

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

NOTICE OF PROPOSED ACTION AND NOTICE OF PUBLIC HEARING

**SEPTEMBER 1, 2022 WORKERS' COMPENSATION INSURANCE RATING
RULES FILING**

March 18, 2022

File No. REG-2022-00006

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 February 28, 2022. 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 September 1, 2022, 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 virtual 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:

April 26, 2022 – 10:00 A.M.
California Department of Insurance

TO ATTEND VIRTUAL HEARING VIA ONLINE PLATFORM

Link to Register for the Web-based Virtual Format:

https://us06web.zoom.us/webinar/register/WN_-4Kw8fifT5uWtv_BFYtaTQ

Meeting Name: September 1, 2022 Workers' Compensation Insurance
Classification and Rating Rules

TO ATTEND VIRTUAL HEARING BY TELEPHONE

**To join by telephone dial:
USA 215 446 3649 US Toll
USA 888 557 8511 US Toll-free
Conference code: 832767**

Any interested person(s) may present oral testimony at the virtual web conference hearing during the public comment period. Participants will be given instructions on how to provide testimony once they have accessed the hearing.

Individuals attending the virtual hearing via the online platform must register with the virtual web conference provider using a valid e-mail address in order to attend the hearing.

Individuals attending the virtual hearing by telephone only will not be able to view the hearing, and will be placed on mute. Telephonic attendees who wish to make oral comments at the public hearing must, either in advance or at the time of the hearing, notify the Department by e-mail to: CDIRegulations@insurance.ca.gov and provide the telephone number that they will use at the hearing so that the hearing officers can identify those callers who would like to comment.

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 Virtual Public Hearing

This hearing will be open to the public. To make it possible to view and participate in the public hearing online, you must register with the web-based virtual conferencing application identified above, using a valid e-mail address. We request that you provide your name(s), the name of the organization you represent, and your contact information, including email address. Providing personally identifiable information is not required to attend the hearing and all attendees are invited to participate regardless of whether such information has been provided. Alternatively, you may attend and participate telephonically. We request that if you wish to provide oral comments telephonically, that you e-mail us either in advance of or at the time of the hearing and provide the telephone number you will use at the hearing.

The public hearing is accessible to persons with mobility impairment. Persons with sight or hearing impairments are requested to notify the contact person for this hearing (listed below) in order to make specific 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, April 26, 2022**. Please direct all written comments to the following contact person:

Brentley Yim, Attorney
California Department of Insurance
1901 Harrison St., 4th Floor
Oakland, CA 94612
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:

Yvonne Hauscarriague, Attorney
California Department of Insurance
1901 Harrison St., 6th Floor
Oakland, CA 94612
Telephone: (415) 538-4417
yvonne.hauscarriague@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, April 26, 2022**. 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 September 1, 2022

1. Amend Part 1, *General Provisions*, 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, 2022.
2. Amend Part 1, Section V, *Inquiries, Complaints and Requests for Action, Reconsideration and Appeals*, Rule 3, *Complaints and Requests for Action*, to update the WCIRB's mailing address.
3. Amend Part 2, *Policy Reporting Requirements*, Section III, *Reporting Requirements*, Rule 1, *Header Record (Record 01)*, Subrule a, *Legal Nature of Insured Code*, for consistency with the Workers Compensation Insurance Organizations' (WCIO) Workers Compensation Policy Reporting Specifications (WCPOLS).
4. Amend Part 3, *Standard Classification System*, Section III, *General Classification Procedures*, Rule 4, *Standard Exceptions*, Subrule c, *Standard Exception Classification Procedures*, for consistency with previously approved changes.
5. Amend Part 3, Section III, Rule 5, *General Inclusions*, Subrule k, and Rule 6, *General Exclusions*, Subrule g, for consistency with previously approved changes, and eliminate Rule 7, *Coronavirus Disease 2019 (COVID-19)* as the rule is no longer necessary.
6. Amend Part 3, Section IV, *Special Industry Classification Procedures*, to (1) revise Rule 2, *Construction or Erection Work*, and Rule 8, *Labor Contractors*, for clarity and consistency with previously approved changes, and (2) eliminate Rule 5, *Mining*, as these procedures are no longer necessary because the rules specific to mining are either no longer relevant or are redundant with general rules contained in the USRP.
7. 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 2021.

8. Amend Part 3, Section VI, *Administration of Classification System*, Rule 1, *Inspection of Employer's Premises*, to update the WCIRB's mailing address.
9. Amend Part 3, Section VII, *Standard Classifications*, Rule 1, *Classification Section*, subrule a, *Industry Groups*, for consistency with other industry group naming conventions and to eliminate Mining from the list of industry groups as it is no longer necessary with the elimination of Classifications 1123 and 1124, resulting in some mining operations falling outside of this industry grouping, and leaving only two mining classifications remaining.
10. Amend Part 3, Section VII, *Standard Classifications*, Rule 2, *Standard Classifications*, as follows:
 - Amend Classification 3805(1), *Aircraft Engine Mfg. or Rebuilding*, to clarify the intended application and provide direction as to how related operations should be classified.
 - Amend Classification 7410, *Aircraft Operation – agricultural – dusting, spraying or seeding – not members of the flying crew*, which is part of the Aircraft Operation Industry Group, for consistency with previously approved changes.
 - 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, for consistency with previously approved changes.
 - Amend Classification 3830(1), *Aircraft or Spacecraft Mfg.*, to provide direction as to how related operations should be classified.
 - Amend Classification 7428(3), *Aircraft Remanufacture, Conversion, Modification and Repair Companies*, to clarify the intended application and provide direction as to how related operations should be classified.
 - Amend Classification 9016(1), *Amusement or Recreational Facilities – N.O.C. – all employees other than those engaged in the operation or maintenance of amusement devices, restaurants or retail stores*, for consistency with other proposed changes.
 - Amend Classification 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices – including ticket collectors connected therewith*, for clarity and consistency with other proposed changes.
 - Amend Classification 9181, *Athletic Teams or Athletic Facilities – players, umpires, referees and game officials*, to increase the annual payroll limitation for players from \$144,300 to \$149,500 per player per season to reflect wage inflation since the payroll limitation was last amended in 2021.

- Amend Classification 7607(2), *Audio Post-Production*, to increase the annual payroll limitation from \$144,300 to \$149,500 per person to reflect wage inflation since the payroll limitation was last amended in 2021.
- Amend the cross-reference for Classification 3681(4), *Audio/Video Electronic Products Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Establish a new cross-reference for Classification 8874(4), *Audio/Video Electronic Products Mfg. – hardware or software design or development*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend Classification 8803, *Auditing, Accounting or Management Consulting Services*, to increase the annual payroll limitation from \$144,300 to \$149,500 per person to reflect wage inflation since the payroll limitation was last amended in 2021.
- Amend Classifications 5185/5186, *Automatic Sprinkler Installation*, 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 2020.
- Amend Classification 3828, *Automobile or Truck Parts Rebuilding*, which is part of the Automotive Industry Group, to provide direction as to how related operations should be classified.
- Amend Classification 8388, *Rubber Tire Dealers*, which is part of the Automotive Industry Group, to clarify the intended application and provide direction as to how related operations should be classified.
- Amend Classification 8808, *Banks*, to limit an employee's annual payroll to \$149,500.
- Amend Classification 4512, *Biomedical Research Laboratories*, to include Clerical Office Employees and Clerical Telecommuter Employees.
- Amend Classification 8232(2), *Building Material Dealers*, to (1) include the sale of stone materials, stone slabs or fabricated stone products, and the sale of countertops, (2) provide direction to separately classify employees engaged in cashiering operations or selling, stocking, handling or delivering store merchandise when the sale of store merchandise at a single location exceeds 25% of gross receipts, (3) provide direction as to how related operations should be classified, and (4) for clarity.
- Amend Classification 9185, *Carnivals or Circuses*, to reassign circus operations to Classifications 9154, *Theaters – not motion picture*, and 9156, *Theaters – dance, opera or theater companies*.
- Amend Classifications 5403/5432, *Carpentry*, to increase the hourly wage threshold from \$35.00 to \$39.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classification 8850, *Check Cashers*, for consistency with previously approved changes.
- Amend Classification 8840, *Churches, Temples, Mosques and Synagogues – clergy, professional assistants, organists or members of choir*, to clarify the intended application, provide direction as to how related operations should be classified and for consistency with previously approved changes.

- Amend the cross-reference for Classification 9011(2), *Commercial and Residential Mixed-Use Building Operation – not Homeowners Associations – all other employees*, for consistency with previously approved changes.
- Amend Classifications 5195, *Communications Cabling*, to clarify the intended application and provide direction as to how related operations should be classified.
- Amend the cross-reference for Classification 3070, *Computer Memory Disk Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend the cross-reference for Classification 3681(2), *Computer or Computer Peripheral Equipment Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Establish a new cross-reference for Classification 8874(2), *Computer or Computer Peripheral Equipment Mfg. – hardware or software design or development*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend Classification 8859(1), *Computer Programming or Software Development*, to increase the annual payroll limitation from \$144,300 to \$149,500 per person to reflect wage inflation since the payroll limitation was last amended in 2021.
- 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 \$28.00 to \$32.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- 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 \$28.00 to \$32.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classification 6325, *Conduit Construction or Underground Wiring*, to clarify the intended application and provide direction as to how related operations should be classified.
- Amend Classification 0401, *Cotton Gin Operation – during both active and dormant seasons*, for consistency with other proposed changes.
- Amend Classification 8801, *Credit Unions*, to limit an employee's annual payroll to \$149,500.
- Amend Classification 6011, *Dam Construction*, for consistency with other proposed changes.
- Amend Classification 4692, *Dental Laboratories*, for consistency with other proposed changes.
- Amend the cross-reference for Classification 8839, *Dentists and Dental Surgeons*, for consistency with other proposed changes.
- Amend Classification 7721(1), *Detective or Private Investigative Agencies*, to provide direction as to how related operations should be classified.

- Amend Classification 2589(2), *Dry Cleaning – N.O.C.*, to clarify the intended application and provide direction as to how related operations should be classified.
- Amend Classification 2589(1), *Dry Cleaning or Laundry*, to clarify the intended application and provide direction as to how related operations should be classified.
- Amend Classification 2585(2), *Dyeing*, to clarify the intended application and provide direction as to how related operations should be classified.
- Amend the cross-reference for Classification 3643(2), *Electric Control Panel or Switchgear Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend the cross-reference for Classification 3643(1), *Electric Power or Transmission Equipment Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend the cross-reference for Classification 3179, *Electrical Apparatus Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend the cross-reference for Classification 3568, *Electrical Connector Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend the cross-reference for Classification 3651, *Electrical Wire Harness Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend Classifications 5190/5140, *Electrical Wiring*, to clarify the intended application, provide direction as to how related operations should be classified and increase the hourly wage threshold from \$32.00 to \$34.00 per hour to reflect wage inflation since the threshold was last amended in 2018.
- Amend the cross-reference for Classification 3178, *Electronic Element Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend Classification 3681(4), *Audio/Video Electronic Products Mfg.*, which is part of the Electronics Industry Group, to reference the corresponding proposed companion Classification 8874(4), *Audio/Video Electronic Products Mfg. – hardware or software design or development*, and for consistency with other proposed changes.
- Establish Classification 8874(4), *Audio/Video Electronic Products Mfg. – hardware or software design or development*, as a companion classification in the Electronics Industry Group to apply to hardware or software design or development and clerical office or outside sales operations performed in connection with manufacturing operations assigned to Classification 3681(4), *Audio/Video Electronic Products Mfg.*, 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 limit an employee's annual payroll to \$149,500.
- Amend Classification 3681(2), *Computer or Computer Peripheral Equipment Mfg.*, which is part of the Electronics Industry Group, to reference the corresponding proposed companion Classification 8874(2), *Computer or*

Computer Peripheral Equipment Mfg. – hardware or software design or development, and for consistency with other proposed changes.

- Establish Classification 8874(2), *Computer or Computer Peripheral Equipment Mfg. – hardware or software design or development*, as a companion classification in the Electronics Industry Group to apply to hardware or software design or development and clerical office or outside sales operations performed in connection with manufacturing operations assigned to Classification 3681(2), *Computer or Computer Peripheral Equipment Mfg.*, 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 limit an employee's annual payroll to \$149,500.
- Amend Classification 3643(1), *Electric Power or Transmission Equipment Mfg.*, which is part of the Electronics Industry Group, to provide direction as to how related operations should be classified.
- Amend Classification 3681(1), *Instrument Mfg.*, which is part of the Electronics Industry Group, to reference the corresponding proposed companion Classification 8874(1), *Instrument Mfg. – electronic – professional or scientific – hardware or software design or development*, and for consistency with other proposed changes.
- Establish Classification 8874(1), *Instrument Mfg. – electronic – professional or scientific – hardware or software design or development*, as a companion classification in the Electronics Industry Group to apply to hardware or software design or development and clerical office or outside sales operations performed in connection with manufacturing operations assigned to Classification 3681(1), *Instrument Mfg. – electronic – professional or scientific*, 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 limit an employee's annual payroll to \$149,500.
- Amend Classification 4112, *Integrated Circuit and Semiconductor Wafer Mfg.*, which is part of the Electronics Industry Group, to reference the corresponding proposed companion Classification 8874(5), *Integrated Circuit and Semiconductor Wafer Mfg. – hardware or software design or development*, and for consistency with other proposed changes.
- Establish Classification 8874(5), *Integrated Circuit and Semiconductor Wafer Mfg. – hardware or software design or development*, as a companion classification in the Electronics Industry Group to apply to hardware or software design or development and clerical office or outside sales operations performed in connection with manufacturing operations assigned to Classification 4112, *Integrated Circuit and Semiconductor Wafer Mfg.*, 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 limit an employee's annual payroll to \$149,500.
- Amend Classification 3681(3), *Telecommunications Equipment Mfg.*, which is part of the Electronics Industry Group, to reference the corresponding proposed companion Classification 8874(3), *Telecommunications*

Equipment Mfg.— *hardware or software design or development*, and for consistency with other proposed changes.

- Establish Classification 8874(3), *Telecommunications Equipment Mfg. – hardware or software design or development*, as a companion classification in the Electronics Industry Group to apply to hardware or software design or development and clerical office or outside sales operations performed in connection with manufacturing operations assigned to Classification 3681(3), *Telecommunications Equipment Mfg.*, 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 limit an employee's annual payroll to \$149,500.
- Amend Classification 8601(1), *Engineers*, to limit an employee's annual payroll to \$149,500.
- Amend Classification 9095, *Event Market, Festival or Trade Show Operation*, for clarity and consistency with other proposed changes.
- Amend Classifications 6218(1)/6220(1), *Excavation – N.O.C.*, to increase the hourly wage threshold from \$34.00 to \$39.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classification 1624(2), *Excavation – rock*, for consistency with other proposed changes.
- Eliminate Classification 0044, *Cotton Farms*, which is part of the Farms Industry Group, as its advisory pure premium rate has reached alignment with that of Classification 0171, *Field Crops*, after combining for ratemaking purposes due to low statistical credibility, and reassign the operations to Classification 0171.
- Amend Classification 0171, *Field Crops*, which is part of the Farms Industry Group, to clarify that it includes the cultivation and harvesting of cotton as Classification 0044, *Cotton Farms*, is being eliminated, and provide direction as to how related operations should be classified.
- Amend Classification 0172, *Truck Farms*, which is part of the Farms Industry Group, for consistency with other proposed changes.
- Amend Classification 2163, *Bottling*, which is part of the Food Packaging and Processing Industry Group, to remove the reference to the General Inclusions rule, clarify the intended application and provide direction as to how related operations should be classified.
- Amend Classification 2121, *Breweries*, which is part of the Food Packaging and Processing Industry Group, to remove the reference to the General Inclusions rule.
- Amend Classification 2063, *Dairy Products or Ice Mfg.*, which is part of the Food Packaging and Processing Industry Group, to remove the reference that can manufacturing should be separately classified and provide direction as to how related operations should be classified.
- Amend Classification 2142(2), *Distilling – N.O.C.*, which is part of the Food Packaging and Processing Industry Group, to remove the reference that bottle manufacturing should be separately classified.
- Amend Classification 2113, *Fish or Seafood Products Mfg. – including packaging.*, which is part of the Food Packaging and Processing Industry

Group, to remove the references that can manufacturing and rendering of fish oil should be separately classified.

- Amend Classification 2116, *Fruit or Vegetable Juice or Concentrate Mfg.*, which is part of the Food Packaging and Processing Industry Group, to remove the reference that bottle or can manufacturing should be separately classified, clarify the intended application and provide direction as to how related operations should be classified.
- Amend Classification 2111(3), *Fruit or Vegetable Pickling*, which is part of the Food Packaging and Processing Industry Group, to clarify the intended application, provide direction as to how related operations should be classified and for consistency with other proposed changes.
- Amend Classification 2111(1), *Fruit or Vegetable Preserving*, which is part of the Food Packaging and Processing Industry Group, to remove the reference that can manufacturing should be separately classified, provide direction as to how related operations should be classified and for consistency with other proposed changes.
- Amend Classification 2117, *Fruit or Vegetable Processing – frozen*, which is part of the Food Packaging and Processing Industry Group, to remove the reference that can manufacturing should be separately classified and for consistency with other proposed changes.
- Amend Classification 2095, *Meat Products Mfg.*, which is part of the Food Packaging and Processing Industry Group, to remove the reference that can manufacturing should be separately classified and 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 provide direction as to how related operations should be classified.
- Amend Classification 2111(2), *Olive Handling – sorting, curing and canning*, which is part of the Food Packaging and Processing Industry Group, to clarify the intended application, remove the reference that can manufacturing should be separately classified and for consistency with other proposed changes.
- Amend Classification 2142(3), *Vinegar Mfg.*, which is part of the Food Packaging and Processing Industry Group, to remove the reference that bottle manufacturing should be separately classified.
- Amend Classification 4831, *Vitamin or Dietary Supplement Mfg.*, which is part of the Food Packaging and Processing Industry Group, to remove the reference that container manufacturing is included in the classification and for clarity.
- Amend Classification 2142(1), *Wineries*, which is part of the Food Packaging and Processing Industry Group, to remove the reference that bottle manufacturing should be separately classified and for consistency with other proposed changes.
- Amend Classification 8601(4), *Forest Engineers*, to limit an employee's annual payroll to \$149,500 and clarify the intended application.
- Amend Classifications 6315(2)/6316(2), *Gas Mains or Connections Construction*, to increase the hourly wage threshold from \$34.00 to \$39.00

per hour to reflect wage inflation since the threshold was last amended in 2020.

- Amend Classifications 5467/5470, *Glaziers*, to increase the hourly wage threshold from \$33.00 to \$36.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classifications 6218(2)/6220(2), *Grading Land*, to increase the hourly wage threshold from \$34.00 to \$39.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classification 8839, *Dentists and Dental Surgeons*, which is part of the Health and Human Services Industry Group, to clarify the intended application and provide direction as to how related operations should be classified.
- Amend Classification 8827(2), *Nursing Care*, to clarify the intended application.
- Amend Classifications 5538(2)/5542(2), *Heating or Air Conditioning Ductwork*, to increase the hourly wage threshold from \$27.00 to \$29.00 per hour to reflect wage inflation since the threshold was last amended in 2014.
- Amend Classifications 5183(3)/5187(3), *Heating or Air Conditioning Equipment*, to increase the hourly wage threshold from \$28.00 to \$31.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classification 8720(1), *Inspection for Insurance, Safety or Valuation Purposes*, to provide direction as to how related operations should be classified and for consistency with previously approved changes.
- Establish a new cross-reference for Classification 8874(1), *Instrument mfg. – electronic – professional or scientific – hardware or software design or development*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend the cross-reference for Classification 3681(1), *Instrument Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend Classification 8822, *Insurance Companies*, to limit an employee's annual payroll to \$149,500.
- Amend the cross-reference for Classification 4112, *Integrated Circuit and Semiconductor Wafer Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Establish a new cross-reference for Classification 8874(5), *Integrated Circuit and Semiconductor Wafer Mfg. – hardware or software design or development*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend Classification 8859(2), *Internet or Web-Based Application Development or Operation*, to increase the annual payroll limitation from \$144,300 to \$149,500 per person to reflect wage inflation since the payroll limitation was last amended in 2021.
- Amend Classification 5102, *Iron, Steel, Brass, Bronze or Aluminum Erection – non-structural*, for clarity.

- Amend Classifications 6218(3)/6220(3), *Land Leveling*, to increase the hourly wage threshold from \$34.00 to \$39.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classification 2585(1), *Laundries*, to clarify the intended application and provide direction as to how related operations should be classified.
- Amend Classification 8821, *Law Firm Support Services*, to provide direction as to how related operations should be classified and for clarity.
- Amend Classification 8820, *Law Firms*, to increase the annual payroll limitation from \$144,300 to \$149,500 per person to reflect wage inflation since the payroll limitation was last amended in 2021.
- Amend Classification 9015(5), *Libraries – private – all employees other than librarians, professional assistants, Clerical Office Employees or Clerical Telecommuter Employees*, for consistency with previously approved changes.
- Amend Classification 8811, *Libraries – private – librarians or professional assistants*, for consistency with previously approved changes.
- Amend Classification 8232(1), *Lumberyards*, to separately classify employees engaged in cashiering operations or selling, stocking, handling or delivering store merchandise when the sale of store merchandise at a single location exceeds 25% of gross receipts.
- Amend Classification 3831, *Machine Shops – aircraft components*, to clarify the intended application and provide direction as to how related operations should be classified.
- Amend Classification 3632, *Machine Shops – N.O.C.*, to provide direction as to how related operations should be classified.
- Amend Classifications 5027/5028, *Masonry*, to increase the hourly wage threshold from \$28.00 to \$32.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend the cross-reference for Classification 3572, *Medical Instrument Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend Classification 3030, *Iron or Steel Works – structural*, which is part of the Metal Working Classifications Industry Group, for clarity.
- Amend Classification 3647(2), *Lead Mfg., Reclaiming or Alloying*, which is part of the Metal Working Classifications Industry Group, to clarify the intended application.
- Amend Classification 3039, *Reinforcing Steel Fabrication*, which is part of the Metal Working Classifications Industry Group, for clarity.
- Amend Classification 1452, *Mining – ore milling*, to provide direction as to how related operations should be classified.
- Amend Classification 1122, *Mining – surface*, for consistency with other proposed changes.
- Eliminate Classification 1124, *Mining – underground – surface employees*, due to its low statistical credibility and reassign the operations to Classification 6251, *Tunneling or Underground Mining*.
- Eliminate Classification 1123, *Mining – underground – with shafts, tunnels or drifts; all employees with exposure to underground mining operations*, due to

its low statistical credibility, and reassign the operations to Classification 6251, *Tunneling or Underground Mining*.

- Amend Classification 8749, *Mortgage Bankers*, to limit an employee's annual payroll to \$149,500.
- Amend Classification 8743, *Mortgage Brokers*, to increase the annual payroll limitation from \$144,300 to \$149,500 per person to reflect wage inflation since the payroll limitation was last amended in 2021.
- Amend Classification 9610, *Motion Pictures – production*, to increase the annual payroll limitation for actors, musicians, producers and the motion picture director from \$144,300 to \$149,500 per person to reflect wage inflation since the payroll limitation was last amended in 2021 and for consistency with previously approved changes.
- Amend Classification 8812, *Libraries – public – librarians or professional assistants*, which is part of the Municipal, State or Other Public Agencies Industry Group, to clarify the intended application and for consistency with previously approved changes.
- Amend Classification 8875(1), *Public Colleges or Schools – all employees*, which is part of the Municipal, State or Other Public Agencies Industry Group, for consistency with previously approved changes.
- Eliminate the cross reference to Classification 1452, *Mining – ore milling*, for consistency with other proposed changes.
- Amend Classifications 5474(1)/5482(1), *Painting or Wallpaper Installation*, to increase the hourly wage threshold from \$28.00 to \$31.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classifications 5474(3)/5482(3), *Painting – water, oil or gasoline storage tanks*, to increase the hourly wage threshold from \$28.00 to \$31.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classification 8601(2), *Oil or Gas Geologists or Scouts*, which is part of the Petroleum Industry Group, to limit an employee's annual payroll to \$149,500.
- Amend Classifications 5484/5485, *Plastering or Stucco Work*, to increase the hourly wage threshold from \$32.00 to \$36.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classifications 5183(1)/5187(1), *Plumbing*, to increase the hourly wage threshold from \$28.00 to \$31.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend the cross-reference for Classification 3573, *Power Supply Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend the cross-reference for Classification 3577, *Printed Circuit Board Assembling*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend the cross-reference for Classification 4354, *Printed Circuit Board Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.

- Amend Classification 8813(2), *Bookbinding Operation – editing, designing, proofreading and photographic composing*, which is part of the Printing, Publishing and Duplicating Industry Group, for consistency with previously approved changes and for clarity.
- Amend Classification 8807, *Newspaper, Magazine or Book Publishing*, which is part of the Printing, Publishing and Duplicating Industry Group, for consistency with previously approved changes and for clarity.
- Amend Classification 8818, *Newspaper Publishing or Printing – editing, designing, proofreading and photographic composing*, which is part of the Printing, Publishing and Duplicating Industry Group, for consistency with previously approved changes and for clarity.
- Amend Classification 8813(1), *Printing Operation – editing, designing, proofreading and photographic composing*, which is part of the Printing, Publishing and Duplicating Industry Group, for consistency with previously approved changes and for clarity.
- Amend Classification 8846(1), *Printing Operation – screen printing – editing, designing, proofreading and photographic composing*, which is part of the Printing, Publishing and Duplicating Industry Group, for consistency with previously approved changes and for clarity.
- Amend Classification 8846(2), *Screen Printed Merchandise Dealers*, which is part of the Printing, Publishing and Duplicating Industry Group, for consistency with previously approved changes and for clarity.
- 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 previously approved changes.
- Amend Classification 9007, *Apartment or Condominium Complex Operation for Seniors – age restricted – not Congregate Living Facilities or Homeowners Associations – all other employees*, which is part of the Property Management/Operation Industry Group, for consistency with previously approved 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 previously approved changes.
- Amend Classification 9010, *Mobile Home Park Operation – all other employees*, which is part of the Property Management/Operation Industry Group, for consistency with previously approved changes.
- Amend Classification 8741, *Real Estate Agencies*, which is part of the Property Management/Operation Industry Group, to limit an employee's annual payroll to \$149,500.
- Amend Classification 8290, *Warehouses – self-storage – all other employees*, which is part of the Property Management/Operation Industry Group, for consistency with previously approved changes.
- Amend Classification 1624(1), *Quarries*, for consistency with other proposed changes.

- Amend Classification 7610, *Radio, Television or Commercial Broadcasting Stations*, to increase the annual payroll limitation for on-air personalities, entertainers and musicians from \$144,300 to \$149,500 per person to reflect wage inflation since the payroll limitation was last amended in 2021.
- Amend Classifications 5183(2)/5187(2), *Refrigeration Equipment*, to increase the hourly wage threshold from \$28.00 to \$31.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classification 5225, *Reinforcing Steel Installation*, to clarify the intended application and provide direction as to how related operations should be classified.
- Amend Classifications 5552/5553, *Roofing*, to increase the hourly wage threshold from \$27.00 to \$29.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classifications 6307/6308, *Sewer Construction*, to increase the hourly wage threshold from \$34.00 to \$39.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classifications 5538(1)/5542(1), *Sheet Metal Work*, to increase the hourly wage threshold from \$27.00 to \$29.00 per hour to reflect wage inflation since the threshold was last amended in 2014.
- Amend Classification 4492, *Sign Mfg.*, which is part of the Sign Industry Group, for consistency with previously approved changes.
- Amend Classification 9507, *Sign Painting or Lettering and Quick Sign Shops*, which is part of the Sign Industry Group, for consistency with previously approved changes.
- Amend Classification 1438, *Smelting, Sintering, Refining or Alloying*, for consistency with other proposed changes.
- Amend Classifications 5632/5633, *Steel Framing*, to increase the hourly wage threshold from \$35.00 to \$39.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
- Amend Classification 1803, *Stone Cutting or Fabrication*, for consistency with previously approved changes.
- Amend Classification 8042, *Stores – floor covering*, which is part of the Stores Industry Group, for consistency with other proposed changes.
- Amend Classification 8015, *Stores – furniture*, which is part of the Stores Industry Group, for consistency with other proposed changes.
- Amend Classification 8010, *Stores – hardware, electrical or plumbing supplies*, which is part of the Stores Industry Group, for consistency with other proposed changes.
- Amend Classification 8059, *Stores – tile*, which is part of the Stores Industry Group, to (1) include the sale of cabinets, (2) provide direction to separately classify employees engaged in handling, stocking or delivering lumber or building materials when lumber or building material sales exceed 10% of gross receipts, and (3) provide direction as to how related operations should be classified.
- Amend Classification 7365, *Taxicab Operations*, to increase the minimum annual payroll per taxicab from \$39,700 to \$41,000 to reflect wage inflation

since the threshold was last amended in 2021 and for consistency with previously approved changes.

- Amend the cross-reference for Classification 3681(3), *Telecommunications Equipment Mfg.*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Establish a new cross-reference for Classification 8874(3), *Telecommunications Equipment Mfg.— hardware or software design or development*, which is part of the Electronics Industry Group, for consistency with other proposed changes.
- Amend Classification 9529(3), *Tent – erection, removal or repair*, to clarify the intended application.
- Amend Classification 5650, *Termite Control Work*, to provide direction as to how related operations should be classified.
- Amend Classification 9156, *Theaters – dance, opera or theater companies*, to (1) increase the annual payroll limitation for performers and directors of performers from \$144,300 to \$149,500 per person to reflect wage inflation since the payroll limitation was last amended in 2021, (2) include circus employees who are performers or directors of performers, as these operations are more properly assignable to Classification 9156, and (3) clarify the intended application.
- Amend Classification 9155, *Theaters – motion picture*, for clarity and consistency with other proposed changes.
- Amend Classification 9151, *Theaters – musical entertainment*, to increase the annual payroll limitation for performers and directors of performers from \$144,300 to \$149,500 per person to reflect wage inflation since the payroll limitation was last amended in 2021 and for clarity and consistency with other proposed changes.
- Amend Classification 9154, *Theaters – not motion picture*, to include circus employees who are not performers, such as managers, stage technicians, box office employees or ushers, as these operations are more properly assignable to 9154, and to clarify the intended application.
- Amend Classification 6251, *Tunneling*, to include underground mining operations, to provide direction as to how related operations should be classified and for consistency with other proposed changes.
- Amend Classification 8720(4), *Unmanned Aircraft System Operation – aircraft system and payload total combined weight of less than 55 pounds*, for consistency with previously approved changes.
- Amend Classification 7607(1), *Video Post-Production*, to increase the annual payroll limitation from \$144,300 to \$149,500 per person to reflect wage inflation since the payroll limitation was last amended in 2021 and for consistency with previously approved changes.
- Amend Classifications 5446/5447, *Wallboard Installation*, 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 2020.
- Amend Classification 0400, *Warehouses – cotton – including cotton compressing*, for consistency with other proposed changes.

- Amend Classifications 6315(1)/6316(1), *Water Mains or Connections Construction*, to increase the hourly wage threshold from \$34.00 to \$39.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
 - Amend Classifications 5474(2)/5482(2), *Waterproofing*, to increase the hourly wage threshold from \$28.00 to \$31.00 per hour to reflect wage inflation since the threshold was last amended in 2020.
11. Amend Part 3, Section VIII, *Abbreviated Classifications – Numeric Listing*, for consistency with other proposed changes.
 12. Amend Part 4, *Unit Statistical Report Filing Requirements*, Section II, *Definitions*, Rule 12, *Final Premium(s)*, Subrule h, for consistency with the California Department of Industrial Relations' Fiscal Year Assessments.
 13. Amend Part 4, Section IV, *Exposure Information*, Rule 1, *Classification Code*, and Rule 4, *Exposure Amount*, to remove references to Part 3, *Standard Classification System*, Section III, *General Classification Procedures*, Rule 7, *Coronavirus Disease 2019 (COVID-19)*, as the references are no longer necessary.
 14. Amend Part 4, Section V, *Loss Information*, Subsection B, *Loss Data Elements*, Rule 6, *Type of Settlement*, for consistency with Workers Compensation Policy Reporting Specifications (WCPOLS).
 15. Amend Appendix I, *Construction and Erection Classifications*, for consistency with other proposed changes.
 16. Amend Appendix II, *Payroll/Remuneration Table*, to remove a reference to Part 3, *Standard Classification System*, Section III, *General Classification Procedures*, Rule 7, *Coronavirus Disease 2019 (COVID-19)*, as the rule is no longer necessary.
 17. Amend Appendix III, *Injury Description Codes*, Section B, *Nature of Injury (Positions 3-4)*, and Section C, *Cause of Injury (Positions 5-6)*, to add a Nature of Injury code to address any adverse reaction to any vaccination and update the wording for the related Cause of Injury Code and the Pandemic Cause of Injury Code.
 18. Amend Appendix IV, *Classifications Including Clerical Office Employees, Clerical Telecommuter Employees or Outside Salespersons*, for consistency with other proposed changes.

Amendments to the Miscellaneous Regulations for the Recording and Reporting of Data—1995, Title 10, California Code of Regulations, Section 2354, Effective September 1, 2022

1. 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, 2022.

Amendments to the California Workers' Compensation Experience Rating Plan—1995, Title 10, California Code of Regulations, Section 2353.1, Effective September 1, 2022

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, September 1, 2022.
2. Amend Section II, Definitions, Rule 5, Immediate Family, to update the language with gender-neutral terms.
3. Amend Section III, Eligibility and Experience Period, Rule 1, Eligibility Requirements for California Workers' Compensation Insurance, to adjust the eligibility threshold from \$9,500 to \$9,200 to reflect wage inflation and the proposed September 1, 2022 expected loss rates.
4. Amend Section VI, Rating Procedure, Rule 2, Actual Losses and Actual Primary (Ap) Losses, to exclude COVID-19 claims with accident dates from December 1, 2019 through August 31, 2022 from the computation of experience modifications.
5. Amend Section VII, Inquiries, Complaints and Requests for Action, Reconsideration and Appeals, Rule 3, Complaints and Requests for Action, to update the WCIRB's mailing address.
6. Amend Table I, Expected Loss Rates and D-Ratios, to reflect the most current data available.
7. Amend Table II, Primary Thresholds, 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-2022-00006 and is available for inspection and copying by prior

appointment at 1901 Harrison Street, 4th Floor, Oakland, California 94612, 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.