposed changes.
- Amend Classifications 4299(1), *Printing Operation – all other employees*, which is part of the *Printing, Publishing and Duplicating* Industry Group, for consistency with other proposed changes.
- Amend Classification 8017(9), *Product Demonstrators or Sample Distributors*, for consistency with other citations within the USRP.
- Amend Classification 5130(1), *Programmable Industrial Controls Installation, Service or Repair*, to clarify its intended application.
- Amend Classification 9011(1), *Apartment or Condominium Complex Operation – N.O.C. – not Homeowners Associations – all other employees*, which is part of the *Property Management/Operation* Industry Group, for consistency with other proposed changes.
- Amend Classification 9011(2), *Commercial and Residential Mixed-Use Building Operation – not Homeowners Associations – all other employees*, which is part of the *Property Management/Operation* Industry Group, for consistency with other proposed changes.
- Amend Classification 9009, *Commercial Properties – N.O.C. – all other employees*, which is part of the *Property Management/Operation* Industry Group, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 8740(2), *Commercial Properties – N.O.C. – property management supervisors*, which is part of the *Property Management/Operation* Industry Group, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 9066, *Homeowners Associations*, which is part of the *Property Management/Operation* Industry Group, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 1624(1), *Quarries*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 7610, *Radio, Television or Commercial Broadcasting Stations*, to increase the annual payroll limitation for on-air personalities, entertainers and musicians from \$133,900 to \$139,100 per person to reflect wage inflation since the payroll limitation was last amended in 2019, clarify its intended application and for consistency with other proposed changes.
- Amend Classifications 5183(2)/5187(2), *Refrigeration Equipment*, to clarify its intended application and increase the hourly wage threshold from \$26.00 to \$28.00 per hour to reflect wage inflation since the threshold was last amended in 2014.
- Amend Classification 9096, *Residential Cleaning Services*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 9079(1), *Restaurants or Taverns*, to clarify its intended application and provide direction as to how related operations should be classified.

- Amend Classification 1699, *Rock, Mineral or Glass Wool Mfg.*, for clarity.
- Amend Classifications 5552/5553, *Roofing*, to clarify its intended application and increase the hourly wage threshold from \$25.00 to \$27.00 per hour to reflect wage inflation since the threshold was last amended in 2018.
- Amend Classification 9531(2), *Satellite Television or Internet Antenna Equipment Installation, Service or Repair*, to clarify its intended application.
- Amend Classification 3152(3), *Screw Machine Products Mfg.*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 7605, *Security Alarm, Fire Alarm or Life Safety Systems Installation, Service or Repair*, to clarify its intended application.
- Amend Classifications 6307/6308, *Sewer Construction*, to increase the hourly wage threshold from \$31.00 to \$34.00 per hour to reflect wage inflation since the threshold was last amended in 2018.
- Amend Classification 9402, *Sewer, Tank or Hazardous Spill Cleaning*, to provide direction as to how related operations should be classified.
- Amend Classifications 5538(1)/5542(1), *Sheet Metal Work*, to clarify its intended application.
- Amend Classification 4492, *Sign Mfg. – metal, plastic or wood*, which is part of the *Sign* Industry Group, to clarify its intended application and provide direction as to how related operations should be classified.
- Eliminate Classification 9507(2), *Sign Mfg. – quick sign shops*, which is part of the *Sign* Industry Group, and reassign the operations described by this classification to Classification 9507(1), *Sign Painting or Lettering*.
- Amend Classification 9507(1), *Sign Painting or Lettering*, which is part of the *Sign* Industry Group, to include quick sign shop operations, clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 1741(1), *Silica Grinding*, to direct that employees engaged exclusively in delivery of the finished product shall be separately classified as 8232(2), *Building Material Dealers*.
- Amend Classification 4720, *Soap or Synthetic Detergent Mfg.*, to clarify its intended application.
- Amend Classification 3165(3), *Solar Panel Mfg.*, for consistency with other proposed changes.
- Amend Classification 5184, *Steam Pipe or Boiler Insulation*, to clarify its intended application.
- Amend Classifications 5632/5633, *Steel Framing*, 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 2018.

- Amend Classification 8061, *Stores – convenience*, which is part of the *Stores* Industry Group, for consistency with other citations within the USRP.
- Amend Classification 8001, *Stores – florists*, which is part of the *Stores* Industry Group, to clarify its intended application.
- Amend Classification 8006(2), *Stores – fruit or vegetables*, which is part of the *Stores* Industry Group, for consistency with other citations within the USRP.
- Amend Classification 8004, *Stores – garden supplies*, which is part of the *Stores* Industry Group, to clarify its intended application, provide direction as to how related operations should be classified and for consistency with other *Stores* Industry Group classifications.
- Establish Classification 8010, *Stores – hardware, electrical or plumbing supplies*, as part of the *Stores* Industry Group, to apply to the sale of hardware, electrical and plumbing supplies to wholesale and retail customers.
- Eliminate Classification 8017(7), *Stores – hardware*, and reassign the operations described by this classification to Classifications 8010, *Stores – hardware, electrical or plumbing supplies*, 8107, *Machinery Dealers*, 8116, *Farm Machinery Dealers or Repair Facilities*, or 8057, *Boat Dealers*, depending on the operations performed.
- Amend Classification 8013(1), *Stores – jewelry*, which is part of the *Stores* Industry Group, for consistency with previously approved changes.
- Amend Classification 8064, *Stores – office supplies*, which is part of the *Stores* Industry Group, for consistency with other citations within the USRP.
- Amend Classification 8060, *Stores – wine, beer or spirits*, which is part of the *Stores* Industry Group, for consistency with other proposed changes.
- Amend Classification 8041, *Stores – wine or spirits*, which is part of the *Stores* Industry Group, to clarify its intended application, provide direction as to how related operations should be classified and for consistency with other proposed changes.
- Amend Classification 5507, *Street or Road Construction – grading*, to clarify its intended application.
- Amend Classification 7365, *Taxicab Operations*, to increase the minimum annual payroll per taxicab from \$37,000 to \$38,400 to reflect wage inflation since the threshold was last amended in 2019.
- Amend Classification 9531(1), *Telecommunication Antenna Equipment Installation, Service or Repair*, to clarify its intended application.
- Amend Classification 5650, *Termite Control Work*, to clarify its intended application.
- Amend Classification 9156, *Theaters – dance, opera and theater companies*, to increase the annual payroll limitation for performers and directors of performers from \$133,900 to \$139,100 per person to reflect wage inflation since the payroll limitation was last amended in 2019.

- Amend Classification 9151, *Theaters – musical entertainment*, to increase the annual payroll limitation for performers and directors of performers from \$133,900 to \$139,100 per person to reflect wage inflation since the payroll limitation was last amended in 2019.
- Amend Classification 0106, *Tree Pruning, Repairing or Trimming*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 7219(1), *Trucking Firms*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 9522(2), *Upholstering – furniture*, for clarity.
- Amend Classification 9522(1), *Upholstering – N.O.C.*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 7607(1), *Video Post-Production*, to clarify its intended application, provide direction as to how related operations should be classified, direct that the maximum payroll amount shall 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 to limit an employee's annual payroll to \$139,100.
- Amend Classifications 5446/5447, *Wallboard Installation*, 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 2018.
- Amend Classification 0400(2), *Warehouses – cotton*, to include cotton dealers or merchants.
- Amend Classification 8292, *Warehouses – general merchandise*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classification 3169(2), *Water Heater Mfg.*, to clarify its intended application and provide direction as to how related operations should be classified.
- Amend Classifications 6315(1)/6316(1), *Water Mains or Connections Construction*, to increase the hourly wage threshold from \$31.00 to \$34.00 per hour to reflect wage inflation since the threshold was last amended in 2018.
- Amend Classifications 5474(2)/5482(2), *Waterproofing*, to clarify its intended application and increase the hourly wage threshold from \$26.00 to \$28.00 per hour to reflect wage inflation since the threshold was last amended in 2018.
- Amend Classification 9519(4), *Water Softening, Conditioning or Filtration Systems*, to provide direction as to how related operations should be classified.
- Amend Classification 3365, *Welding or Cutting*, to provide direction as to how related operations should be classified.
- Amend Classification 3131(3), *Wine Bottle Cork, Cap, Capsule or Wire Cork Retainer Mfg.*, to provide direction as to how related operations should be classified and for clarity.

- Amend Part 3, Section VIII, *Abbreviated Classifications – Numeric Listing*, for consistency with other proposed changes.
 - Amend Part 3, Section V, *Loss Information*, Rule B, *Loss Data Elements*, Subrule 6, *Type of Settlement*, to correct a cross-reference.
13. Amend Appendix I, *Construction and Erection Classifications*, to remove Classification 3365, *Welding or Cutting*, as a *Construction or Erection* classification and for clarity and consistency with current classification phraseology.
 14. Amend Appendix IV, *Classifications Including Clerical Office Employees or Outside Salespersons*, for consistency with previously approved changes.

Amendments to the *Miscellaneous Regulations for the Recording and Reporting of Data—1995*, Title 10, California Code of Regulations, Section 2318.6, Effective January 1, 2020

1. Amend Part 1, *General Provisions*, Section I, *Introduction*, Rule 2, *Effective Date*, to show that the effective date of the amended *Miscellaneous Regulations* is 12:01 AM, January 1, 2020.
2. Amend Part 1, Section III, *Inquiries, Complaints and Requests for Action, Reconsideration and Appeals*, Rule 1, *Purpose and Time Limitation*, for consistency with the *California Workers' Compensation Experience Rating Plan—1995*.
3. Amend Part 1, Section III, Rule 5, *Revisions*, for clarity.
4. Amend Part 3, *Group Workers' Compensation Insurance*, Section II, *Procedure for Obtaining Approval of Group Workers' Compensation Insurance*, to remove the non-statutorily required insurer submissions for group insurance policies and for clarity.

Amendments to the *California Workers' Compensation Experience Rating Plan—1995*, Title 10, California Code of Regulations, Section 2318.6, Effective January 1, 2020

1. Amend Section I, *General Provisions*, Rule 2, *Effective Date*, to show that the effective date of the amended *Experience Rating Plan* is 12:01 AM, January 1, 2020.
2. Amend Section III, *Eligibility and Experience Period*, Rule 1, *Eligibility Requirements for California Workers' Compensation Insurance*, to adjust the eligibility threshold from \$10,000 to \$9,700 to reflect wage inflation and the proposed January 1, 2020 expected loss rates.
3. Amend Section VII, *Inquiries, Complaints and Requests for Action, Reconsideration and Appeals*, Rule 3, *Complaints and Requests for Action*, for consistency with other regulatory plans.
4. Amend Table I, *Expected Loss Rates and D-Ratios*, to reflect the most current data available.

CONTACT PERSON

The name and telephone number of the agency representative and designated contact person are listed above under “WRITTEN COMMENT PERIOD.”

AVAILABILITY STATEMENTS

The Commissioner has prepared an Informative Digest included in this Notice that sets forth a summary and the reasons for the proposed regulations. Upon request to the contact persons above, the text of the proposed regulations shall be made available for inspection and copying.

The file for this action, which includes a copy of the proposed regulations, the WCIRB’s filing, and any supplemental information, is contained in the Rulemaking File: REG-2019-00019 and is available for inspection and copying by prior appointment at 45 Fremont Street, 21st Floor, San Francisco, California 94105, between the hours of 9:00 A.M. and 5:00 P.M., Monday through Friday.

The express terms of the proposed regulations as contained in the WCIRB’s filing may also be viewed or downloaded from the Regulatory Filings section of the WCIRB website: www.wcirb.com.

INTERNET ACCESS

Documents concerning these proposed regulations are available on the Department’s website at the following link: www.insurance.ca.gov/0250-insurers/0500-legal-info/0200-regulations/proposed-regulations.cfm.

APPROVAL OF REGULATIONS

Following the time period to receive written comment, the Insurance Commissioner may approve regulations substantially as described in this Notice and Informative Digest, or he may approve modified regulations or refuse to approve the regulations. Notice of the Insurance Commissioner’s action will be sent to all persons who have requested notice of the Commissioner’s action.