

Governing Committee

Meeting Agenda

Date	Time	Location	Staff Contact
February 8, 2023	9:30 AM	Microsoft Teams Webinar	Kristen Marsh
1901 Harrison Street, 17 th Floor • Oakland, CA 94612 • 415.777.0777 • Fax 415.778.7007 • www.wcirb.com • wcirb@wcirb.com			

Released: February 1, 2023

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

This meeting is Open to the Public.

Please [register](#) in advance of the meeting. After registering, you will receive a confirmation email containing information about joining the webinar.

I. Approval of Minutes

Meeting held December 14, 2022

II. Additions to the Agenda

III. Ratification of Actions of WCIRB Committees

A. Classification and Rating Committee Meeting Held November 1, 2022

IV. Unfinished Business

None

V. New Business

September 1, 2023 Regulatory Filing

VI. Next Meeting Dates:

A. March 16, 2023 Annual Meeting of WCIRB Membership

B. April 19, 2023 WCIRB Governing Committee Meeting

VII. Adjournment

Antitrust Notice

As members of the Workers' Compensation Insurance Rating Bureau of California (WCIRB), you are bound, when involved in meetings, presentations or other activities of the WCIRB, to limit your actions (as well as discussions and virtual chats, other than social ones) to matters relating to the business of the WCIRB. Matters that do not relate directly to WCIRB business should be avoided. Members should particularly avoid discussions, chats or conduct that could be construed as intended to affect competition (or access to markets). Thus, as members, you should not discuss or pursue the business interests of individual insurers or others, including, in particular, the plans of individual members involving, or the possibility or desirability of (a) raising, lowering, or stabilizing prices (premiums or commissions); (b) doing business or refusing to do business with particular, or classes of, insurers, reinsurers, agents, brokers, or insureds, or in particular locales; or (c) potential actions that would affect the availability of products or service either generally or in specific markets or locales.

Notice

The information in this Agenda was developed by the Workers' Compensation Insurance Rating Bureau of California (WCIRB) for the purpose of assisting the WCIRB Governing Committee. The WCIRB cannot make any guarantees if this information is used for any other purpose and the WCIRB shall not be liable for any damages, of any kind, whether direct, indirect, incidental, punitive or consequential, arising from the use of or reliance upon this information for any other purpose.

© 2023 Workers' Compensation Insurance Rating Bureau of California. All rights reserved.

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

Each WCIRB member company, including any registered third party entities, (Company) is authorized to reproduce any part of this work solely for the following purposes in connection with the transaction of workers' compensation insurance: (1) as necessary in connection with Company's required filings with the California Department of Insurance; (2) to incorporate portions of this work, as necessary, into Company manuals distributed at no charge only to Company employees; and (3) to the extent reasonably necessary for the training of Company personnel. Each Company and all agents and brokers licensed to transact workers' compensation insurance in the state of California are authorized to physically reproduce any part of this work for issuance to a prospective or current policyholder upon request at no charge solely for the purpose of transacting workers' compensation insurance and for no other purpose. This reproduction right does not include the right to make any part of this work available on any website or any form of social media.

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

To seek permission to use any of the WCIRB Marks or any copyrighted material, please contact the WCIRB at customerservice@wcirb.com.

Classification and Rating Committee

Meeting Minutes

Date	Time	Location	Staff Contact
November 1, 2022	9:30 AM	Microsoft Teams Webinar	Kristen Marsh
1901 Harrison Street, 17 th Floor • Oakland, CA 94612 • 415.777.0777 • Fax 415.778.7007 • www.wcirb.com • wcirb@wcirb.com			

Released: November 14, 2022

Members:

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

Represented By:

Christine Closser
Ellen Sonkin
John Bennett
Matt Zender
Gregory Hanel
Tony Panetti
Sarah Elston

California Department of Insurance

Yvonne Hauscarriague
Brentley Yim

WCIRB

Kristen Marsh, Chair
David Bellusci
Tony Milano
Bill Mudge
Hester Nguyen
Eric Riley
Angela Sundin
Chris M. Wong
Julia Zhang

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

* * * * *

Approval of Minutes

The Minutes of the teleconference meeting held on August 9, 2022 were distributed to the Committee members in advance of the meeting for review. As there were no corrections to the Minutes, a motion was made, seconded and unanimously approved to adopt the Minutes as written.

Notice

The information in these Minutes was developed by the Workers' Compensation Insurance Rating Bureau of California (WCIRB) for the purpose of assisting the WCIRB Classification and Rating Committee. The WCIRB cannot make any guarantees if this information is used for any other purpose and the WCIRB shall not be liable for any damages, of any kind, whether direct, indirect, incidental, punitive or consequential, arising from the use of or reliance upon this information for any other purpose.

© 2022 Workers' Compensation Insurance Rating Bureau of California. All rights reserved.

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

Each WCIRB member company, including any registered third party entities, (Company) is authorized to reproduce any part of this work solely for the following purposes in connection with the transaction of workers' compensation insurance: (1) as necessary in connection with Company's required filings with the California Department of Insurance; (2) to incorporate portions of this work, as necessary, into Company manuals distributed at no charge only to Company employees; and (3) to the extent reasonably necessary for the training of Company personnel. Each Company and all agents and brokers licensed to transact workers' compensation insurance in the state of California are authorized to physically reproduce any part of this work for issuance to a prospective or current policyholder upon request at no charge solely for the purpose of transacting workers' compensation insurance and for no other purpose. This reproduction right does not include the right to make any part of this work available on any website or any form of social media.

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

To seek permission to use any of the WCIRB Marks or any copyrighted material, please contact the WCIRB at customerservice@wcirb.com.

Item III-A

Physical Audit Threshold

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

WCIRB staff summarized the two standard analytical approaches for computing the indicated level of the physical audit threshold for the September 1, 2023 Regulatory Filing. Based on the approximate average of these two indications, the indicated physical audit threshold for policies incepting on or after September 1, 2023 is approximately \$10,500, which is equal to the current threshold. As a result, staff recommended maintaining the current physical audit threshold of \$10,500 for September 1, 2023. The Committee agreed with staff's recommendation that the physical audit threshold should not be revised effective September 1, 2023.

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

Item III-B Payroll Limitations

The Committee was reminded that each year WCIRB staff reviews current wage and payroll limits in the *California Worker's Compensation Uniform Statistical Reporting Plan—1995* (USRP) in light of projected wage inflation. The Committee was advised that wage inflation from the current limits effective for policies incepting between September 1, 2022 and August 31, 2023 to the level underlying policies incepting between September 1, 2023 and August 31, 2024 is projected at approximately 3.5%. This wage inflation projection is based on the average of the UCLA Anderson School of Business and California Department of Finance wage forecasts. The Committee reviewed the recommended changes to the maximum and minimum payroll limits and the per taxicab and department store minimums that were included in the Agenda materials.

Following staff's presentation, a motion was made, seconded and unanimously passed to propose that the following recommended payroll limitation adjustments to be included in the September 1, 2023 Regulatory Filing.

Wage and Payroll Limitation Recommendations					
Class Code	Phraseology	Current		Recommended for September 1, 2023	
		Payroll Minimum	Payroll Maximum	Payroll Minimum	Payroll Maximum
7365	<i>Taxicab Operations</i> (per year per taxicab)	\$41,000	N/A	\$42,400	N/A
8039	<i>Stores – department stores – retail</i> (per year)	\$1,200,000	N/A	\$1,300,000	N/A
7607(1)	<i>Video Post-Production</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
7607(2)	<i>Audio Post-Production</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
7610	<i>Radio, Television or Commercial Broadcasting Stations</i> (on-air personalities, entertainers and musicians/per year per person)	N/A	\$149,500	N/A	\$154,700
8601(1)	<i>Engineers</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
8601(2)	<i>Oil or Gas Geologists or Scouts</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
8601(4)	<i>Forest Engineers</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700

Wage and Payroll Limitation Recommendations					
Class Code	Phraseology	Current		Recommended for September 1, 2023	
		Payroll Minimum	Payroll Maximum	Payroll Minimum	Payroll Maximum
8741	<i>Real Estate Agencies</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
8743	<i>Mortgage Brokers</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
8749	<i>Mortgage Bankers</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
8801	<i>Credit Unions</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
8803	<i>Auditing, Accounting or Management Consulting Services</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
8808	<i>Banks</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
8820	<i>Law Firms</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
8822	<i>Insurance Companies</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
8859(1)	<i>Computer Programming or Software Development</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
8859(2)	<i>Internet or Web-Based Application Development or Operation</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
8874(1)	<i>Instrument Mfg. – electronic – professional or scientific – hardware or software design or development</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700

Wage and Payroll Limitation Recommendations					
Class Code	Phraseology	Current		Recommended for September 1, 2023	
		Payroll Minimum	Payroll Maximum	Payroll Minimum	Payroll Maximum
8874(2)	<i>Computer or Computer Peripheral Equipment Mfg. – hardware or software design or development</i> (per year per employee)	N/A	\$149,500	N/A	\$154,700
9151	<i>Theaters – musical entertainment</i> (performers and directors of performers/per year per person)	N/A	\$149,500	N/A	\$154,700
9156	<i>Theaters – dance, opera and theater companies</i> (performers and directors of performers/per year per person)	N/A	\$149,500	N/A	\$154,700
9181	<i>Athletic Teams or Athletic Facilities – players, umpires, referees and game officials</i> (per season per player)	N/A	\$149,500	N/A	\$154,700
9610	<i>Motion Pictures – production</i> (actors, musicians, producers and the motion picture director/per year per person)	N/A	\$149,500	N/A	\$154,700
N/A	Executive Officers, Partners, Individual Employers and Members of a Limited Liability Company	\$57,200	\$149,500	\$59,800	\$154,700

Item III-C

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

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

As there were no questions about the proposed changes, a motion was made, seconded and unanimously passed to recommend that the proposed changes be included in the September 1, 2023 Regulatory Filing.

Recommendation

Amend Classification 3569, *Electric Motor Mfg. or Repair*, to clarify the intended application and provide direction as to how related operations should be classified.

PROPOSED

ELECTRIC MOTOR MFG. OR REPAIR

3569

This classification applies to the manufacture or shop repair of electric motors, including the cleaning and rewinding of armatures, field coils, rotors and similar parts.

Dealers that sell or repair new electric motors that are used in industrial machinery or equipment shall be classified as 8107, *Machinery and Equipment Dealers*.

Dealers that sell or repair used electric motors that are used in industrial machinery or equipment shall be classified as 8267, *Machinery and Equipment Dealers – secondhand*.

The installation or repair of electric motors away from the shop shall be classified as 3724(2), *Electrical Machinery or Auxiliary Apparatus*.

* * * * *

Item III-D

Proposed Non-Substantive Amendments

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

As there were no questions about the proposed changes, a motion was made, seconded and unanimously passed to recommend that the proposed changes to the USRP and ERP be included in the September 1, 2023 Regulatory Filing.

Recommendation

Amend Classification 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*, for consistency with previously approved changes.

PROPOSED

CONCRETE OR CEMENT WORK – pouring or finishing of concrete floor slabs, poured in place and on the ground, and concrete slab-type foundations, for other than concrete buildings or structural steel buildings of multi-story construction – including the making or stripping of forms – employees whose regular hourly wage equals or exceeds \$32.00 per hour **5205(2)**

Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds \$32.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$32.00 per hour shall be classified as 5201(2), *Concrete or Cement Work*.

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

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

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

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

* * * * *

Recommendation

Amend Classification 2102, *Fruit or Vegetable Evaporation or Dehydrating*, which is part of the Food Packaging and Processing Industry Group, for consistency with previously approved changes and clarity.

PROPOSED

FOOD PACKAGING AND PROCESSING

FRUIT OR VEGETABLE EVAPORATION OR DEHYDRATING

2102

This classification applies to the drying of fruits or vegetables to produce products, including but not limited to raisins, prunes, and dried figs, oranges, apricots, apples, onions, garlic, peppers and tomatoes.

Packing of dried fruits shall be separately classified as 2109, *Fruit – dried fruit packing and handling*.

Growing or harvesting, including field packing of crops, shall be assigned to the applicable *Farms* Industry Group classification.

* * * * *

Recommendation

Amend Section IV, *Change in Status and Combination of Entities*, Rule 2, *Combination of Entities*, for consistency with naming conventions for rules.

PROPOSED

Section IV – Change in Status and Combination of Entities

-
-
-

2. Combination of Entities

Separate entities shall be combined for experience rating purposes when the same person or combination of persons own a majority interest in each of the entities.

A risk in bankruptcy or receivership shall not be combined with any other entity for experience rating purposes unless (a) the other entity is a part of the same bankruptcy or receivership proceeding and under the same trustee or receiver, or (b) the risk is being operated by the Debtor in Possession and the other entity is combinable with the debtor.

Except as specified in the immediately preceding paragraph, a trust shall not be combined with any entity for experience rating purposes except under the following circumstances: (a) if the parent or parents are the only trustees of a trust set up for the benefit of their minor children, the trust shall be combined with the operations of the trustee; or (b) two or more trusts having identical trustees and identical beneficiaries shall be combined.

If two or more different combinations are possible in accordance with the provisions of this Rule, the combination producing the greatest amount of expected losses during the experience period shall be made.

If two or more entities are no longer combinable as a result of a change in ownership that is not material, the entire experience developed by the combined entities prior to the change and during the experience period shall be used in developing experience modifications for each of the entities after the change. If two or more entities are no longer combinable as a result of a change in ownership that is material, the experience incurred prior to the change and during the experience period shall be used in developing the experience modification for each of the entities that has not undergone a material change.

When a combination is made, the experience used in the combination shall be subject to the provisions of Rule 1, *Change in Status (Ownership, Operations and Employees)*.

This Rule applies only where the entities are, or have been, operating and insured concurrently in California. It does not apply where concurrent operations are for a short period of time, not exceeding one year, provided the operation of the original entity during the period both entities were operating was restricted to the completion of contracts entered into prior to the new entity commencing operations. Rule 1 applies in all situations where this Rule is not applicable.

* * * * *

Item III-E

Food and Beverage Study

The Committee was reminded that the WCIRB initiated a multi-year effort in 2021 to holistically review the classification procedures for the restaurant industry to address ongoing concerns of industry stakeholders that evolving trends in the restaurant industry may have led to divergent business operations and loss experience across different segments. In 2022, the WCIRB completed an in-depth review of the operations, loss and payroll experience and claim characteristics of several identified distinct segments in Classification 9079, including bars and taverns, professional caterers, fast food and fast casual restaurants, and full service restaurants. In addition, hotel food service operations were reviewed to determine if separate treatment for food and beverage operations in connection with hotels and motels is warranted. WCIRB staff provided an overview to the Committee regarding the results of this review. Specifically, staff reviewed the operational definition for each segment and the loss to payroll ratios and claim characteristics for the segments as compared to the overall statewide restaurant experience as well as the experience in Classification 9079 that could not be assigned to any of the specifically defined segments. In response to questions from Committee members, it was noted that the experience for the fast casual and fast food segments were significantly different from Classification 8078 and, as a result, it did not make sense to combine those operations. Additionally, in response to a Committee member question, it was noted the experience of food trucks was not included in one of the principal segments. Staff also observed that it is not clear how food truck operations may have been impacted by the pandemic and also that based on a study completed a few years ago, food truck employers are generally small employers and that their experience is difficult to isolate in the data. Finally, a Committee member noted that it will be important to define the hotel food and beverage operations to be included in any new classification in order to properly differentiate them from those of third parties that provide food services at a hotel.

Following the presentation and discussion, the Committee generally agreed with the WCIRB's recommendation to propose classifications for the following segments and combine them for ratemaking purposes until the new classifications have developed sufficient experience subsequent to the outbreak of the pandemic that is more reflective of current restaurant operations to support a differentiation in the advisory pure premium rates:

- a. Bars and taverns;
- b. Professional or event caterers with no fixed location for customer dining or pick-up;
- c. Fast food and fast casual restaurants with no table service and customers pay before eating;
- d. Full service restaurants with table service and customers pay after eating;
- e. Hotel food and beverage operations; and
- f. Operations currently assigned to Classification 9079 and not described by a through e above (this would constitute a *Not Otherwise Classified* (N.O.C.) classification).

In addition, the Committee generally agreed with the WCIRB's plan to develop proposed rule changes for approval by the Committee at the January 2023 meeting for inclusion in the September 1, 2023 Regulatory Filing to be effective September 1, 2024. Establishing a September 2024 effective date would provide WCIRB staff sufficient time to conduct an extensive educational outreach campaign and identify the impacted risks to ensure a smooth transition to the new classification structure. In response to a Committee member question, it was noted that the WCIRB would look at whether it is possible to differentiate and establish a separate pure premium rate a year or so after the segments are implemented in 2024.

In addition, the Committee agreed with staff's recommendation to continue its multi-year study of the restaurant industry once more experience subsequent to the outbreak of the pandemic is available by analyzing whether restaurant tips and service charges should continue to be excluded from the basis of workers' compensation premium and reviewing the classification procedures related to food and beverage operations in connection with other industry sectors, including the other segments of the hospitality and resort industries, grocery stores, wineries, breweries and amusement parks.

Item III-F

Potential Classification Studies

WCIRB staff summarized the classification studies proposed to be conducted in 2022-2023 for inclusion in the September 1, 2024 Regulatory Filing. The Committee was advised that these studies include the continuation of multi-year initiatives, a comprehensive review of analytical information on each classification, as well as input provided from the California Department of Insurance, Committee, other stakeholders and staff.

Following staff's presentation, the consensus of the Committee was that the following classification studies should be conducted in 2022-2023 for consideration in the September 1, 2024 Regulatory Filing.

Potential Classification Studies	Anticipated Commitment ¹
Electronics Industry Group	High
Food Manufacturing Industry (Phase I)	High
Dual Wage Classifications	High
Review Classifications in Order to Determine Inclusion of Clerical Office, Clerical Telecommuter and Outside Sales Activities:	Low
<ul style="list-style-type: none">Classification 8755, <i>Labor Unions – employee engaged outside of office – including Outside Salespersons</i>	
Telecommuting Classifications	Low
Classification Enhancements	Low

¹ Estimated WCIRB staff resource commitment: "Low" corresponds to an estimate of below 100 hours, "Moderate" corresponds to an estimate of between 101 and 250 hours, and "High" corresponds to an estimate between 251-400 hours.

Item III-G

2023 Schedule of Meetings

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

Day of Week	Date & Time	Content
Tuesday	January 31, 2023 at 9:30 AM	Review classification relativities for September 1, 2023 Regulatory Filing
Tuesday	May 16, 2023 at 9:30 AM	Review September 1, 2024 Regulatory Filing matters
Tuesday	August 8, 2023 at 9:30 AM	Review September 1, 2024 Regulatory Filing matters
Tuesday	November 14, 2023 at 9:30 AM	Review September 1, 2024 Regulatory Filing matters

Item III-H

WCIRB Policy Data Quality Program Enhancements

The Committee was advised that staff was proposing the following enhancements to the *WCIRB Policy Data Quality Program* (PDQP) to be effective January 1, 2023:

1. Establish governing timelines by when an insurer must become fully approved for electronic reporting of policy information and remediation process;
2. Change the *Experience Modification Reporting Success – Policy Transactions* data quality metric tolerance from 10% to 5% to reflect the importance of applying the correct experience modification to policies and in view of the tools now available to enable successful reporting; and
3. Incorporate editorial changes to improve clarity.

The Committee did not express any concerns with the proposed updates to the Program and was advised that it would be proposed to the Governing Committee in December for adoption.

WCIRB Policy Data Quality Program

Effective January ~~2022~~2023

Table of Contents

I. Background and Purpose	1
II. Eligibility and Participation Requirements	1
III. Policy Reporting Electronic Submissions	1
A. Submissions Requirements	1
B. Timeliness Standards	2
C. Electronic Versions of Policy Documents and Processing Fees	2
D. Remediation Procedures	2
IV. Administration and Monitoring of Data Accuracy	4
A. Accuracy of Electronic Reporting	4
1. Selection of Policy Transactions	4
2. Comparison of Hard Copy to Electronic Transactions	5
B. Data Quality Metrics	6
1. <i>Submission Timeliness – Policies</i>	6
2. <i>Submission Timeliness – Cancellations/Reinstatements</i>	7 6
3. <i>Responsiveness to Policy Work Items</i>	7 7
4. <i>Unmatched Policy Transactions – Cancellations/Reinstatements</i>	7
5. <i>Unmatched USRs</i>	7
6. <i>Experience Modification Reporting Success – Policy Transactions</i>	8 7
7. <i>Forms Compliance</i>	8 8
C. Review of Data Quality Metric Results	8
D. Remedial Procedures	<u>99</u>
Appendix	<u>1313</u>

Background and Purpose

I. Background and Purpose

Timely, complete and accurate policy data is critical to the development of correct experience modifications and the provision of accurate policyholder coverage information, as well as to ensure the proper and complete use of approved policy forms. The *WCIRB Policy Data Quality Program* (Program) is intended to assist and encourage insurers in identifying and, as appropriate, modifying their data reporting procedures, thereby enhancing the timeliness, completeness and accuracy of their policy submissions to the WCIRB and minimizing any adverse impact from the inaccurate or untimely submission of data on the overall quality of WCIRB data.

II. Eligibility and Participation Requirements

- A. This Program is administered on an insurer group basis. For purposes of the Program, an insurer group (hereinafter collectively referred to as “insurer”) is based on the ownership groups designated by the National Association of Insurance Commissioners (NAIC).¹
- B. All insurers are subject to Part III of the Program.
- C. Insurers that wrote at least 100 policies and \$35 million² in total California workers’ compensation written pure premium in the latest available calendar year³ will be subject to Part IV and will remain so even if the insurer’s premium volume or policy count falls below the eligibility threshold while the insurer is subject to the Remedial Procedures detailed in Part IV, Sections C and D. Notwithstanding the above, the WCIRB reserves the right to include any other insurer in Part IV.
- D. Insurers must designate a primary authorized individual to act as the Program Coordinator to receive all correspondence related to the Program.⁴ An insurer shall immediately notify the WCIRB of any change in the designated Program Coordinator or their contact information by emailing pdqp@wcirb.com. Failure to provide the WCIRB with proper notification of any change prevents an insurer from asserting that it did not receive written notifications related to the Program, including for purposes of waiving fines.

III. Policy Reporting Electronic Submissions

Pursuant to the *California Workers’ Compensation Uniform Statistical Reporting Plan—1995 (USRP)*, insurers must report policy information for every workers’ compensation insurance policy extending insurance coverage under California’s workers’ compensation laws by electronic submission to the WCIRB in accordance with the reporting requirements of the USRP and those described in the *Workers Compensation Insurance Organizations’ Workers Compensation Policy Reporting Specifications (WCPOLS)*.

A. Submissions Requirements

The USRP requires that insurers receive the WCIRB’s approval to submit data electronically. Insurers must receive approval when:

- preparing to write California workers’ compensation insurance policies;
- developing a new policy reporting system; and
- changing or adding a Data Submitter⁵ to report policy data on their behalf.

¹ In some instances, to reflect insurers’ business operations, insurers within a particular NAIC group may be grouped into separate subgroups for purposes of the Program.

² This amount is subject to change by the WCIRB President based on significant changes in the average statewide rate level.

³ This standard is based on direct written premium at the advisory pure premium rate level as reported on the WCIRB call for quarterly experience. This pure premium is after the application of experience modifications but prior to the application of deductible credits.

⁴ Insurers may designate different coordinators for Part III and Part IV.

⁵ A Data Submitter is a unique reporting entity registered as a Third Party Entity with the WCIRB and authorized to submit policy data on behalf of the insurer.

Policy Reporting Electronic Submissions

B. Timeliness Standards

1. Insurers or their Data Submitters must notify DataSubmissions@wcirb.com that their policy reporting system is ready for testing. Insurers or their Data Submitters should submit their first test submission file no later than 30 days prior to the inception date of the first workers' compensation insurance policy or issuance date for other policy transactions to be reported by the insurer or their Data Submitter.
2. Insurers or their Data Submitters must complete testing and receive approval by the WCIRB for all policy transaction types within 180 days from the Testing Commencement Date. The Testing Commencement Date is the earlier of: (1) the date the WCIRB acknowledges receipt of the notification that the policy reporting system is ready for testing or (2) the 30th day after the inception date of the first policy document received from the insurer or their Data Submitter. The WCIRB will advise insurers in writing of the Testing Commencement Date, subsequent deadlines and remediation procedures. Extensions to the 180-day deadline may be granted exclusively at the WCIRB's sole discretion.

C. Electronic Versions of Policy Documents and Processing Fees

1. Until approved for electronic policy submissions, insurers or their Data Submitters shall submit to the WCIRB electronic versions (digital images or PDFs) of policy, cancellation, reinstatement and endorsement documents provided to policyholders for processing and in accordance with the timing requirements of the USRP.
2. Insurers are subject to a processing fee of \$25 per electronic version of the policy, cancellation, reinstatement or endorsement document.

D. Remediation Procedures

If (1) the WCIRB does not approve an insurer or their Data Submitter for all policy transaction types within 180 days from the Testing Commencement Date or (2) the insurer or their Data Submitter continues to submit electronic versions of policy documents for policy transactions for which the insurer has already been approved, unless an extension (see Part III, Section B, Subsection 2 above) or an exception (see Part III, Section D, Subsection 3 below) has been granted by the WCIRB, then the following actions will be taken:

1. WCIRB Staff: The Program Coordinator will be notified in writing by the WCIRB within 30 days following the end of the 180-day deadline. Within 30 days of notice, the insurer must submit a detailed written statement explaining why the insurer or their Data Submitter has not met the deadline and including a remediation plan that describes:
 - The specific measures to be undertaken by the insurer,
 - The time frames during which the measures will be implemented, and
 - The date by which the insurer expects completion of Part III.The WCIRB will respond to the insurer within 30 days of receipt of the insurer's written explanation or remediation plan.
2. Fine for Non-Compliance: The insurer will be assessed a fine equal to 1/100 of 1% of the most recent certified calendar year written pure premium⁶, subject to a minimum of \$5,000 and a maximum of \$50,000.
3. Increase in Document Processing Fees: Insurers will be subject to an increased processing fee of \$250 per electronic version of the policy, cancellation, reinstatement or endorsement

⁶ Complete calendar year (January 1 to December 31) direct written premium at the pure premium rate level (prior to application of deductible credits), as reported on the WCIRB *Data Call for Direct California Workers' Compensation Experience* (due by February of the following year), that has been certified as to its accuracy on the *WCIRB Financial Call Data Certification* (due by June of the following year) submitted by that insurer.

Policy Reporting Electronic Submissions

document until the insurer or their Data Submitter completes testing and receives approval for all policy transaction types.

Upon request by the insurer, exceptions may be made for insurers who are: (i) approved to submit electronically for all transaction types, but due to system limitations or capabilities, submitting electronic versions of certain policy documents is the only reasonable way to submit policy transactions to the WCIRB or (ii) unable to complete testing due to causes beyond reasonable control (such as acts of nature, fire or casualty or malfunction of public utilities, communications or computer services). In either instance, the insurer will continue to be subject to the \$25 per electronic version document fee.

4. Classification and Rating Committee: The WCIRB will cite the insurer to the Classification and Rating (C&R) Committee that fails to meet the standards in Part III.
 - a. The remediation plan provided to the WCIRB above may be modified and updated by the insurer prior to the C&R Committee meeting.

An officer from the insurer will be required to meet with the C&R Committee to explain the insurer's non-compliance with Part III and the USRP's policy reporting requirements and to present the remediation plan.
 - b. At the meeting of the C&R Committee, the following actions will be taken:
 - The insurer's non-compliance will be reported to the C&R Committee.
 - Any additional lawful administrative actions the C&R Committee may deem necessary, reasonable or appropriate to facilitate or encourage the insurer's compliance with Part III and the USRP's policy reporting requirements.
 - c. The WCIRB will report the C&R Committee's findings and actions to the appropriate insurance company officer and advise that if the insurer is not approved for electronic reporting within the 180 days following the expiration of the first 180-day deadline, the insurer will be cited to the Governing Committee for further administrative action.
5. Governing Committee: If an insurer has not been approved for electronic reporting within 180 days following the expiration of the first 180-day deadline, the WCIRB will cite the insurer to the Governing Committee.
 - a. Within 30 days of notification of the citation to the Governing Committee, the insurer shall provide a new remediation plan that describes:
 - The specific measures to be undertaken by the insurer,
 - The time frames during which the measures will be implemented, and
 - The date by which the insurer expects completion of Part III.

A senior officer of the insurer will be required to meet with the Governing Committee to explain why the insurer's remediation plan submitted to the C&R Committee failed to achieve the desired results and to present the new remediation plan.
 - b. At the meeting of the Governing Committee, the following actions will be taken:
 - The insurer's non-compliance with the USRP will be reported to the Governing Committee.
 - A monthly fine equal to 1/100 of 1% of the most recent certified calendar year written pure premium⁷ at the time the insurer was notified that it had been cited to the C&R

⁷ Complete calendar year (January 1 to December 31) direct written premium at pure premium rate level (prior to application of deductible credits), as reported on the WCIRB *Data Call for Direct California Workers' Compensation Experience* (due by February of the following year), that has been certified as to its accuracy on the WCIRB *Financial Call Data Certification* (due by June of the following year) submitted by that insurer.

General Administration of the Program and Monitoring of Data Accuracy

Committee pursuant to Part III, Section D, Subsection 4 above, subject to a minimum of \$5,000 and a maximum of \$50,000, may be imposed. The monthly fine will continue until such time as the insurer has completed testing and receive approval for all policy transaction types.

- Any other additional lawful administrative actions the Governing Committee deems necessary, reasonable or appropriate to facilitate or encourage the insurer's compliance with Part III and the USRP's policy reporting requirements, including citation to the California Department of Insurance.
- c. The WCIRB will report the Governing Committee's findings and actions to the appropriate insurance company officer.
- d. If the insurer fails complete testing by the upon deadline, the insurer will be cited to the California Insurance Commissioner unless the Governing Committee instructs the WCIRB President otherwise.

II.IV. General Administration of the Program and Monitoring of Data Accuracy

A. Eligibility and Participation Requirements

1. ~~This Program is administered on an insurer group basis.~~
2. ~~Insurers that wrote at least 100 policies and \$35 million⁸ in total California workers' compensation written pure premium in the latest available calendar year⁹ will be subject to the Program.~~
3. ~~An insurer that is subject to the Remedial Procedures detailed in Part V, Section B, shall remain subject to the Program even if the insurer's premium volume or policy count falls below the eligibility standards noted above.~~
4. ~~Notwithstanding the above, the WCIRB reserves the right to include any insurer in the Program.~~

~~Insurers must designate a primary authorized individual to act as the Program Coordinator to receive all correspondence related to the Program. An insurer shall immediately notify the WCIRB of any change in the designated Program Coordinator or his/her contact information by emailing pdqp@wcirb.com. Failure to do so prevents an insurer from asserting that it did not receive written notifications related to the Program, including for purposes of waiving fines.~~

B.A. Accuracy of Electronic Reporting

1. Selection of Policy Transactions Subject to Part III of the Program

- a. Scheduling Insurer Review: The WCIRB will establish a schedule to ensure that each insurer subject to the Program Part IV will be issued a Selection List of policy documents to be submitted to the WCIRB for purposes of verifying the accuracy of electronically reported policy data at least once every three years. The WCIRB will notify each insurer of its schedule at least three months in advance of publishing the Selection List. The WCIRB reserves the right to initiate more frequent reviews based on the findings for an individual insurer.
- b. Quota: The minimum selection quota for each insurer is twenty policies, twenty endorsements and ten cancellation/reinstatement transactions. Based upon its initial review of the documents, and as necessary to conduct a complete and thorough analysis, the WCIRB may issue the insurer a supplemental Selection List of additional

⁸ This amount is subject to change by the WCIRB president based on significant changes in the average statewide rate level.

⁹ This standard is based on direct written premium at the advisory pure premium rate level as reported on the WCIRB call for quarterly experience. This pure premium is after the application of experience modifications but prior to the application of deductible credits.

General Administration of the Program and Monitoring of Data Accuracy

policy documents to be submitted to the WCIRB. The WCIRB reserves the right to adjust the selection minimum based on the findings for an individual insurer.

~~b.c.~~ Selection List(s): The WCIRB will issue each insurer scheduled for review a Selection List comprising a sample of the insurer's recently submitted policy transactions. The Selection List will indicate the insurer's California insurer code, policy number, and policy effective date.

~~c.d.~~ Providing Requested Materials: Within ~~thirty~~30 days following publication of the Selection List, the insurer shall submit electronic copies (~~print~~digital images or PDFs) of the ~~hard copy~~ policy documents provided to policyholders, representing each of the requested policy transactions (~~"hard copy" or "hard copies"~~). Hard copy policy documents must be submitted electronically, and in the manner prescribed by the WCIRB.

~~d.e.~~ Fines for Delinquent Material: Submissions will not be considered received until all requested materials are provided to the WCIRB.

- i. If all of the requested materials are not received by the WCIRB within ~~thirty~~30 days following publication of the Selection List, the insurer will be charged a \$500 fine.
- ii. If all of the requested materials are still not received by the WCIRB within ~~sixty~~60 days following publication of the Selection List, the insurer will be charged another \$500 fine, and the WCIRB will provide the insurer with an updated Selection List that identifies a new sample of policy transactions.
 1. If all of the requested materials from the updated Selection List are not received by the WCIRB within ~~thirty~~30 days following publication of the updated Selection List, the insurer will be charged another \$1,000 fine.
 2. If all of the requested materials from the updated Selection List are still not received by the WCIRB within ~~sixty~~60 days following publication of the updated Selection List, the insurer will be charged another \$1,000 fine, and the insurer's results will be subject to remedial action as described in Part V, Sections C and B D.
- iii. Waivers of fines for delinquent materials may be granted at the WCIRB's sole discretion upon a demonstration of good cause, provided ~~an application~~ a request for waiver is received within ~~thirty~~30 days following publication of the Selection List or updated Selection List.

2. Comparison of Hard Copy to Electronic Transactions

The WCIRB will compare the following data elements submitted electronically with the corresponding information on the hard copy policy documents:

- a. Policyholder Name(s)
- b. Address – Mailing
- c. Address – Location(s)
- d. Classification(s)
- e. Coverage Dates
- f. Experience Modification(s)
- g. Form Number(s)
- h. Forms – Variable Text on Limiting and Restricting Endorsements

Based on its initial review, the WCIRB may determine that a complete and thorough analysis requires examination of additional information. If so, the WCIRB will send the insurer a

General Administration of the Program and Monitoring of Data Accuracy

request for additional documents and/or policy transactions. Submission of the requested hard copy policy documents to the WCIRB is subject to the same timeline(s) and fines as set forth in Part ~~III~~IV, Section A, Subsection 1, Rules 4d and 5e, except that the time period will begin on the date the WCIRB issued its request or updated request for the additional information.

At the close of its review of all submitted documents, the WCIRB will advise the insurer of its findings:

- i. Subject to Part ~~III~~IV, Section A, Subsection 1, Rule 4a if there were no differences between the hard copy and electronic transactions, then no further action is needed until the next scheduled selection.
- j. If there were differences between the hard copy and electronic transactions, then the WCIRB will require the insurer to identify the root cause of each difference and submit a proposed time frame for remedying the identified cause(s), which will be subject to WCIRB approval. At the end of the agreed-upon time frame, the WCIRB will provide the insurer with a new Selection List of policy transactions, and submission of the requested hard copy policy documents to the WCIRB will be subject to the same timeline(s) and fines as set forth in Part ~~III~~IV, Section A, Subsection 1, Rules 4d and 5e.
- i. Subject to Part ~~III~~IV, Section A, Rule Subsection 1, Rule a, if the WCIRB's review of these documents shows that the identified issues have been resolved, then no further action is needed until the next scheduled selection.
- ii. If the WCIRB determines that the identified issues have not been resolved by the agreed-upon time frame, the insurer's results will be subject to remedial action as described in Part IV, Sections C and DB.

C.B. Data Quality Metrics

All policy transactions will be reviewed using the data quality measurements outlined in this Part ~~therein~~. Within ~~thirty~~30 days from the end of each quarter, the WCIRB will publish for each participating insurer a report detailing the insurer's results with respect to policy transactions submitted to the WCIRB during the quarter as well as during the latest four-quarter period. Unless otherwise specified, if an insurer's results over a four-quarter period exceed the designated tolerance identified in the Appendix for one or more of the data quality measurements outlined in this Part ~~section~~, the insurer's results will be subject to remedial action pursuant to the ~~Administrative Procedures described in Part IV, Sections C and D~~, provided the established minimum volume during the four-quarter period is met.

Refer to the Appendix for the designated tolerance and minimum volume for each metric.

D. Timeliness

1. Submission Timeliness – Policies

The "Submission Timeliness – Policies" data quality metric measures an insurer's success in submitting all policies on a timely basis as specified in the ~~California Workers' Compensation Uniform Statistical Reporting Plan—1995 (USRP)~~¹⁰. Specifically, for each insurer, the percentage of policies¹¹ received more than ~~thirty~~30 days after the policy inception date is determined as follows for the time period under review:

Number of policies received more than ~~thirty~~30 days after the policy inception date

¹⁰ Pursuant to Part 2, Section 1, Rule 1a(1), of the USRP, policies are due to the WCIRB no later than ~~thirty~~30 days after policy inception.

¹¹ "Policies" includes the following WCPOLS transactions: New Policy, Renewal Policy, Annual Rating Endorsement, and Renewal Certificate/Renewal Agreement.

General Administration of the Program and Monitoring of Data Accuracy

Total number of policies received

2. Submission Timeliness – Cancellations/Reinstatements

The “Submission Timeliness – Cancellations/Reinstatements” data quality metric measures an insurer’s success in submitting all cancellations and reinstatements within ~~thirty~~30 days after the issuance date.¹² Specifically, for each insurer, the percentage of cancellations and reinstatements received more than ~~thirty~~30 days after the issuance date is determined as follows for the time period under review:

$$\frac{\text{Number of cancellations and reinstatements received more than } \underline{\text{thirty}}30 \text{ days after the issuance date}}{\text{Total number of cancellations and reinstatements received}}$$

3. Responsiveness to Policy Work Items

The “Responsiveness to Policy Work Items” data quality metric measures an insurer’s success in responding on a timely and accurate basis to WCIRB policy work item inquiries related to verifying the accuracy of data reported on policies. This metric looks at the volume of work items that remain unresolved for more than ~~sixty~~60 days from issuance of the inquiry.¹³ Specifically, for each insurer, the responsiveness to policy work items percentage is determined as follows for the time period under review:

$$\frac{\text{Number of unresolved work items that have passed the } \underline{\text{sixty}}60\text{-day threshold}^{14}}{\text{Total of the number of resolved work items within the } \underline{\text{sixty}}60\text{-day threshold plus the number of unresolved work items that have passed the } \underline{\text{sixty}}60\text{-day threshold}}$$

4. Unmatched Policy Transactions – Cancellations/Reinstatements

The “Unmatched Policy Transactions – Cancellations/Reinstatements” data quality metric measures an insurer’s success in reporting required policy transactions to the WCIRB. This metric looks at the volume of cancellations and reinstatements reported to the WCIRB that are not matched within ~~sixty~~60 days to its corresponding policy. Specifically, for each insurer, the percentage of unmatched cancellations and reinstatements is determined as follows for the time period under review:

$$\frac{\text{Number of cancellations and reinstatements not matched within } \underline{\text{sixty}}60 \text{ days}}{\text{Total number of cancellations and reinstatements received}}$$

5. Unmatched USRs

The “Unmatched USRs” data quality metric measures an insurer’s success in reporting required policy transactions to the WCIRB. This metric looks at the volume of original¹⁵ first report level unit statistical reports (USRs) reported to the WCIRB that are not matched within ~~sixty~~60 days to its corresponding policy. Specifically, for each insurer, the percentage of unmatched USRs is determined as follows for the time period under review:

¹² This requirement will ensure that cancellations and reinstatements are reported to the WCIRB in a timely manner after issuance of such transactions.

¹³ The date of issuance of the inquiry is the date the work item is generated by the WCIRB and the insurer is notified. This metric only considers the days a work item is assigned to the insurer and does not include the days a work item is pending with the WCIRB.

¹⁴ Work items unresolved within the ~~sixty~~60-day period are not counted in the metric because their responsiveness under the metric has not yet been determined. Any work items resolved after the ~~sixty~~60-day threshold would have already been counted in the rolling four-quarter metric results used to evaluate insurers.

¹⁵ An “original” USR refers to the first submission of the USR at a specific report level.

Administrative Procedures

Number of original first report level USRs not matched within ~~sixty~~60 days
Total number of original first report level USRs received

~~E. Completeness and Accuracy~~

~~4.6. Experience Modification Reporting Success – Policy Transactions~~

The “Experience Modification Reporting Success – Policy Transactions” data quality metric measures an insurer’s success in reporting its initial policies¹⁶ to the WCIRB with WCIRB published experience modification data within ~~sixty~~60 days of receipt of the initial policy. Specifically, for each insurer, the percentage of initial policies reported with experience modification audit errors is determined as follows for the time period under review:

Number of initial policies with unresolved experience modification audit errors
~~sixty~~60 days after receipt of the initial policy
Total number of initial policies with published experience modifications

~~2.7. Forms Compliance~~

The “Forms Compliance” data quality metric measures an insurer’s success related to the use of approved policy forms and the endorsement of provisions required by California law using approved forms. Specifically, for each insurer, all instances are identified where an unapproved form is used, along with a count of the number of policies impacted. In addition, all instances are identified where a policy is not endorsed with provisions required by California law using approved forms.

Insurer results for this metric are advisory only. However, an insurer may be subject to remedial action as described in Part IV, Sections C and D if deficiencies are identified.

~~III. Administrative Procedures~~

~~A.C. Review of Data Quality Metric Results from Part IV, Data Quality Metrics~~

Unless otherwise specified, if an insurer’s results over a four-quarter period exceeds the designated tolerance for one or more of the data quality measurements specified in Part IV, Section B, the insurer will be notified in writing by WCIRB staff within ~~thirty~~30 days following the end of the four-quarter period and requested to provide either an explanation for exceeding the designated tolerance or a remediation plan.

Within ~~thirty~~30 days of this notice, the insurer must submit either:

1. A detailed written explanation that includes sufficient documentation confirming that the data exceeding the designated tolerance is correct as reported and does not indicate a data and/or reporting deficiency, or
2. A remediation plan that describes the data and/or reporting deficiencies that caused the designated tolerance(s) to be exceeded, the actions the insurer has taken or will take to remedy the deficiencies, and the time frame by which the insurer expects all the deficiencies will be resolved and its performance will meet ~~Program~~Part IV, Section B tolerances.

Insurers shall provide, at the request of the WCIRB, all relevant documents required to validate the accuracy and completeness of reported data.

¹⁶ An “initial policy” is the first of any of the following WCPOLS transactions received by the WCIRB: New Policy, Renewal Policy, Annual Rate Endorsement and Renewal Certificate/Renewal Agreement.

Administrative Procedures

The WCIRB ~~president or his/her designated representative (hereafter collectively referred to as “the WCIRB”)~~ will respond to the insurer within ~~thirty~~30 days of receipt of the insurer’s written explanation or remediation plan.

The insurer will be subject to the Remedial Procedures described in Part IV, Section B if any of the following occurs:

1. No detailed written explanation or remediation plan is submitted by the insurer within ~~thirty~~30 days of the WCIRB’s initial notice;¹⁷
2. The WCIRB determines the insurer’s detailed written explanation does not provide sufficient documentation confirming that the data exceeding the designated tolerance is correct as reported;
3. The WCIRB determines that the insurer’s data and/or reporting deficiencies have not been resolved and its results continue to exceed ~~the Program~~Part IV, Section B tolerances; or
4. Notwithstanding an insurer’s results under ~~Parts I and IV of the Program~~, the WCIRB determines that an insurer has (1) systemic data and/or reporting deficiencies or (2) egregiously or persistently failed to timely, completely and satisfactorily respond to WCIRB requests for written explanation or documentation to validate the quality of reported data.

B.D. Remedial Procedures

1. Stage 1: WCIRB Staff. The following actions shall be taken when the WCIRB determines that an insurer must undergo Stage 1 remediation.
 - a. The WCIRB will notify the insurer that it is subject to Stage 1 remediation and determine the time frame by which all the deficiencies must be resolved and ~~the Program~~Part IV, Section B tolerances must be met (Remediation Evaluation Period) to avoid being cited to the ~~Classification and Rating~~C&R Committee for further administrative action as described in Stage 2. The Remediation Evaluation Period shall encompass a minimum of two quarters and may be subsequently extended until enough data has been attained to produce a credible determination of whether all the deficiencies have been remediated.
 - i. If the insurer does not make significant progress in resolving all the deficiencies and meeting ~~the Program~~Part IV, Section B tolerances during the Remediation Evaluation Period, the insurer will be cited to the ~~Classification and Rating~~C&R Committee for further administrative action as described in Stage 2.
 - ii. If significant progress is made in resolving all the deficiencies and results meet ~~the Program~~Part IV, Section B tolerances during the Remediation Evaluation Period, such performance must be sustained over the subsequent four consecutive quarters (Remediation Monitoring Period); otherwise, the insurer will be cited to the ~~Classification and Rating~~C&R Committee for further administrative action as described in Stage 2.
 - iii. If significant progress is made in resolving all the deficiencies and results meet ~~the Program~~Part IV, Section B tolerances during the Remediation Evaluation Period, and such performance is sustained through the Remediation Monitoring Period, the insurer will not be cited to the ~~Classification and Rating~~C&R Committee as described in Stage 2. If, following the Remediation Monitoring Period, (a) the insurer’s results for one or more of the data quality metrics ~~specified in Part IV~~ exceed one or more of ~~the Program~~ tolerances specified in Part IV, Section B, (b) data and/or reporting

¹⁷ An extension of the deadline may be granted, provided the insurer requests an extension on or before the original deadline. All extensions are subject to written pre-approval by WCIRB staff on a case-by-case basis.

Administrative Procedures

deficiencies are identified, or (c) both types of issues are identified, the insurer's performance will again be subject to remedial action pursuant to Part IV, Sections C and D.

2. ~~Stage 2: Classification and Rating~~C&R Committee. If an insurer's results do not meet ~~the Program's~~Part IV, Section B tolerances and all deficiencies are not resolved after completion of Stage 1 as described above, the insurer will be subject to the following:
 - a. The WCIRB will cite the insurer to the ~~Classification and Rating~~C&R Committee.
 - b. Within ~~thirty~~30 days of notification of citation to the ~~Classification and Rating~~C&R Committee, the insurer shall provide a new remediation plan that describes:
 - i. The specific remedial measures to be undertaken by the insurer,
 - ii. The time frames during which the remedial measures will be implemented, and
 - iii. The date by which the insurer expects all of its data and/or reporting deficiencies will be resolved and its performance will meet ~~Program~~Part IV, Section B tolerances.
 - c. An officer of the insurer will be required to meet with the ~~Classification and Rating~~C&R Committee to explain why the insurer's remediation plan submitted in Stage 1 failed to achieve the desired results and to present the new remediation plan.
 - d. At the meeting of the ~~Classification and Rating~~C&R Committee, the following actions shall be taken:
 - i. The insurer's performance with respect to ~~this Part H~~Part IV, the data quality metrics listed in Part IV, and any other data quality concerns in other WCIRB data quality programs will be reported to the ~~Classification and Rating~~C&R Committee;
 - ii. A fine equal to 1/100 of 1% of the most recent certified calendar year written pure premium¹⁸ at the time the insurer was notified that it had been cited to the ~~Classification and Rating~~C&R Committee pursuant to Part IV, Section D, Subsection 2~~subparagraph a~~, above, subject to a minimum of \$5,000 and a maximum of \$50,000, will be imposed; and
 - iii. A Remediation Evaluation Period will be established.
 - e. The ~~Classification and Rating~~C&R Committee may recommend any additional lawful administrative actions it deems necessary, reasonable or appropriate to facilitate or encourage the insurer's implementation of adequate remedial measures, including citation to the Governing Committee.
 - f. The WCIRB will report the ~~Classification and Rating~~C&R Committee's findings and actions to the appropriate insurance company officer and advise of the following:
 - i. If the insurer does not make significant progress in resolving all the deficiencies and meeting ~~the Program~~Part IV, Section B tolerances during the Remediation Evaluation Period, the insurer will be cited to the Governing Committee for further administrative action as described in Stage 3.
 - ii. If significant progress is made in resolving all the deficiencies and results meet ~~the Program~~Part IV, Section B tolerances during the Remediation Evaluation Period, such performance must be sustained through the Remediation Monitoring Period; otherwise, the insurer will be cited to the Governing Committee for further administrative action as described in Stage 3.

¹⁸ Complete calendar year (January 1 to December 31) direct written premium at the pure premium rate level (prior to application of deductible credits), as reported on the WCIRB *Data Call for Direct California Workers' Compensation Experience* (due by February of the following year), that has been certified as to its accuracy on the *WCIRB Financial Call Data Certification* (due by June of the following year) submitted by that insurer.

Administrative Procedures

- iii. If significant progress is made in resolving all the deficiencies and results meet the ~~Program~~ Part IV, Section B tolerances during the Remediation Evaluation Period, and such performance is sustained through the Remediation Monitoring Period, the insurer will not be cited to the Governing Committee. If, following the Remediation Monitoring Period, (a) results for one or more of the data quality metrics ~~specified in Part IV~~ exceed the ~~Program's~~ designated tolerances specified in Part IV, Section B, (b) data and/or reporting deficiencies are identified, or (c) both types of issues are identified, the insurer's performance will again be subject to remedial action pursuant to Part IV, Sections C and D.
- 3. Stage 3: Governing Committee. If an insurer's results do not meet the ~~Program's~~ Part IV, Section B tolerances and all deficiencies are not resolved after completion of Stage 2 as described above, the insurer will be subject to the following:
 - a. The WCIRB will cite the insurer to the Governing Committee.
 - b. Within ~~thirty~~ 30 days of notification of citation to the Governing Committee, the insurer shall provide a new remediation plan that describes:
 - i. The specific remedial measures to be undertaken by the insurer,
 - ii. The time frames during which the remedial measures will be implemented, and
 - iii. The date by which the insurer expects all of its deficiencies will be resolved and its performance will meet ~~Program~~ Part IV, Section B tolerances.
 - c. A senior officer of the insurer will be required to meet with the Governing Committee to explain why the insurer's remediation plan submitted in Stage 2 failed to achieve the desired results and to present the new remediation plan.
 - i. The insurer's performance with respect to ~~the Part III, the data quality metrics listed in Part IV,~~ and any other data quality concerns in other WCIRB data quality programs will be reported to the Governing Committee.
 - d. Within ~~sixty~~ 60 days of notification to the insurer that it has been cited to the Governing Committee:
 - i. A Remediation Evaluation Period will be established; and
 - ii. A monthly fine equal to 1/100 of 1% of the most recent certified calendar year written pure premium¹⁹ at the time the insurer was notified that it had been cited to the ~~Classification and Rating~~ C&R Committee pursuant to ~~Paragraph~~ Part IV, Section D, Subsection 2a, Stage 2: ~~Classification and Rating~~ C&R Committee, ~~subparagraph a~~, subject to a minimum of \$5,000 and a maximum of \$50,000, will be imposed. The monthly fine will continue until such time as:
 - ——— Enough data has been reported and evaluated subsequent to the meeting with the Governing Committee to produce a credible evaluation of the insurer's performance, and
 - ——— The insurer's performance meets ~~Program~~ Part IV, Section B tolerances and resolves all of the deficiencies.
 - e. The Governing Committee may recommend any additional lawful administrative actions it deems necessary, reasonable or appropriate to facilitate or encourage the insurer's

¹⁹ Complete calendar year (January 1 to December 31) direct written premium at pure premium rate level (prior to application of deductible credits), as reported on the WCIRB *Data Call for Direct California Workers' Compensation Experience* (due by February of the following year), that has been certified as to its accuracy on the *WCIRB Financial Call Data Certification* (due by June of the following year) submitted by that insurer.

Administrative Procedures

implementation of adequate remedial measures, including citation to the California Insurance Commissioner.

- f. The WCIRB will report the Governing Committee's findings and actions to the appropriate insurance company senior officer and advise of the following:
 - i. If the insurer does not make significant progress in resolving all the deficiencies and meeting ~~Program~~Part IV, Section B tolerances during Remediation Evaluation Period, the WCIRB pPresident will, unless instructed otherwise by the Governing Committee, cite the insurer to the California Insurance Commissioner for consideration of further remedial action, including but not limited to additional fines, penalties, and/or suspension of authority to transact workers' compensation insurance. The citation to the California Insurance Commissioner will include a report on the insurer's performance with respect to this Program and any other data quality concerns in other WCIRB data quality programs.
 - ii. If significant progress is made in resolving all the deficiencies, and results meet ~~the Program~~Part IV, Section B tolerances during the Remediation Evaluation Period, such performance must be sustained through the Remediation Monitoring Period; otherwise, the insurer will be cited to the California Insurance Commissioner unless the Governing Committee instructs the WCIRB pPresident otherwise.
 - iii. If significant progress is made in resolving all the deficiencies, results meet ~~the Program~~Part IV, Section B tolerances during the Remediation Evaluation Period, and such performance is sustained through the Remediation Monitoring Period, the insurer will not be cited to the California Insurance Commissioner. If, following the Remediation Monitoring Period, (a) the insurer's results exceed the ~~Program's~~ designated tolerances for one or more of the data quality metrics specified in Part IV, Section B, (b) data and/or reporting deficiencies are identified, or (c) both types of issues are identified, the insurer's performance will again be subject to remedial action pursuant to Part IV, Sections C and D.
4. An insurer whose results are approaching ~~Program~~Part IV, Section B tolerances or that has data and/or reporting deficiencies may be requested to meet periodically or correspond with the WCIRB for the purpose of outlining the remedial measures the insurer proposes to implement to improve performance.

Appendix

Appendix

Metric Tolerances

Unless otherwise specified:

- The data quality metrics in this Program are measured against specified tolerances defined below. The WCIRB evaluates each metric's tolerance from time to time, taking into consideration the distribution of statewide data.
- If an insurer exceeds a designated metric tolerance over a four-quarter period, the insurer's results will be subject to remedial action as described in Part IV, Sections C and D, provided the minimum volume for the metric is met during the four-quarter period.

Metric		Tolerance	Minimum Volume for Remediation	Other Criteria
Timeliness				
1	Submission Timeliness – Policies	5%	25 policies received more than thirty 30 days after the policy inception date	
2	Submission Timeliness – Cancellations/Reinstatements	5%	25 cancellations and/or reinstatements received more than thirty 30 days after the issuance date	
3	Responsiveness to Policy Work Items	20%	25 unresolved policy work items that passed the sixty 60-day threshold	
4	Unmatched Policy Transactions – Cancellations/Reinstatements	2%	25 cancellations and/or reinstatements not matched within sixty 60 days	
5	Unmatched USRs	2%	25 original first report level USRs not matched within sixty 60 days	
Completeness and Accuracy				
3 6	Experience Modification Reporting Success – Policy Transactions	10 5%	25 initial policies reported with experience modification audit errors within sixty 60 days of receipt of the initial policy	

Appendix

Metric		Tolerance	Minimum Volume for Remediation	Other Criteria
<u>4</u> <u>7</u>	Forms Compliance	N/A	N/A	Insurer results for this metric are advisory only. However, an insurer may be subject to remedial action as described in <u>Part IV, Sections C and D</u> if deficiencies are identified.

Classification and Rating Committee
Meeting Minutes for November 1, 2022

The meeting was adjourned at 11:35 AM.

* * * * *

Note to Committee Members: These Minutes, as written, have not been approved. Please refer to the Minutes of the meeting scheduled for January 31, 2023 for approval and/or modification.

Item V-A

September 1, 2023 Regulatory Filing

The Classification and Rating (C & R) Committee is recommending changes to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* (USRP), *Miscellaneous Regulations for the Recording and Reporting of Data—1995* (Miscellaneous Regulations) and *California Workers' Compensation Experience Rating Plan—1995* (ERP) for inclusion in the WCIRB's September 1, 2023 Regulatory Filing. The changes, if approved, would take effect September 1, 2023 with the exception of the proposed changes to limit payroll in several additional classifications and to establish new Food and Beverage classifications that would take effect on September 1, 2024.

A copy of the draft Regulatory Filing, excluding the proposed 2023 experience rating eligibility threshold, classification relativities, Table I, *Expected Loss Rates and D-Ratios*, and Table II, *Primary Thresholds*, is being provided to the Governing Committee for review and approval. (These tables of values, for which methodologies underlying their development are separately approved by the C & R or Actuarial Committees, have been excluded from the Agenda materials due to their voluminous nature.) If the Governing Committee approves the draft filing, the WCIRB anticipates submitting it to the California Department of Insurance by the end of February.

A. WCIRB Classification Research and Studies

In preparation for the September 1, 2023 Regulatory Filing, WCIRB staff conducted several classification studies which resulted in proposed USRP changes that the C & R Committee is recommending for clarity and consistency and to restructure several classifications into more homogenous statistically credible classifications that are reflective of current industry operations.

1. Food and Beverage Service

As part of a multi-year effort, the WCIRB conducted a study to holistically review the classification procedures as well as the workers' compensation claim patterns and experience for the restaurant industry to identify distinct segments and determine if key drivers of workers' compensation claim costs in the restaurant industry differ by industry segment.

Based on the findings of the study, the C & R Committee is recommending, effective September 1, 2024:

- a. Establishing Classification 9084, *Bars or Taverns – not restaurants*, to apply to bars and taverns that operate under one of three California Department of Alcoholic Beverage Control liquor licenses (type 42, 48 or 61).
- b. Establishing Classification 9082, *Caterers – not restaurants*, to apply to professional or event caterers with no fixed location for customer dining or for the preparation of individually ordered meals for take-out.
- c. Establishing Classification 9083, *Restaurants – fast food or fast casual*, to apply to fast food or fast casual restaurants with limited to no table service and that require customers to pay before eating.
- d. Establishing Classification 9080, *Restaurants – full service*, to apply to full service restaurants with table service and that require customers to pay after eating.
- e. Establishing Classification 9058, *Hotels, Motels or Short-Term Residential Housing – food or beverage employees*, to apply to the food and beverage services operated by and located at or near a hotel, motel or short-term residential housing employer as a companion classification to Classification 9050, *Hotels, Motels or Short-Term Residential Housing*.

- f. Amending Classification 9079(1), *Restaurants or Taverns*, to add the Not Otherwise Classified (N.O.C.) designation, apply to various hot and cold food operations that do not qualify for one of the classifications listed above and establish a new classification code.
- g. Combining Classifications 9084, 9082, 9083, 9080, 9058, 9079(1) and 9079(2) for ratemaking purposes until sufficient payroll and loss data in each of these classifications have been collected and an analysis of that data supports the establishment of different advisory pure premium rates.
- h. Establishing a Food and Beverage Service Industry Group.

2. Extension of Payroll Limitations

As part of an ongoing study, WCIRB staff identified several additional classifications where it is appropriate to apply payroll classifications that (a) have unusually high levels of employees with wages above the current USRP annual payroll maximum, (b) have relatively low advisory pure premium rates that are likely driven by the high wage levels in the industry and (c) include most employees so that any payroll limitation can be administrated in a relatively straightforward manner. Based on the findings of that study, the C & R Committee is recommending that individual employee's annual payroll developed in the following classifications be subject to the USRP annual payroll limitation effective September 1, 2024:

- 4297(1), *Electronic Pre-Press – all operations – including Clerical Office Employees and Clerical Telecommuter Employees*
- 4297(2), *Graphic Design – all operations – including Clerical Office Employees and Clerical Telecommuter Employees*
- 4512, *Biomedical Research Laboratories –all employees – including Clerical Office Employees and Clerical Telecommuter Employees*
- 8807, *Newspaper, Magazine or Book Publishing – no printing or distribution – editing, designing, proofreading or photographic composing – including Clerical Office Employees and Clerical Telecommuter Employees*
- 8834, *Physicians' Practices and Outpatients Clinics – all employees – including Clerical Office Employees and Clerical Telecommuter Employees*
- 8839, *Dental or Orthodontia Practices– including Clerical Office Employees and Clerical Telecommuter Employees*
- 9043, *Hospitals – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons*

3. Newspaper Delivery

The WCIRB reviewed the business operations and payroll and claim experience of employers currently assigned to Classification 4312, *Newspaper Delivery*, to determine if the classification should continue to be a stand-alone classification or if some or all of the operations contemplated in the classification should be combined with operations in other classifications. Based on the study's findings, the C & R Committee is recommending: (1) combining the loss and payroll experience of employers that deliver newspapers to customers for their personal use on a fee basis with Classification 7198(1), *Parcel Delivery and Messenger Service Companies*, and (2) combining the loss and payroll experience of operations comprising the sale or delivery of newspapers to customers for their personal use by newspaper publishers or printers with Classification 4304, *Newspaper Publishing or Printing*, for ratemaking purposes and limiting the advisory pure premium rate relativity change to 25% each year until the advisory pure premium rate for Classification 4312 better aligns with that of Classification 7198(1) and 4304, respectively, at which time Classification 4312 would be eliminated and the operations reassigned.

4. Not Otherwise Classified (N.O.C.) Study – Clubs

The WCIRB reviewed the operations, payroll and loss experience and characteristics of claims assigned to Classification 9061, *Clubs – N.O.C. – all employees – including front desk employees and restaurant or tavern employees*, to determine whether the assigned operations continue to be homogeneous or if this classification should be modified to reassign some operations to a new or existing classification(s). Based on the findings of the study, the C & R Committee is recommending reassigning retreat facilities to Classification 9048(1), *Camps*, and yacht club operations to 9060, *Clubs – country or golf*.

5. Computer and Computer Peripheral Definitions

The C & R Committee is recommending that Classifications 8062, *Stores – computer*, 3681(2), *Computer or Computer Peripheral Equipment Mfg.*, and 5193, *Computer or Telephone System or Equipment Installation, Service or Repair*, be amended to clarify the scope of what is considered computer peripheral equipment by providing a uniform list of products that meet the definition.

6. Other Classification Changes

The C & R Committee is also recommending amendments to clarify the application of multiple classifications as a result of the WCIRB's continual effort to review the standard classifications to ensure that the intended application of each classification is comprehensive and clear. The C & R Committee is also recommending amendments to the minimum and maximum payroll limitations for executive officers, partners, individual employers and members of a limited liability company, as well as other payroll limitations relevant to specific classifications to reflect the increase in wage levels that has occurred since the minimum and maximum payroll limitations were last amended in 2022. Additionally, the C & R Committee is recommending an increase to the minimum annual payroll per taxicab from \$41,000 to \$42,400 and for department stores from \$1,200,000 to \$1,300,000 to reflect wage inflation since the minimums were last amended.

B. Additional Recommended Amendments

In addition to the changes noted above, the C & R Committee is recommending changes to update the expected loss ranges in the Experience Rating Plan corresponding to each primary threshold to reflect the most current available experience and make non-substantive amendments for clarity and consistency with related regulations.

Part A

Proposed Regulatory Changes Effective September 1, 2023

The WCIRB is recommending:

1. Amendments to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* (Title 10, California Code of Regulations, Section 2318.6), to be effective September 1, 2023 and applied to a policy with an effective date on or after September 1, 2023 (Section A);
2. An amendment to the *Miscellaneous Regulations for the Recording and Reporting of Data—1995* (Title 10, California Code of Regulations, Section 2354), to be effective September 1, 2023 and applied to a policy with an effective date on or after September 1, 2023 (Section B); and
3. Amendments to the *California Workers' Compensation Experience Rating Plan—1995* (Title 10, California Code of Regulations, Section 2353.1), to be effective September 1, 2023 and applied as of the first rating effective date of a risk on or after September 1, 2023 (Section C).

Part A**Section A**

Recommended Amendments to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995*
Title 10, California Code of Regulations, Section 2318.6
Effective September 1, 2023

The WCIRB recommends that the following amendments to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* (Uniform Statistical Reporting Plan) be approved effective September 1, 2023 and applied to a policy with an effective date on or after September 1, 2023.

Part 1 — General Provisions

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, 2023.

PROPOSED**Section I – Introduction**

-
-
-

3. Effective Date

The provisions of this Plan are effective at 12:01 AM, September 1, ~~2022~~2023. When an amendment to this Plan is approved, a notice summarizing the amendment and its effective date, as specified by the Insurance Commissioner, will be published by the WCIRB.

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

* * * * *

Part 3 — Standard Classification System

Amend Section IV, *Special Industry Classification Procedures*, Rule 5, *Stores*, Subrule e to clarify its intended application.

PROPOSED

Section IV – Special Industry Classification Procedures

-
-
-

5. Stores

-
-
-

- e. If a store maintains a department for the preparation and sale of hot foods, such operations shall be separately classified as 9079(1), *Restaurants or Taverns*. The payroll of employees that interchange between store operations and the department engaged in the preparation and sale of hot foods shall be assigned in accordance with Section V, Rule 3, *Division of Single Employee's Payroll*.

-
-
-

* * * * *

Amend Section V, *Payroll – Remuneration*, Rule 1, *Payroll – Remuneration*, Subrule j, *Executive Officers*, Subrule k, *Partners*, Subrule l, *Individual Employers*, and Subrule m, *Members of a Limited Liability Company*, to adjust the minimum and maximum payroll limitations for executive officers, partners, individual employers and members of a limited liability company to reflect wage inflation since the minimum and maximum payroll limitations were last amended in 2022.

PROPOSED

Section V – Payroll – Remuneration

1. Payroll – Remuneration

-
-
-

j. Executive Officers

The entire remuneration earned by each executive officer during the policy period shall be used as the payroll, subject to a minimum remuneration of ~~\$57,200~~\$59,800 per annum and a maximum remuneration of ~~\$149,500~~\$154,700 per annum for each executive officer covered under the policy. This provision also applies to executive officers of a corporation while the corporation is covered as a

member of a partnership or joint venture operation and to executive officers of a limited liability company.

-
-
-

k. Partners

If the policy covers one or more partners as employee(s) during the policy period, the entire remuneration earned by such partner(s) during such coverage (including the annual amount of wages, salary, emoluments or profits of each such partner) shall be included in the payroll, subject to a minimum remuneration of ~~\$57,200~~\$59,800 per annum and a maximum remuneration of ~~\$149,500~~\$154,700 per annum for each partner so included. This provision also applies to partners of a partnership while such partnership is covered as a member of another partnership or joint venture.

-
-
-

l. Individual Employers

If an individual employer is covered under the policy, the entire remuneration earned by such person during the policy period (including the annual amount of wages, salary, emoluments or profits of such person) shall be included in payroll, subject to a minimum remuneration of ~~\$57,200~~\$59,800 per annum and a maximum remuneration of ~~\$149,500~~\$154,700 per annum for such person.

-
-
-

m. Members of a Limited Liability Company

If the policy covers one or more members as employee(s) during the policy period, the entire remuneration earned by such member(s) during such coverage (including the annual amount of wages, salary, emoluments or profits of each such member) shall be included in the payroll, subject to a minimum remuneration of ~~\$57,200~~\$59,800 per annum and a maximum remuneration of ~~\$149,500~~\$154,700 per annum for each member so included. This provision also applies to managers of a limited liability company when the limited liability company is manager-managed.

-
-
-

Examples – for subrules j, k, l and m

A person joined a partnership as a partner effective week 27 of a 52-week policy period. The person did not work as an employee prior to becoming partner. The partner drew only \$400 per week as partner and no other earnings were distributed to the partner. (\$400 x 26, or \$10,400, was drawn during the policy period.) The prorated weekly minimum payroll for partners based upon Subrule k, above, is more than \$10,400 (~~\$57,200~~\$59,800 ÷ 52 x 26 = ~~\$28,600~~\$29,900). The reportable payroll for this partner must therefore be increased by ~~\$48,200~~\$19,500 to equal the prorated minimum remuneration for this person's 26 weeks as partner (\$10,400 + ~~\$48,200~~\$19,500 = ~~\$28,600~~\$29,900).

An employee is promoted to an executive officer position effective week 40 during a 52-week policy period. The individual was paid an annual salary of ~~\$150,000~~\$200,000 for the policy period. Payroll for weeks 1 through 39 is \$112,500. The earnings for the 13-week period as executive officer are reduced to the prorated executive officer maximum remuneration based upon Subrule j above (~~\$149,500~~\$154,700 ÷ 52 x 13 = ~~\$37,375~~\$38,675). The total reportable payroll for this individual is \$112,500 + ~~\$37,375~~\$38,675 = ~~\$149,875~~\$150,161.

-
-
-

* * * * *

V-A-7

A:A-3

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

Amend Classification 7421, *Aircraft Operation – transportation of personnel in the business of an employer not otherwise engaged in aircraft operation*, which is part of the Aircraft Operation Industry Group, to clarify the intended application.

PROPOSED**AIRCRAFT OPERATION**

AIRCRAFT OPERATION – transportation of personnel in the business of an employer not otherwise engaged in aircraft operation – members of the flying crew 7421

This classification applies to members of the flying crew engaged in the transportation of personnel in the business of an employer not otherwise engaged in aircraft operation and who perform no other operations for the employer. See Part 3, Section IV, Rule 1, *Aircraft Operation*.

* * * * *

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.

PROPOSED

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 9016(1)

This classification applies to the operation of amusement or recreational facilities, including but not limited to amusement parks, water parks, miniature golf courses, batting cages, bumper car facilities, archery ranges, water excursions/tours, laser tag, airsoft or paintball facilities, Nordic (cross-country) ski facilities and zoos, including veterinarians employed by zoos.

This classification also applies to the operation of golf driving ranges that are not operated by golf courses or country clubs.

This classification also applies to automobile or horse racetrack operations by employers that are not public agencies.

This classification also applies to the operation of athletic or sports venues, including ballparks and stadiums, during non-sporting activities, including but not limited to concerts and exhibitions.

Boat marinas or boat rental facilities shall be classified as 9016(4), *Boat Marina and Boat Rental Operation*.

Golf courses, ~~or~~ country clubs or yacht clubs shall be classified as 9060, *Clubs – country, ~~or~~ golf or yacht*.

Traveling carnivals shall be classified as 9185, *Carnivals*.

The operation of events, including but not limited to farmers' markets, flea markets, street fairs, swap meets, art or antique festivals, trade shows (public or private), fun runs, foot races, cycling events, marathons, triathlons and athletic charity events shall be classified as 9095, *Event Market, Festival or Trade Show Operation*.

The operation of racetracks by public agencies shall be classified as 9410/9420, *Municipal, State or Other Public Agency Employees*.

Bowling centers shall be classified as 9092(1), *Bowling Centers*.

Billiard halls shall be classified as 9092(2), *Billiard Halls*.

Skating rinks or skate parks shall be classified as 9092(3), *Skating Centers*.

Also refer to companion Classification 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices*.

If an employee who performs duties described by Classification 9016(1) also performs duties described by Classification 9180(1), the payroll of that employee may be divided between Classifications 9016(1) and 9180(1), provided the employer maintains accurate records supported by time cards or time book entries that show such division. See Section V, Rule 3, *Division of Single Employee's Payroll*.

Restaurants, retail stores or hotels shall be separately classified.

* * * * *

Amend Classification 9181, *Athletic Teams or Athletic Facilities – players, umpires, referees and game officials*, to increase the annual payroll limitation for players from \$149,500 to \$154,700 per player per season to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of each player shall be included, subject to a maximum of ~~\$149,500~~\$154,700 per season. When a player works for two or more teams in the same sport during the season, the ~~\$149,500~~\$154,700 per player maximum shall be prorated.

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

Season shall include preseason and postseason exposure.

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

If an employee who performs duties described by Classification 9181 also performs duties described by Classification 9182, the payroll of that employee may be divided between Classifications 9181 and 9182, provided the employer maintains accurate records supported by time

cards or time book entries that show such division. See Section V, Rule 3, *Division of Single Employee's Payroll*.

* * * * *

Amend Classification 7607(2), *Audio Post-Production*, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~\$154,700** per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.**

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

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

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

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

* * * * *

Amend Classification 8803, *Auditing, Accounting or Management Consulting Services*, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ \$154,700 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

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

* * * * *

Amend Classification 8391, *Automobile or Truck Dealers – all employees other than vehicle salespersons*, which is part of the Automotive Industry Group, to clarify the intended application and provide direction as to how related operations should be classified.

PROPOSED

AUTOMOTIVE INDUSTRY

AUTOMOBILE OR TRUCK DEALERS – all employees other than vehicle salespersons – including estimators, service writers, vehicle maintenance and repair, shuttle drivers, accessory or spare parts sales and the transporting of vehicles that are owned by the employer 8391

This classification applies to dealers of motor vehicles, including but not limited to automobiles, trucks, buses, forklift trucks, golf carts, recreational vehicles, motor homes and trailers. This classification applies only to those employers having, in addition to proprietors, a regular sales force engaged exclusively in the demonstration and sale of vehicles and separate clerical staff. If these conditions do not exist, Classification 8391 does not apply. If Classification 8391 does not apply and the employer performs vehicle repair work, assign the applicable vehicle repair classification(s) and, if the employer performs no vehicle repair, assign Classification 8392,

V-A-11
A:A-7

Automobile or Truck Storage Garages or Parking Stations or Lots, to employees who perform activities such as cleaning or washing vehicles, changing tires or recharging batteries.

This classification also applies to yard or repair employees who work for employers that operate vehicle auctions. Vehicle auctioneers or auction sales assistants shall be classified as 8748, *Automobile or Truck Dealers – vehicle salespersons*.

This classification also applies to yard, repair or maintenance employees who work for employers engaged in automobile or truck rental, automobile or truck driving schools, or the transport of individual automobiles or trucks between locations (“Driveaway” companies). Rental agents who work for employers engaged in automobile or truck rental and greet customers, check vehicles in or out, collect payment or assist customers in completing the rental process shall be classified as 8748, Automobile or Truck Dealers – vehicle salespersons.

Towing, roadside assistance or freeway service patrol operations conducted on vehicles not owned by the employer shall be separately classified as 7227, *Automobile or Truck Towing, Roadside Assistance or Freeway Service Patrol*.

“Roadside assistance” refers to services provided to the vehicle owner under an agreement with a third party (such as a motor club or law enforcement agency). Contemplated services include changing tires, jump-starting batteries, replacing batteries, supplying a small amount of gasoline or performing minor vehicle repairs such as reattaching ignition wires or battery cables.

Motorcycle dealers or motorcycle service or repair facilities shall be classified as 8400, Motorcycle Dealers or Repair Facilities.

Also refer to companion Classification 8748, *Automobile or Truck Dealers – vehicle salespersons*.

* * * * *

Amend Classification 8748, *Automobile or Truck Dealers – vehicle salespersons*, which is part of the Automotive Industry Group, to clarify the intended application and provide direction as to how related operations should be classified.

PROPOSED

AUTOMOTIVE INDUSTRY

AUTOMOBILE OR TRUCK DEALERS – vehicle salespersons

8748

This classification applies to salespersons employed by dealers of motor vehicles, including but not limited to automobiles, trucks, buses, forklift trucks, golf carts, recreational vehicles, motor homes and trailers.

This classification also applies to vehicle auctioneers or auction sales assistants who work for employers that operate vehicle auctions.

This classification also applies to rental agents who work for employers engaged in automobile or truck rental and greet customers, check vehicles in or out, collect payment or assist customers in completing the rental process. Yard, repair or maintenance employees who work for automobile or truck rental employers shall be classified as 8391, Automobile or Truck Dealers – all employees other than vehicle salespersons.

This classification also applies to driving or classroom instruction performed in connection with the operation of automobile or truck driving schools. Vehicle maintenance or repair operations performed in connection with the operation of automobile or truck driving schools shall be classified as 8391, *Automobile or Truck Dealers – all employees other than vehicle salespersons*.

Also refer to companion Classification 8391, *Automobile or Truck Dealers – all employees other than vehicle salespersons*.

* * * * *

Amend Classification 8808, *Banks*, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ \$154,700 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

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

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

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

* * * * *

Amend Classification 3647(1), *Battery Mfg.*, to clarify the intended application and provide direction as to how related operations should be classified.

PROPOSED

BATTERY MFG. – ~~storage~~—including foundry operations

3647(1)

This classification applies to the manufacture of lead-acid storage batteries.

The manufacture of dry cell batteries shall be classified as 3179, *Electrical Apparatus Mfg.*

The manufacture of power supplies rated at less than 746 watts shall be classified as 3573, *Power Supply Mfg.*

* * * * *

Amend Classification 9016(4), *Boat Marina and Boat Rental Operation*, for consistency with other proposed changes.

PROPOSED

BOAT MARINA AND BOAT RENTAL OPERATION

9016(4)

This classification applies to boat marina or boat rental operators, including but not limited to the maintenance of marina facilities, maintenance or repair of rental boats, fuel sales, and the rental of boat slips or dry storage space.

Fee-based instruction or guided expeditions shall be separately classified as 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices.*

Boat dealers shall be classified as 8057, *Boat Dealers.*

Boat repair facilities shall be classified as 6834, *Boat Building or Repairing.*

Yacht clubs shall be classified as ~~9064~~9060, *Clubs – ~~N.O.C.~~country, golf or yacht.*

Restaurants, retail stores or hotels shall be separately classified.

* * * * *

Amend Classification 9048(1), *Camps*, to include retreat facilities, provide direction as to how related operations should be classified and for clarity.

PROPOSED

CAMPS OR RETREAT FACILITIES – ~~recreational or educational~~—all operations – including 9048(1)
Clerical Office Employees at camp or retreat locations

This classification applies to all operations of overnight camps that provide supervised recreational or educational activities with guidance or counseling services and overnight lodging for camp participants. This classification also applies to all operations of overnight retreat facilities that specialize in providing instruction or guidance through a scheduled program of activities or workshops structured to promote wellness or personal, spiritual or professional growth for retreat participants.

This classification also applies to overnight camps or retreat facilities operated by religious organizations. Churches, temples, mosques or synagogues shall be separately classified as 8840, Churches, Temples, Mosques and Synagogues – clergy, professional assistants, organists or members of choir, and 9015(4), Churches, Temples, Mosques and Synagogues – all employees other than clergy, professional assistants, organists, members of choir, Clerical Office Employees or Clerical Telecommuter Employees.

The operation of short-term lodging facilities that do not specialize in providing instruction or guidance through a scheduled program of activities or workshops structured to promote wellness or personal, spiritual or professional growth shall be classified as 9050, Hotels, Motels or Short-Term Residential Housing.

Recreational or educational day camps that do not include overnight lodging shall be classified as 9059, *Day Care Centers*.

Nonmedical residential care facilities providing services in a group setting to persons who are capable of meeting their life support needs independently, but who temporarily need assistance, guidance or counseling shall be classified as 8804(1), Substance Use Disorder Recovery Homes – all employees.

* * * * *

Amend Classification 9015(4), *Churches, Temples, Mosques and Synagogues – all employees other than clergy, professional assistants, organists, members of choir, Clerical Office Employees or Clerical Telecommuter Employees*, to provide direction as to how related operations should be classified and for consistency with other proposed changes.

PROPOSED

CHURCHES, TEMPLES, MOSQUES AND SYNAGOGUES – all employees other than clergy, 9015(4)
professional assistants, organists, members of choir, Clerical Office Employees or Clerical Telecommuter Employees

When lodging is provided by the employer, the total remuneration shall include the market value of such lodging to the employee.

Classification 9015(4) includes but is not limited to maintenance employees, janitors, custodians, gardeners, security personnel, drivers and parking lot attendants.

Overnight camps ~~operated by the employer~~ or retreat facilities shall be separately classified as 9048(1), *Camps or Retreat Facilities*. The operation of child day care centers where ~~by~~ services are provided to the public for a fee shall be separately classified as 9059, *Day Care Centers*.

The operation of academic schools for educating children in subjects, including but not limited to reading, language arts, mathematics, science, arts, history and geography shall be separately classified ~~in accordance with the provisions of the Multiple Enterprises rules~~ as 8868, *Colleges or Schools – private – not automobile schools – professors, teachers or academic professional employees*, and 9101, *Colleges or Schools – private – not automobile schools – all employees other than professors, teachers or academic professional employees*.

~~The operation of retail stores for the display and sale of merchandise to congregation members or the general public shall be separately classified.~~

The operation of shops for the preparation and sale of coffee, tea ~~and~~ other nonalcoholic beverages to congregation members or the general public shall be separately classified as 8078(2), *Beverage Preparation Shops*.

The operation of retail stores for the display and sale of merchandise to congregation members or the general public shall be separately classified.

Also refer to companion Classification 8840, *Churches, Temples, Mosques and Synagogues – clergy, professional assistants, organists or members of choir*.

If an employee who performs duties described by Classification 9015(4) also performs duties described by Classification 8840, the payroll of that employee may be divided between Classifications 9015(4) and 8840, provided the employer maintains accurate records supported by time cards or time book entries that show such division. Refer to Part 3, Section V, Rule 3.

* * * * *

Amend Classification 8840, *Churches, Temples, Mosques and Synagogues – clergy, professional assistants, organists or members of choir*, to provide direction as to how related operations should be classified and for consistency with other proposed changes.

PROPOSED

CHURCHES, TEMPLES, MOSQUES AND SYNAGOGUES – clergy, professional assistants, organists or members of choir – including Clerical Office Employees and Clerical Telecommuter Employees **8840**

When lodging is provided by the employer, the total remuneration shall include the market value of such lodging to the employee.

Employees assigned to this classification provide spiritual leadership, teaching, counseling, guidance or support for their congregations. Employees include but are not limited to clergy, organists, choir directors or members, audio/video technicians, youth directors, Sunday school teachers, religious studies instructors, pastoral counselors, and clerical office or clerical telecommuter staff.

This classification also applies to nursery attendants, childcare employees or baby-sitters provided their duties are restricted to providing care for children or infants during religious services.

Overnight camps ~~operated by the employer~~ or retreat facilities shall be separately classified as 9048(1), *Camps or Retreat Facilities*. The operation of child day care centers where services are provided to the public for a fee shall be separately classified as 9059, *Day Care Centers*.

~~The operation of retail stores for the display and sale of merchandise to congregation members or the general public shall be separately classified.~~

~~The operation of shops for the preparation and sale of coffee, tea or other nonalcoholic beverages to congregation members or the general public shall be separately classified as 8078(2); Beverage Preparation Shops.~~

The operation of academic schools for educating children in subjects, including but not limited to reading, language arts, mathematics, science, arts, history and geography shall be separately classified in accordance with the provisions of the Multiple Enterprises rules 8868, *Colleges or Schools – private – not automobile schools – professors, teachers or academic professional employees*, and 9101, *Colleges or Schools – private – not automobile schools – all employees other than professors, teachers or academic professional employees*.

The operation of shops for the preparation and sale of coffee, tea or other nonalcoholic beverages to congregation members or the general public shall be separately classified as 8078(2); Beverage Preparation Shops.

The operation of retail stores for the display and sale of merchandise to congregation members or the general public shall be separately classified.

Also refer to companion Classification 9015(4), *Churches, Temples, Mosques and Synagogues – all employees other than clergy, professional assistants, organists, members of choir, Clerical Office Employees or Clerical Telecommuter Employees*.

If an employee who performs duties described by Classification 8840 also performs duties described by Classification 9015(4), the payroll of that employee may be divided between Classifications 8840 and 9015(4), provided the employer maintains accurate records supported by time cards or time book entries that show such division. Refer to Part 3, Section V, Rule 3.

* * * * *

Amend Classification 9067(2), *Clubs – boys and girls*, for consistency with other proposed changes.

PROPOSED

CLUBS – boys and girls – all employees – including front desk employees, teachers and instructors

9067(2)

This classification applies to clubs ~~and~~ programs that provide supplemental after school and recreational activities, including but not limited to homework assistance, games, arts and crafts, athletics and computer training for school age children on an elective or drop-in basis.

Overnight Ccamps operations or retreat facilities shall be separately classified as 9048(1), *Camps or Retreat Facilities*.

Child day care centers engaged in the provision of supervised care and custody of children that do not operate on an elective or drop-in basis shall be classified as 9059, *Day Care Centers*.

* * * * *

Amend Classification 9067(1), *Clubs – community health and wellness*, for consistency with other proposed changes.

PROPOSED

CLUBS – community health and wellness – all employees – including front desk employees, teachers and instructors 9067(1)

This classification applies to non-profit community associations, including but not limited to YMCAs, YWCAs and Jewish Community Centers that provide exercise or aquatic facilities to promote health and physical fitness and programs for social, recreational, educational and cultural engagement.

Preschool ~~and/or~~ child day care operations shall be separately classified as 9059, *Day Care Centers*.

Nonmedical Residential care facilities for adults needing social rehabilitation, including but not limited to psychiatric, pre-parole or probation halfway houses that provide services in a group setting to persons who are capable of meeting their life support needs independently, but who temporarily need assistance, guidance or counseling shall be separately classified as 8804(2), *Social Rehabilitation Facilities for Adults*.

Overnight Camps operations or retreat facilities shall be separately classified as 9048(1), *Camps or Retreat Facilities*.

Health clubs or gyms that do not operate non-profit community associations for social, recreational, educational or cultural engagement shall be classified as 9053(2), *Health Clubs or Gyms*.

Fitness studios that are not non-profit community associations operating programs for social, recreational, educational or cultural engagement shall be classified as 8870, *Fitness Instruction Programs or Studios*.

Boys and girls clubs shall be classified as 9067(2), *Clubs – boys and girls*.

Non-profit community associations that do not operate physical fitness facilities shall be classified based on the operations performed.

* * * * *

Amend Classification 9060, *Clubs – country or golf*, to include yacht clubs and provide direction as to how related operations should be classified.

PROPOSED

CLUBS – country, ~~or golf or yacht~~ – including front desk employees and restaurant or tavern employees **9060**

This classification applies to the operation of private golf or country clubs, ~~or public golf courses or yacht clubs, including restaurant, tavern or event facilities at the club location and additional fitness or recreational facilities that may be operated in connection with the club.~~ This classification includes the maintenance of golf courses or equipment, including golf carts; golf instruction; tournament operations; all course club facility or golf cart maintenance; and the operation of pro shops ~~or driving ranges, or restaurant, tavern or event facilities at the club location.~~ ~~This classification also includes additional fitness or recreational facilities that may be operated in connection with the golf course.~~

Hotel operations shall be separately classified as 9050, *Hotels, Motels or Short-Term Residential Housing*.

Driving ranges that are not operated by golf courses or country clubs shall be classified as 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.*

Boat marina or boat rental facilities that are not operated by a yacht club shall be classified as 9016(4), *Boat Marina and Boat Rental Operation*.

Tennis or racquetball clubs shall be classified as 9053(5), *Clubs – racquet sports*.

Public or private swimming pools shall be classified as 9053(3), *Swimming Pools or Swimming Clubs*.

Clubs that are not more specifically described by any other classification shall be classified as 9061, *Clubs – N.O.C.*

* * * * *

Amend Classification 9061, *Clubs – N.O.C.*, to (1) clarify the intended application, (2) reassign yacht club operations to Classification 9060, *Clubs – country or golf*, (3) reassign retreat facility operations to Classification 9048(1), *Camps*, and (4) for consistency with other proposed changes.

PROPOSED

CLUBS – N.O.C. – all employees – including front desk employees and restaurant or tavern employees **9061**

This classification applies to the operation of membership clubs that are not specifically described by another classification, including but not limited to ~~business social clubs, cultural clubs, professional clubs, community service clubs,~~ fraternal orders, ~~yacht clubs, faculty clubs, professional clubs and employer sponsored clubs~~ or fraternity or sorority houses and includes overnight lodging provided to members in connection with club operations. ~~This classification also~~

~~applies to the operation of retreat facilities that provide meeting space, food and lodging to participants.~~

Overnight camps or retreat facilities shall be classified as 9048(1), *Camps or Retreat Facilities*.

Non-profit community health and wellness clubs shall be classified as 9067(1), *Clubs – community health and wellness*.

Boys and girls clubs shall be classified as 9067(2), *Clubs – boys and girls*.

Country clubs, ~~and~~ golf clubs or yacht clubs shall be classified as 9060, *Clubs – country, ~~or~~ golf or yacht*.

Casinos ~~and~~ gaming clubs shall be classified as 9069, *Clubs – gaming*.

Equestrian clubs shall be classified as 7207(2), *Clubs – riding*.

Shooting clubs shall be classified as 9180(2), *Shooting Clubs or Shooting Ranges*.

Swimming clubs shall be classified as 9053(3), *Swimming Pools or Swimming Clubs*.

* * * * *

Amend Classification 9053(5), *Clubs – racquet sports*, for consistency with other proposed changes.

PROPOSED

CLUBS – racquet sports – including restaurant employees, retail store employees and receptionists

9053(5)

This classification applies to racquet clubs that provide membership and access to court facilities for playing racquet sports, including but not limited to tennis, racquetball, badminton and squash, as a primary benefit of membership. This classification includes additional fitness and recreational facilities that may be operated in connection with the racquet court facilities. This classification includes coaching teams and instructing, supervising and operating competitive leagues or events.

This classification also applies to the operation of clubs or facilities for handball, pickleball, table tennis or similar racquet or paddle sports.

~~Golf or e~~Country clubs, golf clubs or yacht clubs shall be classified as 9060, *Clubs – country, ~~or~~ golf or yacht*.

Public or private swimming pools shall be classified as 9053(3), *Swimming Pools or Swimming Clubs*.

Non-profit community health and wellness clubs shall be classified as 9067(1), *Clubs – community health and wellness*.

Health clubs or gyms engaged in operating facilities that provide space and exercise equipment, including but not limited to cardiovascular equipment, weight machines and free weights available for at-will use by clients for the majority of operating hours, including tennis, racquetball, handball or squash operations provided in connection therewith, shall be classified as 9053(2), *Health Clubs or Gyms*.

The operation of fitness studios or fitness training programs primarily offering scheduled fitness classes where space and exercise equipment is not available for use by clients at-will during the majority of operating hours shall be classified as 8870, *Fitness Instruction Programs or Studios*.

* * * * *

Amend Classification 9101, *Colleges or Schools – private – not automobile schools – all employees other than professors, teachers, or academic professional employees*, to clarify how related operations should be classified.

PROPOSED

COLLEGES OR SCHOOLS – private – not automobile schools – all employees other than professors, teachers, or academic professional employees – including cafeterias 9101

Classification 9101 includes but is not limited to cafeteria workers, drivers, maintenance employees, janitors, gardeners, security personnel, resident advisors or assistants and book supply department employees.

The operation of religious organizations, including but not limited to churches, temples, mosques and synagogues shall be separately classified in accordance with the provisions of the Multiple Enterprises rules as 8840, *Churches, Temples, Mosques and Synagogues – clergy, professional assistants, organists or members of choir*, and 9015(4), *Churches, Temples, Mosques and Synagogues – all employees other than clergy, professional assistants, organists, members of choir, Clerical Office Employees or Clerical Telecommuter Employees*.

Also refer to companion Classification 8868, *Colleges or Schools – private – not automobile schools – professors, teachers or academic professional employees*.

If an employee who performs duties described by Classification 9101 also performs duties described by Classification 8868, the payroll of that employee may be divided between Classifications 9101 and 8868, provided the employer maintains accurate records supported by time cards or time book entries that show such division. Refer to Part 3, Section V, Rule 3.

Retail store operations shall be separately classified.

* * * * *

Amend Classification 8868, *Colleges or Schools – private – not automobile schools – professors, teachers or academic professional employees*, for consistency with other proposed changes and to clarify the intended application and how related operations should be classified.

PROPOSED

COLLEGES OR SCHOOLS – private – not automobile schools – professors, teachers or academic professional employees 8868

Academic professional employees consist of, but are not limited to, deans, chancellors, vice chancellors, directors, principals, assistant principals, presidents, vice presidents, librarians, registrars, curriculum developers, psychologists, speech therapists and counselors. The responsibilities of such employees typically include planning, directing, administering, counseling or curriculum development. This classification includes day care, preschools or before or after school programs operated by private colleges or schools.

This classification also applies to teachers' aides, tutors, nurses, athletic team coaches or library employees.

This classification also applies to Independent Living Skills (ILS) instructional programs that are administered through state-contracted Regional Centers.

The operation of religious organizations, including but not limited to churches, temples, mosques and synagogues shall be separately classified ~~in accordance with the provisions of the Multiple Enterprises rules 8840, Churches, Temples, Mosques and Synagogues – clergy, professional assistants, organists or members of choir, and 9015(4), Churches, Temples, Mosques and Synagogues – all employees other than clergy, professional assistants, organists, members of choir, Clerical Office Employees or Clerical Telecommuter Employees.~~

Overnight camps or retreat facilities shall be separately classified as 9048(1), Camps or Retreat Facilities.

Supported Living Services (SLS) provided to developmentally disabled individuals or In-Home Support Services (IHSS) shall be separately classified as 8827(1), Home Care Services.

The operation of colleges or schools by municipal, state or other public agencies shall be classified as 8875(1), *Public Colleges or Schools*.

Also refer to companion Classification 9101, *Colleges or Schools – private – not automobile schools – all employees other than professors, teachers or academic professional employees – including cafeterias*.

If an employee who performs duties described by Classification 8868 also performs duties described by Classification 9101, the payroll of that employee may be divided between Classifications 8868 and 9101, provided the employer maintains accurate records supported by time cards or time book entries that show such division. Refer to Part 3, Section V, Rule 3.

~~Recreational or educational day camps that do not include overnight lodging for camp participants shall be classified as 9059, Day Care Centers.~~

~~Overnight camps shall be separately classified as 9048(1), Camps.~~

Automobile driving schools shall be classified as follows:

- Driving or classroom instruction – 8748, *Automobile or Truck Dealers – vehicle salespersons*

- Vehicle maintenance or repair – 8391, *Automobile or Truck Dealers* – all employees other than vehicle salespersons

~~Supported Living Services (SLS) provided to developmentally disabled individuals or In Home Support Services (IHSS) shall be separately classified as 8827(1), *Home Care Services*. Child care or supervisory services, including but not limited to day care, preschools, kindergartens and before or after school programs not in connection with public or private schools which provide instruction for first grade and higher shall be classified as 9059, *Day Care Centers*.~~

Recreational or educational day camps that do not include overnight lodging for camp participants shall be classified as 9059, *Day Care Centers*.

* * * * *

Amend Classification 5193, *Computer or Telephone System or Equipment Installation, Service or Repair*, to clarify the intended application.

PROPOSED

COMPUTER OR TELEPHONE SYSTEM OR EQUIPMENT INSTALLATION, SERVICE OR REPAIR 5193 – shop or outside

This classification applies to the installation, service or repair of computer or telephone systems or equipment, including but not limited to phone speakers, cellular telephones, Voice Over Internet Protocol equipment and desktops, laptops, servers, tablets and/or computer peripheral equipment such as monitors, ~~terminals, desktop printers or scanners or computer mouse device~~ smice, keyboards, webcams, disk drives, external storage devices, motherboards, ~~and computer modems or routers~~. This classification includes the installation of communications cabling performed in connection with computer or telephone system installation, service or repair operations by the same employer. This classification includes the installation, service or repair of audio or video teleconferencing equipment that is connected to telephone or computer networks. Repair operations may be performed at the shop or at customers' locations.

This classification also applies to the installation, service or repair of computer or telephone systems or equipment in connection with the operation of data center colocation facilities where business customers rent space for their servers and other computing hardware or rent space on the facility's servers. The management and operation of commercial properties as data center colocation facilities shall be separately classified as 9009/8740(2), *Commercial Properties*.

The manufacture of computers or computer peripheral equipment, or shop repair of computer or computer peripheral equipment by the manufacturer, shall be classified as 3681(2), *Computer or Computer Peripheral Equipment Mfg.*

The manufacture of telephones or telephone equipment, or shop repair of telephones or telephone equipment by the manufacturer, shall be classified as 3681(3), *Telecommunications Equipment Mfg.*

The installation, service or repair of audio/video systems shall be classified as 9516, *Television, Video, Audio or Radio Equipment Installation, Service or Repair*.

The construction of aerial telephone lines shall be classified as 7601, *Aerial Line Construction*. The construction of underground telephone lines shall be classified as 6325, *Conduit Construction or Underground Wiring*.

The installation of low voltage cabling within buildings that is not performed in connection with the installation, service or repair of computers or telephone systems by the same employer shall be classified as 5195, *Communications Cabling*.

The installation, service or repair of office or point of sale machines shall be classified as 5191, *Office Machine or Point of Sale Equipment Installation, Service or Repair*.

The installation, service or repair of telecommunication antennas or antenna equipment that are located on rooftops, towers, structures or other exterior locations shall be classified as 9531(1), *Telecommunication Antenna Equipment Installation, Service or Repair*.

Employers licensed by the Federal Communications Commission that provide wireline, long distance, cellular, radio paging or mobile radio services for customers on a fee basis shall be classified as 7600, *Communication Service Providers*.

* * * * *

Amend Classification 8859(1), *Computer Programming or Software Development*, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ \$154,700 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

* * * * *

Amend Classification 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*, for consistency with previously approved changes.

PROPOSED

CONCRETE OR CEMENT WORK – pouring or finishing of concrete floor slabs, poured in place and on the ground, and concrete slab-type foundations, for other than concrete buildings or structural steel buildings of multi-story construction – including the making or stripping of forms – employees whose regular hourly wage equals or exceeds \$32.00 per hour **5205(2)**

Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds \$32.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed \$32.00 per hour shall be classified as 5201(2), *Concrete or Cement Work*.

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

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

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

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

* * * * *

Amend Classification 8801, *Credit Unions*, to increase the annual payroll limitation from \$149,500 to \$154,700 per employee to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

CREDIT UNIONS – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons **8801**

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~\$154,700 per year. When the policy is in force for less than a 12-month period, the

maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

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

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

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

* * * * *

Amend Classification 9059, *Day Care Centers*, for consistency with other proposed changes.

PROPOSED

DAY CARE CENTERS – child – not residential care facilities – all employees – including receptionists

9059

This classification applies to child day care centers that provide nonmedical care and supervision for children ranging from infancy to 17 years of age for periods of less than 24 hours; pre-school programs; or before or after school programs that are not operated in connection with public or private schools operated by the same employer.

This classification also applies to recreational or educational day camps that do not include overnight lodging for camp participants.

This classification also applies to day care services provided by employers primarily for the use of their employees' dependents, in accordance with the General Exclusions rule. See Section III, Rule 6, *General Exclusions*.

~~Recreational or educational~~ Overnight camps that include overnight lodging or retreat facilities shall be classified as 9048(1), *Camps or Retreat Facilities*.

This classification does not apply to child care or supervisory services, including but not limited to day care, preschools, kindergartens and before or after school programs, that are operated by the same employer in connection with public or private schools which provide instruction for first grade and higher; such operations shall be classified as 8868, *Colleges or Schools – private – not automobile schools – professors, teachers or academic professional employees*, 9101,

Colleges or Schools – private – not automobile schools – all employees other than professors, teachers, or academic professional employees, or 8875(1), Public Colleges or Schools.

Boys and girls clubs that provide supplemental after school or recreational activities for school age children on an elective or drop-in basis shall be classified as 9067(2), *Clubs – boys and girls.*

* * * * *

Amend Classification 3569, *Electric Motor Mfg. or Repair*, to clarify the intended application and provide direction as to how related operations should be classified.

PROPOSED

ELECTRIC MOTOR MFG. OR REPAIR

3569

This classification applies to the manufacture or shop repair of electric motors, including the cleaning and rewinding of armatures, field coils, rotors and similar parts.

Dealers that sell or repair new electric motors that are used in industrial machinery or equipment shall be classified as 8107, *Machinery and Equipment Dealers.*

Dealers that sell or repair used electric motors that are used in industrial machinery or equipment shall be classified as 8267, *Machinery and Equipment Dealers – secondhand.*

The installation or repair of electric motors away from the shop shall be classified as 3724(2), *Electrical Machinery or Auxiliary Apparatus.*

* * * * *

Amend Classification 8874(4), *Audio/Video Electronic Products Mfg. – hardware or software design or development*, which is part of the Electronics Industry Group, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

ELECTRONICS

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ \$154,700 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

* * * * *

Amend Classification 3681(2), *Computer or Computer Peripheral Equipment Mfg.* – all other employees, which is part of the Electronics Industry Group, to clarify the intended application and for consistency with other proposed changes.

PROPOSED

ELECTRONICS

COMPUTER OR COMPUTER PERIPHERAL EQUIPMENT MFG. – all other employees – N.O.C. 3681(2)

This classification applies to the manufacture of ~~personal, desktop, laptop, notebook, tablet or mainframe computers or servers.~~ This classification also applies to the manufacture of ~~electronic computer peripheral equipment; including but not limited to such as~~ monitors, ~~terminals, printers, scanners or computer mouse devices~~ mice, keyboards, webcams, disk drives, logic boards, external storage devices, motherboards, and computer modems or routers. This classification includes shop repair of computer or computer peripheral equipment by the manufacturer.

The installation, service or repair ~~or installation~~ of computer or computer peripheral equipment by the manufacturer away from the shop or at customers' locations shall be separately classified as 5193, *Computer or Telephone System or Equipment Installation, Service or Repair*.

Also refer to companion Classification 8874(2), *Computer or Computer Peripheral Equipment Mfg. – hardware or software design or development.*

* * * * *

Amend Classification 8874(2), *Computer or Computer Peripheral Equipment Mfg. – hardware or software design or development*, which is part of the Electronics Industry Group, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

ELECTRONICS

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ **\$154,700** per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

* * * * *

Amend Classification 3179, *Electrical Apparatus Mfg. – N.O.C.*, which is part of the Electronics Industry Group, to clarify the intended application.

PROPOSED

ELECTRONICS

ELECTRICAL APPARATUS MFG. – N.O.C. 3179

This classification applies to the manufacture or shop repair of electrical apparatus, including but not limited to electric controls, switchboard assemblies, solenoids, electrical-mechanical switches, actuators and relays with a power rating of less than 746 watts (one horsepower) that is not specifically described by another classification. This classification also applies to the manufacture of dry cell batteries.

The installation or repair of electrical apparatus away from the shop shall be classified as 3724(2), *Electrical Machinery or Auxiliary Apparatus*.

The manufacture or shop repair of electrical apparatus, including but not limited to electric controls, switchboard assemblies, solenoids, electrical-mechanical switches and relays with a power

rating of 746 watts or more shall be classified as 3643(1), *Electric Power or Transmission Equipment Mfg.*, or 3643(2), *Electric Control Panel or Switchgear Mfg.* The manufacture or shop repair of electrical apparatus that are rated both at less than 746 watts and at 746 watts and above shall be classified based on the primary (over 50% of shop time) operation.

The manufacture or shop repair of electric motors shall be classified as 3569, *Electric Motor Mfg. or Repair.*

The manufacture of portable electric appliances that are not specifically described by another classification shall be classified as 3570, *Electric Appliance Mfg.*

~~The installation or repair of electrical apparatus away from the shop shall be classified as 3724(2), *Electrical Machinery or Auxiliary Apparatus.*~~

* * * * *

Amend Classification 8874(1), *Instrument Mfg. – electronic – professional or scientific – hardware or software design or development*, which is part of the Electronics Industry Group, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

ELECTRONICS

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

The entire remuneration of each employee shall be included, subject to a maximum of \$149,500 ~~\$149,500~~ \$154,700 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

* * * * *

Amend Classification 8874(5), *Integrated Circuit and Semiconductor Wafer Mfg. – hardware or software design or development*, which is part of the Electronics Industry Group, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

ELECTRONICS

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ **\$154,700** per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

* * * * *

Amend Classification 8874(3), *Telecommunications Equipment Mfg. – hardware or software design or development*, which is part of the Electronics Industry Group, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

ELECTRONICS

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ **\$154,700** per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

* * * * *

Amend Classification 8601(1), *Engineers*, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~\$154,700 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

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

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

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

* * * * *

Amend Classifications 6218(1)/6220(1), *Excavation – N.O.C.*, to decrease the hourly wage threshold from \$39.00 to \$38.00 per hour to reflect updated wage information since the threshold was last amended in 2022.

PROPOSED

EXCAVATION – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage does not equal or exceed ~~\$39~~38.00 per hour **6218(1)**

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

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

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

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

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

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

EXCAVATION – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage equals or exceeds ~~\$39~~38.00 per hour **6220(1)**

Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds ~~\$39~~38.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$39~~38.00 per hour shall be classified as 6218(1), *Excavation – N.O.C.*

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

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

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

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

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

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

* * * * *

Amend Classification 8870, *Fitness Instruction Programs or Studios*, for consistency with other proposed changes.

PROPOSED

FITNESS INSTRUCTION PROGRAMS OR STUDIOS – all employees – including receptionists 8870

This classification applies to fitness instruction programs or fitness studios that provide scheduled fitness or training classes, including but not limited to martial arts, gymnastics, dance and yoga. This classification is limited to fitness instruction where facility space and exercise equipment is not available for use by clients on an at-will basis during the majority of operating hours. This classification also applies to fitness-based classes or training sessions, including but not limited to personal training and specialized coaching by employers not engaged in any facility operations, such as independent golf and tennis instructors.

Health clubs or gyms operating facilities that provide space and exercise equipment, including but not limited to cardiovascular equipment, weight machines and free weights available for at-will use by clients for the majority of operating hours, including scheduled classes and fitness training programs provided in connection therewith, shall be classified as 9053(2), *Health Clubs or Gyms*.

The operation of athletic teams or athletic facilities shall be classified as 9182, *Athletic Teams or Athletic Facilities – all employees other than players, umpires, referees and game officials*.

Swimming pools or swimming clubs shall be classified as 9053(3), *Swimming Pools or Swimming Clubs*.

Tennis or racquetball clubs shall be classified as 9053(5), *Clubs – racquet sports*.

Country clubs, ~~or~~ golf courses or yacht clubs shall be classified as 9060, *Clubs – country, ~~or~~ golf or yacht*.

Non-profit community health and wellness clubs shall be classified as 9067(1), *Clubs – community health and wellness*.

Water-based athletic or fitness instructional programs at locations other than swimming pools, including but not limited to surfing, scuba, kayaking, paddle boarding and kite surfing lessons and tours on lakes, bays, rivers or oceans shall be classified as 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices*.

* * * * *

Amend Classification 2102, *Fruit or Vegetable Evaporation or Dehydrating*, which is part of the Food Packaging and Processing Industry Group, for consistency with previously approved changes.

PROPOSED

FOOD PACKAGING AND PROCESSING

FRUIT OR VEGETABLE EVAPORATION OR DEHYDRATING

2102

This classification applies to the drying of fruits or vegetables to produce products, including but not limited to raisins, prunes, and dried figs, oranges, apricots, apples, onions, garlic, peppers and tomatoes.

Packing of dried fruits shall be separately classified as 2109, *Fruit – dried fruit packing and handling*.

Growing or harvesting, including field packing of crops, shall be assigned to the applicable *Farms* Industry Group classification.

* * * * *

Amend Classification 8601(4), *Forest Engineers*, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

FOREST ENGINEERS – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons

8601(4)

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ **\$154,700** per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

This classification includes timber cruising.

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

* * * * *

Amend Classification 3339, *Foundries – investment casting*, for clarity and consistency.

PROPOSED

FOUNDRIES – investment casting – ferrous or nonferrous – all operations – including pattern and mold mfg. 3339

This classification applies to the manufacture of metal castings, either ferrous or nonferrous, by the lost wax or investment process.

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

The manufacture of metal castings, either ferrous or nonferrous, by die casting shall be classified as 1925, *Die Casting Mfg.*

The manufacture of iron castings by methods other than die casting or the lost wax or investment process shall be classified as 3081, *Foundries – iron*.

The manufacture of steel castings by methods other than die casting or the lost wax or investment process shall be classified as 3082, *Foundries – steel castings*.

The manufacture of castings from nonferrous metals, including but not limited to aluminum, brass, zinc or bronze by methods other than die casting or the lost wax or investment process shall be classified as 3085, *Foundries – nonferrous*.

* * * * *

Amend Classification 3081, *Foundries – iron*, to provide direction as to how related operations should be classified and for clarity and consistency.

PROPOSED

FOUNDRIES – iron – N.O.C. 3081

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

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

~~The machining and assembly of castings to produce finished parts or products, including but not limited to water meter covers, pump housings, fire grates, weights, bolt anchors and gas burners shall be separately classified.~~ Foundry operations are General Exclusions; therefore, unless specifically included in the language of a classification, foundry operations shall be separately classified. See Part 3, Section III, Rule 6, *General Exclusions*.

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

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

The casting of steel shall be ~~separately~~ classified as 3082, *Foundries – steel castings*, in accordance with the provisions of the Multiple Enterprises rule.

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

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

The machining and assembly of castings to produce finished parts or products, including but not limited to water meter covers, pump housings, fire grates, bolt anchors, gas burners and weights shall be separately classified.

* * * * *

Amend Classification 3085, *Foundries – nonferrous*, to provide direction as to how related operations should be classified and for clarity and consistency.

PROPOSED

FOUNDRIES – nonferrous – N.O.C.

3085

This classification applies to foundries that produce nonferrous castings from metals, including but not limited to aluminum, brass, zinc, bronze and precious metals. This classification includes incidental processing operations such as the removal of gates, risers, burrs and flash.

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

~~The machining and assembly of castings to produce finished parts or components, including but not limited to skateboard trucks, propellers, fittings, pump housings, billets, pulleys and valves shall be separately classified.~~ Foundry operations are General Exclusions; therefore, unless specifically included in the language of a classification, foundry operations shall be separately classified. See Part 3, Section III, Rule 6, *General Exclusions*.

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

The casting of steel shall be ~~separately~~ classified as 3082, *Foundries – steel castings*, in accordance with the provisions of the Multiple Enterprises rule.

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

Smelting, sintering, refining or alloying metals shall be classified as 1438, *Smelting, Sintering, Refining or Alloying*.

The machining and assembly of castings to produce finished parts or components, including but not limited to skateboard trucks, pump housings, propellers, fittings, billets, pulleys and valves shall be separately classified.

* * * * *

Amend Classification 3082, *Foundries – steel castings*, to provide direction as to how related operations should be classified and for clarity and consistency.

PROPOSED

FOUNDRIES – steel castings

3082

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

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

~~The machining and assembly of castings to produce finished parts or products, including but not limited to suspension components, impellers, hinges, golf club heads, valves and rods shall be separately classified. Foundry operations are General Exclusions; therefore, unless specifically included in the language of a classification, foundry operations shall be separately classified. See Part 3, Section III, Rule 6, *General Exclusions*.~~

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

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

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

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

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

The machining and assembly of castings to produce finished parts or products, including but not limited to water meter covers, pump housings, fire grates, bolt anchors, gas burners and weights shall be separately classified.

* * * * *

Amend Classifications 6315(2)/6316(2), *Gas Mains or Connections Construction*, to decrease the hourly wage threshold from \$39.00 to \$38.00 per hour to reflect updated wage information since the threshold was last amended in 2022.

PROPOSED

GAS MAINS OR CONNECTIONS CONSTRUCTION – including tunneling at street crossings – employees whose regular hourly wage does not equal or exceed ~~\$39~~\$38.00 per hour

6315(2)

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

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

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

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

GAS MAINS OR CONNECTIONS CONSTRUCTION – including tunneling at street crossings – employees whose regular hourly wage equals or exceeds ~~\$39~~\$38.00 per hour **6316(2)**

Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds ~~\$39~~\$38.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$39~~\$38.00 per hour shall be classified as 6315(2), *Gas Mains or Connections Construction*.

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

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

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

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

* * * * *

Amend Classifications 6218(2)/6220(2), *Grading Land*, to decrease the hourly wage threshold from \$39.00 to \$38.00 per hour to reflect updated wage information since the threshold was last amended in 2022.

PROPOSED

GRADING LAND – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage does not equal or exceed ~~\$39~~\$38.00 per hour **6218(2)**

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

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

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

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

GRADING LAND – N.O.C. – including borrowing, filling or backfilling – employees whose regular hourly wage equals or exceeds ~~\$39~~38.00 per hour 6220(2)

Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds ~~\$39~~38.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$39~~38.00 per hour shall be classified as 6218(2), *Grading Land*.

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

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

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

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

* * * * *

Amend Classification 9050, *Hotels, Motels or Short-Term Residential Housing*, to provide direction as to how related operations should be classified.

PROPOSED

HOTELS, MOTELS OR SHORT-TERM RESIDENTIAL HOUSING

9050

When lodging is provided by the employer, the total remuneration shall include the market value of such lodging to the employee.

This classification applies to the operation of hotels, motels or short-term residential housing. This classification includes all employees other than employees exclusively engaged in restaurant or tavern operations. Front desk, cashiering, concierge or retail store operations, and facility tours, including but not limited to tours for marketing or inspection purposes, are included in this classification.

Short term residential housing, including but not limited to vacation rentals and timeshare properties, is defined as housing units that are rented for not more than 30 consecutive days. The operation of residential housing where more than 75% of units are rented for longer than 30 consecutive days shall be assigned to the applicable *Property Management/Operation* Industry Group classification.

The payroll of employees engaged exclusively in connection with restaurant or tavern operations shall be separately classified as 9079(1), *Restaurants or Taverns*. This includes employees who work in food or beverage departments, prepare or serve hot food in connection with complimentary breakfasts, or provide room service, including delivering food or restocking in-room

refrigerators, provided such employees perform no hotel duties. Employees who perform hotel, motel or short-term residential housing operations and restaurant or tavern operations shall be assigned to Classification 9050.

Recreation, leisure or resort operations, including but not limited to country clubs, golf courses, yacht clubs, casinos, gaming clubs, spas, baths, health clubs, gyms, barber shops or hair salons shall be separately classified.

The payroll of employees who alternate between two or more separately classifiable operations shall be assigned in accordance with Section V, Rule 3, *Division of Single Employee's Payroll*.

The payroll of employees who do not engage in operations that are integral to each classifiable operation but perform operations in general support of more than one classifiable operation shall be assigned to the Governing Classification of the group of classifications to which their work pertains. Employees who perform general support operations include but are not limited to supervisors, maintenance workers, security guards, shipping and receiving clerks and yard employees.

Overnight retreat facilities that specialize in providing instruction or guidance through a scheduled program of activities or workshops structured to promote wellness or personal, spiritual or professional growth for participants shall be classified as 9048(1), *Camps or Retreat Facilities*.

Nonmedical residential care facilities, including but not limited to psychiatric, pre-parole or probation halfway houses that provide services in a group setting to persons who are capable of meeting their life support needs independently, but who temporarily need assistance, guidance and counseling shall be classified as 8804(2), *Social Rehabilitation Facilities for Adults*.

* * * * *

Amend Classification 8822, *Insurance Companies*, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

INSURANCE COMPANIES – all employees – including Clerical Office Employees, Clerical Tel- ecommuter Employees and Outside Salespersons 8822

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~\$154,700 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

* * * * *

Amend Classification 8859(2), *Internet or Web-Based Application Development or Operation*, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ \$154,700 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

* * * * *

Amend Classification 9008, *Janitorial Services*, to clarify the intended application and provide direction as to how related operations are classified.

PROPOSED

JANITORIAL SERVICES – by contractors 9008

This classification applies to employers that provide ~~contract~~ janitorial services, for other concerns on a fee basis at commercial or industrial buildings or facilities and includes restocking restroom supplies, cleaning carpets, changing light bulbs or touch-up painting when performed in connection with the janitorial services.

This classification also applies to specialty cleaning operations performed for other concerns on a fee basis at commercial or industrial facilities or at residential locations, including but not limited to window cleaning; mold abatement; ~~exterior post-construction~~ job site clean-up; fire, smoke or water damage clean-up; sanitizing or disinfecting services; or metal, glass or stone buffing or polishing. This classification also applies to off-street sweeping or snow removal using

hand or portable power tools or equipment in areas that include but are not limited to walkways, parking lots and private driveways.

This classification does not apply at a location where the employer provides property management services; such operations shall be assigned to the applicable *Property Management/Operation* Industry Group classification.

The interior general cleaning of occupied or vacant residences for other concerns on a fee basis shall be separately classified as 9096, *Residential Cleaning Services*.

Off-street snow removal using vehicles or construction equipment, including but not limited to plows, excavators or loaders shall be classified as 6218(1)/6220(1), *Excavation – N.O.C.*

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

Carpet cleaning that is performed as a specialty operation and not in connection with general cleaning services shall be classified as 2584, *Carpet, Rug or Upholstery Cleaning*.

~~This classification does not apply at a location where the employer provides property management services.~~

~~The interior general cleaning of occupied or vacant residential dwellings shall be separately classified as 9096, *Residential Cleaning Services*.~~

* * * * *

Amend Classification 8755, *Labor Unions*, to clarify the intended application.

PROPOSED

LABOR UNIONS – ~~employees engaged outside of office~~ —including Outside Salespersons

8755

This classification applies to labor union employees who represent various groups of workers and are engaged in activities away from the office ~~at least part of the time~~, including but not limited to handling grievances, performing job evaluations, collecting delinquent payments, checking work conditions, union organizing and performing contract, wage and benefit negotiations ~~and union organizing~~. This classification also applies to staff attorneys who work outside of the office at least part of the time. This classification also applies to employee associations and guilds that engage in collective bargaining.

* * * * *

Amend Classification 2702(2), *Land Clearing*, to clarify the intended application and provide direction as to how related operations should be classified.

PROPOSED

LAND CLEARING – all operations

2702(2)

This classification applies to the removal of trees, brush ~~and/or~~ vegetation in connection with the preparation of land for construction operations or the clearing of land to create firebreaks. This classification also applies to the removal of orchards ~~and/or~~ vineyards prior to replanting. This classification also includes wood chipping and land ripping operations when performed by the same employer in connection with land clearing operations.

The grading or leveling of land shall be separately classified as 6218(2)/6220(2), *Grading Land*, or 6218(3)/6220(3), *Land Leveling*.

Weed abatement for fire hazard control purposes not in connection with land clearing shall be classified as 0042, *Landscape Gardening*.

* * * * *

Amend Classifications 6218(3)/6220(3), *Land Leveling*, to decrease the hourly wage threshold from \$39.00 to \$38.00 per hour to reflect updated wage information since the threshold was last amended in 2022.

PROPOSED

LAND LEVELING – grading farm lands – employees whose regular hourly wage does not equal or exceed ~~\$39~~38.00 per hour

6218(3)

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

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

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

LAND LEVELING – grading farm lands – employees whose regular hourly wage equals or exceeds ~~\$39~~38.00 per hour

6220(3)

Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds ~~\$39~~38.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$39~~38.00 per hour shall be classified as 6218(3), *Land Leveling*.

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

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

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

* * * * *

Amend Classification 0042, *Landscape Gardening*, to clarify the intended application and provide direction as to how related operations are classified.

PROPOSED

LANDSCAPE GARDENING – including maintenance of gardens

0042

This classification applies to the construction, maintenance, repair or installation of landscape systems or facilities designed for public or private gardens or other areas in order to aesthetically, architecturally, horticulturally or functionally improve the grounds within or surrounding a structure or a tract or plot of land. This classification includes the preparation and grading of plots or areas of land for the installation of landscaping; pruning, repairing or trimming trees or hedges when none of the operations at a particular job or location require elevation, including but not limited to using ladders, lifts or by climbing; or chipping operations performed in connection with landscape gardening. This classification also applies to spraying or spreading lawn fertilizers or herbicides, or weed abatement for fire hazard control purposes not in connection with land clearing.

When performed by the same employer that is primarily (over 50% of employee time) engaged in landscape work at a particular job or location, this classification also applies to the construction or installation of hardscape features, including but not limited to fountains, statuary, monuments, decorative pools, garden furniture, garden accent lighting and drainage or sprinkler systems.

This classification also applies to reforestation operations to plant new trees or timber growth management operations to control or remove brush or overgrowth when performed for other concerns on a fee basis and not in connection with logging operations performed by the same employer. Reforestation or timber growth management operations when performed in connection with logging operations by the same employer shall be classified as 2702(1), *Logging*.

Pruning, repairing or trimming trees or hedges, including ground crew operations, when any portion of the operations at a particular job or location requires elevation, including but not limited to using ladders, lifts or by climbing, shall be separately classified as 0106, *Tree Pruning, Repairing or Trimming*.

Excavating, transporting and transplanting trees using mobile cranes shall be separately classified as 7219(3), *Mobile Crane and Hoisting Service Contractors*.

The clearing of land to create firebreaks through the removal of trees, brush or vegetation shall be classified as 2702(2), *Land Clearing – all operations*.

* * * * *

Amend Classification 8820, *Law Firms*, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ **\$154,700** per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

* * * * *

Amend Classification 8232(1), *Lumberyards*, for clarity and consistency with other proposed changes.

PROPOSED

LUMBERYARDS – commercial – including counterpersons **8232(1)**

This classification applies to commercial lumberyards engaged in the sale of lumber, plywood, moldings, paneling or incidental building materials. This classification includes incidental cutting of lumber to length and handling, stocking or delivery of lumber.

When, at a single location, the sale of store merchandise, including but not limited to tile, cabinets or hardware, electrical or plumbing supplies exceeds 25% of gross receipts, employees engaged in selling, stocking, handling or delivery of store merchandise shall be separately classified to the applicable *Stores* Industry Group classification; refer to Section IV, *Special Industry Classification Procedures*, Rule 5, *Stores*. Cashiers who process store merchandise sales in addition to building material sales shall also be assigned to the applicable *Stores* Industry Group classification.

The processing of logs into shingles or rough lumber shall be separately classified as 2710(1), *Sawmills or Shingle Mills*.

Planing of lumber to produce finished lumber, flooring or unassembled millwork shall be separately classified as 2731, *Planing or Molding Mills*.

The application of preservative treatments to logs or lumber shall be separately classified as 2710(3), *Wood Treating or Preserving*.

The sale of building materials, including secondhand building materials, shall be classified as 8232(2), *Building Material Dealers*.

Dealers of solid combustible fuel materials or soil amendments shall be classified as 8232(3), *Fuel and Material Dealers*.

~~The processing of logs into shingles or rough lumber shall be separately classified as 2710(1), *Sawmills or Shingle Mills*.~~

~~Planing of lumber to produce finished lumber, flooring or unassembled millwork shall be separately classified as 2731, *Planing or Molding Mills*.~~

~~The application of preservative treatments to logs or lumber shall be separately classified as 2710(3), *Wood Treating or Preserving*.~~

* * * * *

Amend Classification 8749, *Mortgage Bankers*, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~\$154,700 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

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

* * * * *

Amend Classification 8743, *Mortgage Brokers*, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ \$154,700 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

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

* * * * *

Amend Classification 9610, *Motion Pictures – production*, to increase the annual payroll limitation for actors, musicians, producers and the motion picture director from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of actors, musicians, producers and the motion picture director shall be included subject to a maximum of ~~\$149,500~~ \$154,700 per year per person. When such employees do not work the entire year, the payroll limitation shall be prorated based upon the number of weeks in which such employees worked during the policy period.

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

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

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

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

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

* * * * *

Amend Classification 5191, *Office Machine or Point of Sale Equipment Installation, Service or Repair – N.O.C.*, for consistency with other proposed changes.

PROPOSED

OFFICE MACHINE OR POINT OF SALE EQUIPMENT INSTALLATION, SERVICE OR REPAIR – 5191 N.O.C. – shop or outside

This classification applies to the installation, service or repair of office machines, including but not limited to printers, copiers, scanners, coin counting and wrapping machines and mail room equipment. This classification also applies to the installation, service or repair of point of sale or transactional machines, including but not limited to automated teller machines, credit card readers, payment terminals, electronic cash registers and other electronic transaction devices. This classification also applies to the installation, service or repair of slot machines and electronic gaming machines. This classification includes the installation of low voltage cabling that is performed in connection with machine installation, service or repair operations by the same employer. Repair operations may be performed at a shop location or at customers' locations.

This classification also applies to piano tuning.

~~The manufacture of office machines shall be separately classified.~~

The installation of low voltage cabling within buildings that is not performed in connection with the installation, service or repair of machines by the same employer shall be classified as 5195, *Communications Cabling*.

The installation of electrical wiring within buildings shall be classified as 5140/5190, *Electrical Wiring – within buildings*.

The installation, service or repair of commercial printing equipment, including but not limited to offset printers and printing presses shall be classified as 3724(1), *Millwright Work*.

The installation, service or repair of computers, telephones, telephone systems, ~~or desktop printers or scanners or other~~ computer peripheral equipment shall be classified as 5193, *Computer or Telephone System or Equipment Installation, Service or Repair*.

The installation, service or repair of vending machines shall be classified as 5192, *Vending or Coin-Operated Machines*.

The manufacture of office machines shall be separately classified.

* * * * *

Amend Classification 8601(2), *Oil or Gas Geologists or Scouts*, which is part of the Petroleum Industry Group, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

PETROLEUM INDUSTRY

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ \$154,700 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

* * * * *

Amend Classification 2840(1), *Picture Frame Assembly*, for clarity and consistency with other proposed changes.

PROPOSED

PICTURE FRAME ASSEMBLY

2840(1)

This classification applies to the assembly of picture frames, including the cutting and assembly of frame stock, matting and glass.

The manufacture of wood picture frame stock shall be separately classified as 2731, *Planing or Moulding Mills*.

The custom framing of pictures ~~and~~ or artwork, including ~~incidental~~ picture frame assembly in connection with the framing, shall be classified as 2840(2), *Picture or Artwork Framing*.

Retail store operations shall be separately classified.

The manufacture of molded plastic components shall be separately classified.

* * * * *

Amend Classification 2840(2), *Picture or Artwork Framing*, for clarity and consistency with other proposed changes.

PROPOSED

PICTURE OR ARTWORK FRAMING – including frame assembly

2840(2)

This classification applies to the custom framing of pictures or artwork and includes the cutting and assembly of frame stock, matting and glass and the ~~incidental~~ assembly of picture frames in connection with the custom framing.

The manufacture of wood picture frame stock shall be separately classified as 2731, *Planing or Moulding Mills*.

The assembly of picture frames not in connection with picture or artwork framing shall be classified as 2840(1), *Picture Frame Assembly*.

Retail store operations shall be separately classified.

The manufacture of molded plastic components shall be separately classified.

* * * * *

Amend Classification 2731, *Planing or Moulding Mills*, to clarify the intended application.

PROPOSED

PLANING OR MOULDING MILLS

2731

This classification applies to the production of finished lumber, flooring, moldings, paneling, picture frame stock or unassembled millwork.

Yard employees receiving incoming materials ~~and/or~~ stocking, grading ~~and/or~~ loading finished milled products, including drivers and their helpers, shall be separately classified as 8232(1), *Lumberyards*.

Building material dealers or fuel and material dealers shall be separately classified as 8232(2), *Building Material Dealers*, or 8232(3), *Fuel and Material Dealers*.

Forest engineering ~~and/or~~ timber cruising operations shall be separately classified as 8601(4), *Forest Engineers*.

* * * * *

Amend Classification 8746, *Newspaper Publishing or Printing – reporters or photographers*, which is part of the Printing, Publishing and Duplicating Industry Group, to provide direction as to how related operations should be classified.

PROPOSED

PRINTING, PUBLISHING AND DUPLICATING

NEWSPAPER PUBLISHING OR PRINTING – reporters or photographers – including Outside Salespersons 8746

This classification applies to reporters, photographers and advertising or circulation salespersons employed by newspaper publishers or printers.

With the exception of a single permanent job reassignment, it is not permissible to divide a single employee's payroll, within a single policy period, between this classification and any other classification.

The sale or delivery of newspapers to customers for their personal use and not for resale shall be separately classified as 4312, *Newspaper Delivery*.

Pre-press activities of employers engaged in publishing printed newspapers, magazines or books where all printing and distribution is conducted by separate concerns shall be separately classified as 8807, *Newspaper, Magazine or Book Publishing – no printing or distribution*.

The publishing or printing of newspapers, tabloids, advertising newspapers, and specialty sections, including but not limited to the comics and television sections of newspapers shall be classified as 4304, *Newspaper Publishing or Printing – all other employees*, or 8818, *Newspaper Publishing or Printing – editing, designing, proofreading and photographic composing*.

~~The sale or delivery of newspapers to customers for their personal use and not for resale shall be separately classified as 4312, *Newspaper Delivery*.~~

* * * * *

Amend Classification 8741, *Real Estate Agencies*, which is part of the Property Management/Operation Industry Group, to increase an employee's annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

PROPERTY MANAGEMENT/OPERATION

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ **\$154,700** per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

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

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

* * * * *

Amend Classification 7610, *Radio, Television or Commercial Broadcasting Stations*, to increase the annual payroll limitation for on-air personalities, entertainers and musicians from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of on-air personalities, entertainers and musicians shall be included subject to a maximum of ~~\$149,500~~ \$154,700 per year per person. When such employees do not work the entire year, the payroll limitation shall be prorated based upon the number of weeks in which such employees worked during the policy period.

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

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

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

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

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

* * * * *

Amend Classification 9096, *Residential Cleaning Services*, for clarity and consistency with other proposed changes.

PROPOSED

RESIDENTIAL CLEANING SERVICES – by contractors

9096

This classification applies to the interior general cleaning of occupied or vacant residences for other concerns on a fee basis. Painting, remodeling or repair operations shall be separately classified.

This classification includes carpet cleaning performed in connection with general cleaning services. Carpet cleaning performed as a specialty operation and not in connection with general cleaning services shall be classified as 2584, *Carpet, Rug or Upholstery Cleaning*.

~~Contract~~ When conducted for other concerns on a fee basis, janitorial services performed at commercial or industrial buildings or facilities; or specialty cleaning operations (such as window cleaning; mold abatement; ~~exterior post-construction~~ job site clean-up; fire, smoke, or water damage clean-up; sanitizing or disinfecting services; or metal, glass or stone buffing or polishing) performed at commercial or industrial facilities or residential locations shall be separately classified as 9008, *Janitorial Services*.

* * * * *

Amend Classification 2710(1), *Sawmills or Shingle Mills*, for clarity and consistency with other proposed changes.

PROPOSED

SAWMILLS OR SHINGLE MILLS – all employees – including grading, sorting, pulling, piling, drying, loading, storage and shipping of sawmill products

2710(1)

This classification applies to the cutting, edging ~~and/or~~ trimming of logs to produce rough lumber. This classification also applies to the cutting ~~and/or~~ splitting of logs at a permanent shop or yard location.

The planing ~~and/or~~ moulding of lumber to produce finished lumber, flooring or unassembled mill-work shall be separately classified as 2731, *Planing or Moulding Mills*.

~~Subsequent manufacturing operations shall be separately classified.~~

Forest engineering ~~and/or~~ timber cruising operations shall be separately classified as 8601(4), *Forest Engineers*.

The chipping of logs, limbs ~~and/or~~ slash at logging sites, ~~and/or~~ log chipping that is performed in connection with trees felled by the employer, not in connection with sawmill operations, shall be classified as 2710(2), *Log Chipping*.

The application of preservatives onto logs, lumber or other wood materials not in connection with sawmill operations shall be classified as 2710(3), *Wood Treating or Preserving*.

Subsequent manufacturing operations shall be separately classified.

* * * * *

Amend Classifications 6307/6308, *Sewer Construction*, to decrease the hourly wage threshold from \$39.00 to \$38.00 per hour to reflect updated wage information since the threshold was last amended in 2022.

PROPOSED

SEWER CONSTRUCTION – all operations – including construction of laterals and tunneling at street crossings – employees whose regular hourly wage does not equal or exceed ~~\$39~~\$38.00 per hour 6307

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

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

SEWER CONSTRUCTION – all operations – including construction of laterals and tunneling at street crossings – employees whose regular hourly wage equals or exceeds ~~\$39~~\$38.00 per hour 6308

Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds ~~\$39~~\$38.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$39~~\$38.00 per hour shall be classified as 6307, *Sewer Construction*.

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

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

* * * * *

Amend Classification 8062, *Stores – computer*, which is part of the Stores Industry Group, to clarify the intended application, provide direction as to how related operations should be classified and for consistency with other proposed changes.

PROPOSED

STORES

STORES – computer – wholesale or retail – including Outside Salespersons

8062

This classification applies to each location of an employer at which the sale of computers, computer peripheral ~~item~~ equipment, computer software, computer accessories, computer parts and computer supplies equals or exceeds 75% of gross receipts and not less than 10% of gross receipts is derived from the sale of computers, which include but are not limited to desktops, laptops, ~~personal computers~~ servers, or tablets and notebooks. Computer peripheral equipment includes but is not limited to monitors, printers, scanners, or computer mice, keyboards, webcams, disk drives, external storage devices, motherboards, modems or routers. For purposes of administering this classification, cellular telephones are not computers or computer peripheral ~~item~~ equipment. Refer to Classification 8017(1), *Stores – retail*.

The installation, service or repair of computers, computer systems or computer peripherals at the store or at customers' locations shall be separately classified as 5193, *Computer or Telephone System or Equipment Installation, Service or Repair*.

The manufacture of computers or computer peripheral equipment, or shop repair of computers or computer peripheral equipment by the manufacturer, shall be classified as 3681(2), *Computer or Computer Peripheral Equipment Mfg.*

~~The installation, service or repair of computers or computer systems at the store or at customers' locations shall be separately classified as 5193, *Computer or Telephone System or Equipment Installation, Service or Repair*.~~

* * * * *

Amend Classification 8039, *Stores – department stores*, which is part of the Stores Industry Group, to increase the payroll limitation from \$1,200,000 to \$1,300,000 per annum to reflect wage inflation since the payroll limitation was last amended in 2021.

PROPOSED

STORES

STORES – department stores – retail – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons

8039

This classification applies to each store location at which all the following conditions exist:

1. The payroll subject to this classification is at least \$1,2300,000 per annum.
2. The merchandise handled must include:
 - (a) Wearing Apparel
 - (b) Linens
 - (c) House Furnishings (other than furniture)

V-A-56
A:A-52

- (d) One or more of the following:
- Cosmetics
 - Drugs
 - Furniture
 - Groceries
 - Hardware
 - Jewelry
 - Luggage
 - Musical Instruments
 - Sporting Goods
 - Toys
3. The total annual sales of items (a), (b) and (c), above, must exceed 50% of the total annual sales.

This classification also applies to the installation of house furnishings and household appliances that have been sold by the store and to satellite warehouse or clerical office locations.

* * * * *

Amend Classification 2501(4), *Tailoring*, for clarity.

PROPOSED

TAILORING – custom exclusively

2501(4)

This classification applies to the tailoring ~~and/or~~ alteration of garments for other concerns on a fee basis. This classification also applies to the manufacture of custom--tailored clothing ~~and/or~~ costumes.

Clothing alterations or repairs performed by retail dry cleaners or laundries shall be classified as 2589(1), *Dry Cleaning or Laundry*.

Clothing alterations or repairs performed by retail clothing stores shall be classified as 8008, *Stores – clothing, shoes, linens or fabric products – retail*.

* * * * *

Amend Classification 7365, *Taxicab Operations*, to increase the minimum annual payroll per taxicab from \$41,000 to \$42,400 to reflect wage inflation since the threshold was last amended in 2022.

PROPOSED

TAXICAB OPERATIONS – all employees

7365

Payroll shall include the entire remuneration earned by all taxicab drivers during the policy period. In the event an employer does not keep verifiable payroll records for all taxicab drivers, the minimum remuneration for taxicab drivers shall not be less than ~~\$41,000~~\$42,400 per annum per taxicab dispatched by or operated under the auspices of the insured. The minimum payroll amount is in consideration of taxicab downtime,

vacation time or other periods during which the taxicab is not in operation, as well as the use of a single taxicab by multiple drivers. The per annum payroll amount shall be prorated only when the taxicab is not dispatched by or under the auspices of the insured or registered for the full policy period or when the policy period is less than one year.

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

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

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

* * * * *

Amend Classification 9156, *Theaters – dance, opera or theater companies*, to increase the annual payroll limitation for performers and directors of performers from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

THEATERS – dance, opera or theater companies – all performers and directors of performers 9156 – N.O.C.

The entire remuneration of performers and directors of performers shall be included, subject to a maximum of ~~\$149,500~~\$154,700 per year per person. When such employees do not work the entire year, the payroll limitation shall be prorated based upon the number of weeks in which such employees worked during the policy period.

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

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

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

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

If an employee who performs duties described by Classification 9156 also performs duties described by Classification 9154, the payroll of that employee may be divided between Classifications 9154 and 9156, provided the employer maintains accurate records supported by time

cards or time book entries that show such division. See Section V, Rule 3, *Division of Single Employee's Payroll*.

* * * * *

Amend Classification 9151, *Theaters – musical entertainment*, to increase the annual payroll limitation for performers and directors of performers from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of performers and directors of performers shall be included subject to a maximum of ~~\$149,500~~\$154,700** per year per person. When such employees do not work the entire year, the payroll limitation shall be prorated based upon the number of weeks in which such employees worked during the policy period.**

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

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

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

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

* * * * *

Amend Classification 7607(1), *Video Post-Production*, to increase the annual payroll limitation from \$149,500 to \$154,700 per person to reflect wage inflation since the payroll limitation was last amended in 2022.

PROPOSED

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

The entire remuneration of each employee shall be included, subject to a maximum of ~~\$149,500~~ \$154,700 per year. When the policy is in force for less than a 12-month period, the maximum payroll amount shall be prorated based upon the number of weeks in the policy period.

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

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

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

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

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

* * * * *

Amend Classifications 6315(1)/6316(1), *Water Mains or Connections Construction*, to decrease the hourly wage threshold from \$39.00 to \$38.00 per hour to reflect updated wage information since the threshold was last amended in 2022.

PROPOSED

WATER MAINS OR CONNECTIONS CONSTRUCTION – including tunneling at street crossings – employees whose regular hourly wage does not equal or exceed ~~\$39~~ \$38.00 per hour **6315(1)**

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

This classification also applies to the installation of water lines within property lines when the water pipe exceeds 6" in diameter.

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

The construction of aqueducts, cross-country pipelines and hydroelectric projects shall be separately classified.

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

WATER MAINS OR CONNECTIONS CONSTRUCTION – including tunneling at street crossings – employees whose regular hourly wage equals or exceeds ~~\$39~~38.00 per hour 6316(1)

Assignment of this classification is subject to verification at the time of final audit that the employee's regular hourly wage equals or exceeds ~~\$39~~38.00 per hour. The payroll of an employee whose regular hourly wage is not shown to equal or exceed ~~\$39~~38.00 per hour shall be classified as 6315(1), *Water Mains or Connections Construction*.

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

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

The construction of aqueducts, cross-country pipelines and hydroelectric projects shall be separately classified.

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

* * * * *

Amend Section VIII, *Abbreviated Classifications – Numeric Listing*, to for consistency with other proposed changes.

PROPOSED

Section VIII – Abbreviated Classifications – Numeric Listing

-
-
-
- 2731 Planing/Moulding Mills
-
-
-
- 9048(1) Camps/Retreat Facilities
-
-
-

9060 Clubs–country/golf/yacht

-
-
-

* * * * *

Part A**Section B****Recommended Amendment to the *Miscellaneous Regulations for the Recording and Reporting of Data—1995*****Title 10, California Code of Regulations, Section 2354****Effective September 1, 2023**

The WCIRB recommends that the following amendment to the *Miscellaneous Regulations for the Recording and Reporting of Data—1995* (Miscellaneous Regulations) be approved effective September 1, 2023 and applied to a policy with an effective date on or after September 1, 2023.

Part 1 — General Provisions

Amend Section I, *Introduction*, Rule 2, *Effective Date*, to show that the effective date of the amended Miscellaneous Regulations is 12:01 AM, September 1, 2023.

PROPOSED**Section I — Introduction**

-
-
-

2. Effective Date

This regulation is effective at 12:01 AM, September 1, ~~2022~~2023. When an amendment to this regulation is approved, a notice summarizing the amendment and its effective date, as specified by the Insurance Commissioner, will be published by the WCIRB.

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

* * * * *

Part A**Section C****Recommended Amendments to the *California Workers' Compensation Experience Rating Plan—1995*****Title 10, California Code of Regulations, Section 2353.1****Effective September 1, 2023**

The WCIRB recommends that the following amendments to the *California Workers' Compensation Experience Rating Plan—1995* (Experience Rating Plan) be approved effective September 1, 2023 with respect to new and renewal policies as of the first rating effective date of a risk on or after September 1, 2023.

Section I — General Provisions

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, 2023.

PROPOSED**Section I – General Provisions**

-
-
-

2. Effective Date

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

-
-
-

* * * * *

Section III – Eligibility and Experience Period

Amend Section III, *Eligibility and Experience Period*, Rule 1, *Eligibility Requirements for California Workers' Compensation Insurance*, to adjust the eligibility threshold from \$9,200 to \$X,XXX to reflect wage inflation and the proposed September 1, 2023 expected loss rates.

PROPOSED

Section III – Eligibility and Experience Period

1. **Eligibility Requirements for California Workers' Compensation Insurance.** A risk shall qualify for experience rating of its California workers' compensation insurance premium under this Plan if not less than \$X,XXX is produced by applying expected loss rates to the total remuneration that would be used in the experience rating calculation for the risk. Only completed policy periods shall be used in determining eligibility. Any risk eligible for experience rating shall be experience rated.

-
-
-

* * * * *

Section IV — Change in Status and Combination of Entities

Amend Section IV, *Change in Status and Combination of Entities*, Rule 2, *Combination of Entities*, for consistency with naming conventions for rules.

PROPOSED

Section IV – Change in Status and Combination of Entities

-
-
-

2. Combination of Entities

-
-
-

When a combination is made, the experience used in the combination shall be subject to the provisions of Rule 1, *Change in Status (Ownership, Operations and Employees)*.

This Rule applies only where the entities are, or have been, operating and insured concurrently in California. It does not apply where concurrent operations are for a short period of time, not exceeding one year, provided the operation of the original entity during the period both entities were operating was restricted to the completion of contracts entered into prior to the new entity commencing operations. Rule 1 applies in all situations where this Rule is not applicable.

* * * * *

Part B

Proposed Regulatory Changes Effective September 1, 2024

The WCIRB is recommending:

1. Amendments to the *California Workers' Compensation Uniform Statistical Reporting Plan—1995* (Title 10, California Code of Regulations, Section 2318.6), to be effective September 1, 2024 and applied to a policy with an effective date on or after September 1, 2024.

Part B

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

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

Part 3 — Standard Classification System

Amend Section III, *General Classification Procedures*, Rule 2, *Single Enterprise*, for consistency with other proposed changes.

PROPOSED**2. Single Enterprise**

-
-
-

Example

The employer operates a full service restaurant. Employees are retained as chefs, bakers, dishwashers, wait staff, hosts and hostesses, wine stewards, bartenders, janitors, car parking valets, coat check clerks, manager and assistant manager. In addition, a storage facility is operated at an additional location where restaurant supplies are stored pending use in the restaurant. The activities, duties, hazards and pay scales vary among positions. Classifications such as 2003, *Bakeries or Cracker Mfg.*, 9008, *Janitorial Services – by contractors*, and 8392, *Automobile or Truck Storage Garages or Parking Stations or Lots*, describe some of the employees' activities. However, the restaurant bakery only produces goods served in the restaurant; the janitors only clean the restaurant; the parking valets only park the vehicles of restaurant customers; and the storage facility only stores materials used in the restaurant. All of these operations normally prevail in the operation of a full service restaurant and, therefore, Classification ~~9079(1)9080, *Restaurants or Taverns – full service*~~, applies to all of the employees.

* * * * *

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

PROPOSED

5. Stores

-
-
-
- e. If a store maintains a department for the preparation and sale of hot foods, such operations shall be separately classified as 9079(1), ~~Restaurants or Taverns~~. Refer to the *Food and Beverage Service* Industry Group for a complete list of classifications applicable to the preparation or serving of food or beverages. The payroll of employees ~~that~~who interchange between store operations and the department engaged in the preparation and sale of hot foods shall be assigned in accordance with Section V, Rule 3, *Division of Single Employee's Payroll*.
- f. ~~Employers that engage in mobile food vending for vendors engaged in the retail sale of beverages or packaged and/or cold foods and beverages from food trucks, trailers, carts or temporary booths, including the incidental storage of such merchandise, shall be classified as 8017(1), *Stores – retail*, 8078(1), *Sandwich Shops*, 8078(2), *Beverage Preparation Shops*, or 8078(3), *Ice Cream or Frozen Yogurt Shops*, depending on the products sold. The operation of mobile food trucks, trailers, carts or temporary booths wherein hot food is prepared for sale to customers shall be classified as 9079(1), *Restaurants or Taverns*– N.O.C.~~

* * * * *

Amend Section VII, *Standard Classifications*, Rule 1, *Classification Section*, subrule a, *Industry Groups*, to reflect the proposed establishment of Food and Beverage Service as an industry group and to renumber the subsequent listings in the Rule.

PROPOSED

Section VII – Standard Classifications

1. Classification Section

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

g. Industry Groups

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

- (1) Aircraft Operation
- (2) Automotive Industry

(3) Electronics

(4) Farms

~~(4)~~(5) Food and Beverage Service

~~(5)~~(6) Food Packaging and Processing

~~(6)~~(7) Health and Human Services

-
-
-

* * * * *

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.

PROPOSED

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 9016(1)

This classification applies to the operation of amusement or recreational facilities, including but not limited to amusement parks, water parks, miniature golf courses, batting cages, bumper car facilities, archery ranges, water excursions/tours, laser tag, airsoft or paintball facilities, Nordic (cross-country) ski facilities and zoos, including veterinarians employed by zoos.

This classification also applies to the operation of golf driving ranges that are not operated by golf courses or country clubs.

This classification also applies to automobile or horse racetrack operations by employers that are not public agencies.

This classification also applies to the operation of athletic or sports venues, including ballparks and stadiums, during non-sporting activities, including but not limited to concerts and exhibitions.

The preparation and serving of food or beverages shall be separately classified as Classification 9079(1), *Restaurants – N.O.C.*

Boat marinas or boat rental facilities shall be classified as 9016(4), *Boat Marina and Boat Rental Operation*.

Golf courses, ~~or~~ country clubs or yacht clubs shall be classified as 9060, *Clubs – country, ~~or~~ golf or yacht*.

Traveling carnivals shall be classified as 9185, *Carnivals*.

The operation of events, including but not limited to farmers' markets, flea markets, street fairs, swap meets, art or antique festivals, trade shows (public or private), fun runs, foot races, cycling events, marathons, triathlons and athletic charity events shall be classified as 9095, *Event Market, Festival or Trade Show Operation*.

The operation of racetracks by public agencies shall be classified as 9410/9420, *Municipal, State or Other Public Agency Employees*.

Bowling centers shall be classified as 9092(1), *Bowling Centers*.

Billiard halls shall be classified as 9092(2), *Billiard Halls*.

Skating rinks or skate parks shall be classified as 9092(3), *Skating Centers*.

Also refer to companion Classification 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices*.

If an employee who performs duties described by Classification 9016(1) also performs duties described by Classification 9180(1), the payroll of that employee may be divided between Classifications 9016(1) and 9180(1), provided the employer maintains accurate records supported by time cards or time book entries that show such division. See Section V, Rule 3, *Division of Single Employee's Payroll*.

~~Restaurants,~~ Retail stores or hotels shall be separately classified.

* * * * *

Amend Classification 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices*, for consistency with other proposed changes.

PROPOSED

AMUSEMENT OR RECREATIONAL FACILITIES – N.O.C. – operation or maintenance of amusement devices – including ticket collectors 9180(1)

This classification applies to the operation or maintenance of amusement devices at recreational facilities, including but not limited to amusement parks, zoos, water parks, miniature golf courses, batting cages, bumper car facilities, archery ranges, water excursions/tours and laser tag, airsoft or paintball facilities.

This classification also applies to guided tours for water-based activities or water-based athletic or fitness instructional programs at locations other than swimming pools, including but not limited to surfing, scuba, kayaking, paddle boarding or kite surfing on lakes, bays, rivers or oceans.

This classification also applies to guided wilderness expeditions; motorsports operations; or ski instructors, ski patrol personnel or employees engaged in ski trail grooming at ski resort locations that exclusively provide Nordic (cross-country) skiing activities. This classification also applies to the detonation of fireworks for pyrotechnic displays.

The preparation and serving of food or beverages shall be separately classified as Classification 9079(1), *Restaurants – N.O.C.*

Traveling carnivals shall be classified as 9185, *Carnivals*.

Employers that operate boat marinas or boat rental facilities shall be classified as 9016(4), *Boat Marina and Boat Rental Operation*.

Bowling centers shall be classified as 9092(1), *Bowling Centers*.

Billiard halls shall be classified as 9092(2), *Billiard Halls*.

Skating rinks or skate parks shall be classified as 9092(3), *Skating Centers*.

The operation of Alpine (downhill) ski resorts, including the operation of Nordic (cross-country) ski trails at Alpine ski resort locations, shall be classified as 9184, *Ski Resorts – Alpine*.

Also refer to companion 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*.

If an employee who performs duties described by Classification 9180(1) also performs duties described by Classification 9016(1), the payroll of that employee may be divided between Classifications 9016(1) and 9180(1), provided the employer maintains accurate records supported by time cards or time book entries that show such division. See Section V, Rule 3, *Division of Single Employee's Payroll*.

~~Restaurants, r~~etail stores or hotels shall be separately classified.

* * * * *

Amend Classification 9182, *Athletic Teams or Athletic Facilities – all employees other than players, umpires, referees and game officials*, to provide direction as to how related operations should be classified and for consistency with other proposed changes.

PROPOSED

ATHLETIC TEAMS OR ATHLETIC FACILITIES – all employees other than players, umpires, referees and game officials 9182

This classification applies to employees of athletic teams or parks who are engaged in the care of teams or the care, operation and maintenance of grounds and facilities, including but not limited to coaches and assistant coaches, non-playing managers, trainers, equipment managers, bat and ball retrievers, mascots, dancers, locker room attendants, public address announcers, scorekeepers, timekeepers, ushers, ticket sellers or collectors, parking lot attendants, security staff, and facility and grounds maintenance employees. This classification also applies to employees of youth or recreational athletic teams or facilities.

Radio or television broadcasting shall be separately classified as 7610, *Radio, Television or Commercial Broadcasting Stations*.

The preparation and serving of food or beverages shall be separately classified as Classification 9079(1), *Restaurants – N.O.C.*

The operation of a concession stand or snack bar by separate concerns shall be classified as 9079(2), *Concessionaires*.

Athletic scouts shall be classified as 8742, *Salespersons – Outside*, subject to the Standard Exceptions rule. See Section III, Rule 4, *Standard Exceptions*.

The operation of athletic facilities during non-sporting events, including but not limited to concerts and exhibitions shall be classified as 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*.

Players, playing managers, and umpires, referees and game officials who monitor play, shall be classified as 9181, *Athletic Teams or Athletic Facilities – players, umpires, referees and game officials*.

~~Radio or television broadcasting shall be separately classified as 7610, *Radio, Television or Commercial Broadcasting Stations*.~~

Also refer to companion Classification 9181, *Athletic Teams or Athletic Facilities – players, umpires, referees and game officials*.

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

~~Restaurants, retail stores and/or~~ vendors shall be separately classified.

* * * * *

Amend Classification 8078(2), *Beverage Preparation Shops – not bars or taverns*, to be included as part of the proposed Food and Beverage Service Industry Group, provide direction as to how related operations should be classified and for consistency with other proposed changes.

PROPOSED

FOOD AND BEVERAGE SERVICE

BEVERAGE PREPARATION SHOPS – not bars or taverns

8078(2)

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

~~Beverage preparation shops that pour and serve alcoholic beverages for consumption on the premises or that prepare and serve hot food for consumption on or away from the premises shall be assigned to Classification 9079(1), *Restaurants or Taverns*.~~

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

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

* * * * *

Establish a new cross-reference for Classification 8078(2), *Beverage Preparation Shops – not bars or taverns*, to be part of the proposed Food and Beverage Service Industry Group, for consistency with other proposed changes.

PROPOSED

BEVERAGE PREPARATION SHOPS – not bars or taverns

See Food and Beverage Service.

* * * * *

Amend Classification 9092(2), *Billiard Halls*, to clarify the intended application and for consistency with other proposed changes.

PROPOSED

BILLIARD HALLS – including restaurant, bar or tavern employees, retail store employees and counterpersons 9092(2)

This classification applies to billiard halls that specialize in the hourly rental of billiard tables to the general public. This classification includes the operation of arcades, pro shops, restaurants, bars or taverns in connection with billiard halls where 50% or more of gross receipts are generated by billiard operations.

~~Restaurants or taverns with billiard tables where the primary (over 50% of gross receipts) operations are restaurant or tavern operations shall be classified as 9079(1), *Restaurants or Taverns*.~~

Gaming arcades that are not operated in connection with billiard halls shall be classified as 8017(1), *Stores – retail*.

Restaurants, bars or taverns with billiard tables where the primary (over 50% of gross receipts) operations are restaurant, bar or tavern operations shall be assigned to the applicable *Food and Beverage Service* Industry Group classification.

* * * * *

Amend Classification 4512, *Biomedical Research Laboratories*, to limit an employee's annual payroll to \$XXX,XXX and 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.

PROPOSED

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

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

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

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

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

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

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

* * * * *

Amend Classification 9016(4), *Boat Marina and Boat Rental Operation*, for consistency with other proposed changes.

PROPOSED

BOAT MARINA AND BOAT RENTAL OPERATION **9016(4)**

This classification applies to boat marina or boat rental operators, including but not limited to the maintenance of marina facilities, maintenance or repair of rental boats, fuel sales, and the rental of boat slips or dry storage space.

Fee-based instruction or guided expeditions shall be separately classified as 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices*.

The preparation and serving of food or beverages shall be separately classified as Classification 9079(1), *Restaurants – N.O.C.*

Boat dealers shall be classified as 8057, *Boat Dealers*.

Boat repair facilities shall be classified as 6834, *Boat Building or Repairing*.

Yacht clubs shall be classified as ~~9064~~9060, *Clubs – N.O.C. county, golf or yacht.* *

~~Restaurants,~~ Retail stores or hotels shall be separately classified.

* The changes to this footnote are proposed to be effective September 1, 2023.

* * * * *

Amend Classification 9092(1), *Bowling Centers*, to clarify the intended application and for consistency with other proposed changes.

PROPOSED

BOWLING CENTERS – with or without billiard halls – including restaurant, bar or tavern employees, retail store employees and counterpersons **9092(1)**

This classification applies to all operations of bowling centers open to the general public. This classification includes the operation of arcades, pro shops, billiard tables, restaurants, bars or taverns in connection with bowling centers where 50% or more of gross receipts are generated by bowling operations.

~~Restaurants or taverns with bowling lanes where the primary (over 50% of gross receipts) operations are restaurant or tavern operations shall be classified as 9079(1), *Restaurants or Taverns*.~~

Gaming arcades that are not operated in connection with bowling centers shall be classified as 8017(1), *Stores – retail*.

Restaurants, bars or taverns with bowling lanes where the primary (over 50% of gross receipts) operations are restaurant, bar or tavern operations shall be assigned to the applicable *Food and Beverage Service Industry Group* classification.

* * * * *

Amend Classification 9060, *Clubs – country or golf*, to clarify the intended application and for consistency with other proposed changes.

PROPOSED

CLUBS – country, or golf or yacht – including front desk employees and restaurant, bar or tavern employees **9060**

This classification applies to the operation of private golf or country clubs, ~~or public golf courses or yacht clubs, including restaurant, bar, tavern or event facilities at the club location and additional fitness or recreational facilities that may be operated in connection with the club.~~ This classification includes the maintenance of golf courses or equipment, including golf carts; golf instruction; tournament operations; all course, club facility or golf cart maintenance; and the operation of pro shops or, driving ranges, ~~or restaurant, tavern or event facilities at the club location.~~ This classification also includes additional fitness or recreational facilities that may be operated in connection with the golf course.*

Hotel operations shall be separately classified as 9050, *Hotels, Motels or Short-Term Residential Housing – all employees other than employees engaged exclusively in food or beverage operations.*

Driving ranges that are not operated by golf courses or country clubs shall be classified as 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.*

Boat marina or boat rental facilities that are not operated by a yacht club shall be classified as 9016(4), *Boat Marina and Boat Rental Operation.**

Tennis or racquetball clubs shall be classified as 9053(5), *Clubs – racquet sports.*

Public or private swimming pools shall be classified as 9053(3), *Swimming Pools or Swimming Clubs.*

Clubs that are not more specifically described by any other classification shall be classified as 9061, *Clubs – N.O.C.*

* The changes to this footnote are proposed to be effective September 1, 2023.

* * * * *

Amend Classification 9069, *Clubs – gaming*, to clarify the intended application and for consistency with other proposed changes.

PROPOSED

CLUBS – gaming – including front desk employees and restaurant, bar or tavern employees **9069**

This classification applies to the operation of casinos or gaming houses, including but not limited to card rooms, off-track betting facilities and bingo parlors.

This classification also applies to the provision of gaming tables, equipment, dealers or operators for private events.

This classification includes the provision of pari-mutuel wagering operations to horse racing tracks or other horse race betting venues on a contract basis.

Hotel operations shall be separately classified as 9050, *Hotels, Motels or Short-Term Residential Housing – all employees other than employees engaged exclusively in food or beverage operations.*

* * * * *

Amend Classification 9061, *Clubs – N.O.C.*, to clarify the intended application for consistency with other proposed changes.

PROPOSED

CLUBS – N.O.C. – all employees – including front desk employees and restaurant, bar or tavern employees 9061

This classification applies to the operation of membership clubs that are not specifically described by another classification, including but not limited to business social clubs, cultural clubs, professional clubs, community service clubs, fraternal orders, yacht clubs, faculty clubs, professional clubs and employer sponsored clubs. This classification also applies to the operation of retreat facilities that provide meeting space, food and lodging to participants or fraternity or sorority houses and includes overnight lodging provided to members in connection with club operations.*

Overnight camps or retreat facilities shall be classified as 9048(1), *Camps or Retreat Facilities.**

Non-profit community health and wellness clubs shall be classified as 9067(1), *Clubs – community health and wellness.*

Boys and girls clubs shall be classified as 9067(2), *Clubs – boys and girls.*

Country clubs, ~~and~~ golf clubs or yacht clubs shall be classified as 9060, *Clubs – country, ~~or~~ golf or yacht.**

Casinos ~~and~~ gaming clubs shall be classified as 9069, *Clubs – gaming.**

Equestrian clubs shall be classified as 7207(2), *Clubs – riding.*

Shooting clubs shall be classified as 9180(2), *Shooting Clubs or Shooting Ranges.*

Swimming clubs shall be classified as 9053(3), *Swimming Pools or Swimming Clubs.*

Tennis and racquetball clubs shall be classified as 9053(5), *Clubs – racquet sports.*

* The changes to this footnote are proposed to be effective September 1, 2023.

* * * * *

Amend Classification 9053(5), *Clubs – racquet sports*, to clarify the intended application for consistency with other proposed changes.

PROPOSED

CLUBS – racquet sports – including restaurant, bar or tavern employees, retail store employees and receptionists

9053(5)

This classification applies to racquet clubs that provide membership and access to court facilities for playing racquet sports, including but not limited to tennis, racquetball, badminton and squash, as a primary benefit of membership. This classification includes additional fitness and recreational facilities that may be operated in connection with the racquet court facilities. This classification includes coaching teams and instructing, supervising and operating competitive leagues or events.

This classification also applies to the operation of clubs or facilities for handball, pickleball, table tennis or similar racquet or paddle sports.

~~Golf or eCountry clubs, golf clubs or yacht clubs~~ shall be classified as 9060, *Clubs – country, or golf or yacht*.*

Public or private swimming pools shall be classified as 9053(3), *Swimming Pools or Swimming Clubs*.

Non-profit community health and wellness clubs shall be classified as 9067(1), *Clubs – community health and wellness*.

Health clubs or gyms engaged in operating facilities that provide space and exercise equipment, including but not limited to cardiovascular equipment, weight machines and free weights available for at-will use by clients for the majority of operating hours, including tennis, racquetball, handball or squash operations provided in connection therewith, shall be classified as 9053(2), *Health Clubs or Gyms*.

The operation of fitness studios or fitness training programs primarily offering scheduled fitness classes where space and exercise equipment is not available for use by clients at-will during the majority of operating hours shall be classified as 8870, *Fitness Instruction Programs or Studios*.

* The changes to this footnote are proposed to be effective September 1, 2023.

* * * * *

Amend Classification 7207(2), *Clubs – riding*, for consistency with other proposed changes.

PROPOSED

CLUBS – riding – all employees – including front desk employees

7207(2)

This classification applies to riding clubs that provide board, feeding and care for members' horses. This classification includes horse riding instruction, horse training, cleaning of stalls and the maintenance of riding areas.

Racing stables shall be classified as 8631, *Racing Stables – all other employees*, or 8278, *Racing Stables – jockeys or harness racing drivers*.

~~Restaurant or tavern operations~~ The preparation and serving of food or beverages shall be separately classified as 9079(1), *Restaurants or Taverns*. Refer to the *Food and Beverage Service Industry Group* for a complete list of classifications applicable to the preparation or serving of food or beverages.

* * * * *

Amend Classification 9079(2), *Concessionaires*, to be included as part of the proposed Food and Beverage Service Industry Group, and for consistency with other proposed changes.

PROPOSED

FOOD AND BEVERAGE SERVICE

CONCESSIONAIRES – dispensing food ~~and/or~~ beverage items at ball parks, racetracks, theaters, concert venues ~~and/or~~ amusement ~~and/or~~ recreational facilities

9079(2)
XXXX(2)

This classification applies to employers that operate under concessionary agreements to sell prepared or prepackaged hot ~~and/or~~ cold food items, including but not limited to hot dogs, hamburgers, pretzels, french fries, popcorn, nachos, ice cream, candy, funnel cakes, soft drinks and alcoholic beverages at ball parks, racetracks, theaters, concert venues ~~and/or~~ amusement ~~and/or~~ recreational facilities.

~~Employers that operate under concessionary agreements to sell items other than food and beverage products shall be classified depending on the products sold.~~

This classification does not apply to food ~~and/or~~ beverage vendors selling at locations other than those specified. Mobile food vendors engaged in the retail sale of beverages or packaged ~~and/or~~ cold foods ~~and beverages~~ from food trucks, trailers, carts or temporary booths, including the incidental storage of such merchandise, shall be classified as 8017(1), *Stores – retail*, 8078(1), *Sandwich Shops*, 8078(2), *Beverage Preparation Shops*, or 8078(3), *Ice Cream or Frozen Yogurt Shops*, depending on the products sold. The operation of mobile food trucks, trailers, carts or temporary booths wherein hot food is prepared for sale to customers shall be classified as 9079(1), *Restaurants ~~or Taverns~~ – N.O.C.*

Employers that operate under concessionary agreements to sell items other than food or beverage products shall be classified depending on the products sold.

* * * * *

Establish a new cross-reference for Classification 9079(2), *Concessionaires*, to be part of the proposed Food and Beverage Service Industry Group, for consistency with other proposed changes.

PROPOSED

CONCESSIONAIRES – dispensing food or beverage items at ball parks, racetracks, theaters, concert venues or amusement or recreational facilities

See Food and Beverage Service.

* * * * *

Amend Classification 9016(2), *Dog Shows*, for consistency with other proposed changes.

PROPOSED

DOG SHOWS – all employees other than kennel employees and employees engaged in the operation or maintenance of amusement devices, restaurants or retail stores **9016(2)**

This classification applies to all employees of dog shows other than kennel employees and employees engaged in the operation or maintenance of amusement devices, restaurants or retail stores.

Kennel employees shall be separately classified as 8831(3), *Kennels*.

~~The operation or maintenance of amusement devices, restaurants and retail stores~~ The preparation and serving of food or beverages shall be separately classified as Classification 9079(1), *Restaurants – N.O.C.*

The operation or maintenance of amusement devices or retail stores shall be separately classified.

* * * * *

Establish Classification 9084, *Bars or Taverns – not restaurants*, to be included as part of the proposed Food and Beverage Service Industry Group, to apply to each separate and distinct bar, tavern, lounge or nightclub that operates under California Department of Alcoholic Beverage Control license types 42, 48 or 61, and to beer tasting or taproom locations.

PROPOSED

FOOD AND BEVERAGE SERVICE

BARS OR TAVERNS – not restaurants

9084

This classification applies to each separate and distinct bar, tavern, lounge or nightclub that operates under license types 42, 48 or 61 issued by the California Department of Alcoholic Beverage Control and that prepares, pours and serves alcoholic beverages, including wine, beer and spirits. Based on licensing specifications, employers may but are not required to prepare or serve food, and minors are not allowed to enter or remain on the premises.

This classification also applies to each beer tasting room or taproom location that operates under a license issued by the California Department of Alcoholic Beverage Control.

This classification includes musicians and entertainers employed by the bar or tavern.

The production of beer or similarly brewed beverages, including but not limited to ale, lager, porter, stout and malt liquor shall be separately classified as 2121, *Breweries*.

The production of distilled spirits, including but not limited to vodka, rum, whiskey, brandy, tequila and liqueurs shall be separately classified as 2142(2), *Distilling*.

Tasting rooms in connection with wine, sparkling wine or alcoholic cider production shall be classified as 8060, *Stores – wine, beer or spirits – retail*.

Restaurants shall be assigned to the applicable *Food and Beverage Service* Industry Group classification.

* * * * *

Establish a new cross-reference for Classification 9084, *Bars or Taverns – not restaurants*, to be part of the proposed Food and Beverage Service Industry Group, for consistency with other proposed changes.

PROPOSED

BARS OR TAVERNS – not restaurants

See Food and Beverage Service.

* * * * *

Establish Classification 9082, *Caterers – not restaurants*, to be included as part of the proposed Food and Beverage Service Industry Group, to apply to employers engaged in the preparation, delivery and set-up or service of hot and cold food at customer-specified locations for weddings, conferences, parties, meetings or similar events.

PROPOSED

FOOD AND BEVERAGE SERVICE

CATERERS – not restaurants

9082

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

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

Mobile food vendors that prepare hot food shall be classified as 9079(1), *Restaurants – N.O.C.* Mobile food vendors that do not prepare hot food shall be classified as 8017(1), *Stores – retail*, 8078(1), *Sandwich Shops*, 8078(2), *Beverage Preparation Shops*, or 8078(3), *Ice Cream or Frozen Yogurt Shops*, depending on the products sold.

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

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

* * * * *

Establish a new cross-reference for Classification 9082, *Caterers – not restaurants*, to be part of the proposed Food and Beverage Service Industry Group, for consistency with other proposed changes.

PROPOSED

CATERERS – not restaurants

See Food and Beverage Service.

* * * * *

Establish Classification 9083, *Restaurants – fast food or fast casual*, to be included as part of the proposed Food and Beverage Service Industry Group, to apply to each separate and distinct fast food or fast casual restaurant with limited table service that prepares hot and cold food and may pour and serve alcoholic beverages for consumption by the walk-in trade on or away from the premises.

PROPOSED

FOOD AND BEVERAGE SERVICE

RESTAURANTS – fast food or fast casual

9083

This classification applies to each separate and distinct restaurant that prepares hot and cold food and may pour and serve alcoholic beverages for consumption by the walk-in trade on or away from the premises with limited table service, such that customers are required to:

- order food at a counter or through a drive through window, kiosk or web-based application;
- pay at the time of order; and
- seat themselves if dining on-site.

Fast food or fast casual restaurants may conduct limited table service including bringing paid orders to tables, refilling beverages or clearing tables.

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

This classification also applies to restaurants that engage in on-site beer brewing operations where the beer brewed is primarily (over 50% of gross receipts) sold at restaurant locations operated by the same employer for on-site consumption. If 50% or more of the beer brewed on-site is sold for off-site consumption, the brewing operations shall be separately classified as 2121, *Breweries*.

The manufacture of baked goods, doughnuts or filled pasta that are not used or sold at restaurant locations operated by the same employer shall be classified as 2003, *Bakeries or Cracker Mfg.*

Restaurants providing full table service shall be classified as 9080, *Restaurants – full service*. Full table service includes but is not limited to greeting customers upon arrival, managing reservations, seating customers, taking orders, serving food or beverages, clearing tables and collecting payment upon completion of meal service.

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

The preparation, serving or sale of cold food items such as sandwiches, salads and side dishes that are prepared for consumption by the walk-in trade shall be classified as 8078(1), *Sandwich Shops*.

Mobile food vendors that prepare hot food shall be classified as 9079(1), *Restaurants – N.O.C.* Mobile food vendors that do not prepare hot food shall be classified as 8017(1), *Stores – retail*, 8078(1), *Sandwich Shops*, 8078(2), *Beverage Preparation Shops*, or 8078(3), *Ice Cream or Frozen Yogurt Shops*, depending on the products sold.

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

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

* * * * *

Establish a new cross-reference for Classification 9083, *Restaurants – fast food or fast casual*, to be part of the proposed Food and Beverage Service Industry Group, for consistency with other proposed changes.

PROPOSED

RESTAURANTS – fast food or fast casual

See Food and Beverage Service.

* * * * *

Establish Classification 9080, *Restaurants – full service*, to be included as part of the proposed Food and Beverage Service Industry Group, to apply to each separate and distinct full service restaurant with full table service that prepares and serves hot and cold food and may pour and serve alcoholic beverages for consumption by the walk-in trade on or away from the premises.

PROPOSED

FOOD AND BEVERAGE SERVICE

RESTAURANTS – full service

9080

This classification applies to each separate and distinct restaurant with full table service that prepares and serves hot and cold food and may pour and serve alcoholic beverages for consumption by the walk-in trade on or away from the premises.

Full table service includes but is not limited to:

- greeting customers and managing reservations;
- seating customers at tables;
- taking or receiving orders at tables;
- serving food or beverages;
- clearing tables; and
- collecting payment upon completion of meal service.

Hot food items are foods that are cooked to order from a raw or partially cooked state to a safe consumable minimum internal temperature using cooking equipment, including but not limited to deep fryers, ovens, stovetops, griddles, barbeques, grills, hot plates and pressure or steam

cookers and served hot for consumption by the walk-in trade. This also includes foods that are cooked in advance and served from a warming tray or similar device.

This classification includes musicians and entertainers employed by the restaurant.

This classification also applies to restaurants that engage in on-site beer brewing operations where the beer brewed is primarily (over 50% of gross receipts) sold at restaurant locations operated by the same employer for on-site consumption. If 50% or more of the beer brewed on-site is sold for off-site consumption, the brewing operations shall be separately classified as 2121, *Breweries*.

The manufacture of baked goods, doughnuts or filled pasta that are not used or sold at restaurant locations operated by the same employer shall be classified as 2003, *Bakeries or Cracker Mfg.*

Fast food or fast casual restaurants with limited table service shall be classified as 9083, *Restaurants – fast food or fast casual*.

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

Mobile food vendors that prepare hot food shall be classified as 9079(1), *Restaurants – N.O.C.* Mobile food vendors that do not prepare hot food shall be classified as 8017(1), *Stores – retail*, 8078(1), *Sandwich Shops*, 8078(2), *Beverage Preparation Shops*, or 8078(3), *Ice Cream or Frozen Yogurt Shops*, depending on the products sold.

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

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

* * * * *

Establish a new cross-reference for Classification 9080, *Restaurants – full service*, to be part of the proposed Food and Beverage Service Industry Group, for consistency with other proposed changes.

PROPOSED

RESTAURANTS – full service

See Food and Beverage Service.

* * * * *

Amend Classification 2003, *Bakeries or Cracker Mfg.*, which is part of the Food Packaging and Processing Industry Group, to clarify the intended application and for consistency with other proposed changes.

PROPOSED

FOOD PACKAGING AND PROCESSING

BAKERIES OR CRACKER MFG.

2003

This classification applies to the manufacture of baked goods, including but not limited to bread, bagels, cakes, pastries, pies, empanadas, cookies, crackers and tortillas by commercial or retail bakeries. This classification also applies to the manufacture of doughnuts (baked or fried); vegetable or corn chips; or filled pasta, including but not limited to ravioli and tortellini.

The manufacture of unfilled pasta, including but not limited to spaghetti, penne, rigatoni, rotini, linguini, and egg or rice noodles, shall be classified as 2002, *Macaroni Mfg.*

~~The manufacture of baked goods, doughnuts (baked or fried) or filled pasta, including but not limited to ravioli and tortellini by restaurants to be used or sold at restaurant locations operated by the same employer shall be classified as 9079(1), *Restaurants or Taverns*.~~

Doughnut shops that prepare and serve doughnuts and beverages or food for consumption on the premises shall be classified as 9079(1), ~~*Restaurants or Taverns*~~ *N.O.C.*

Retail store operations shall be separately classified.

The manufacture of baked goods, doughnuts (baked or fried) or filled pasta, including but not limited to ravioli and tortellini by restaurants, to be used or sold at restaurant locations operated by the same employer shall be assigned to the applicable *Food and Beverage Service Industry Group* classification.

* * * * *

Amend Classification 2121, *Breweries*, which is part of the Food Packaging and Processing Industry Group, for clarity and consistency with other proposed changes.

PROPOSED

FOOD PACKAGING AND PROCESSING

BREWERIES

2121

This classification applies to the production of beer or similarly brewed beverages, including but not limited to ale, lager, porter, stout and malt liquor. This classification includes the production of sake, the sale of brewing by-products, including but not limited to wet or dry feed grains and brewer's yeast, and the distribution of beer or similarly brewed beverages in connection with the employer's production operations.

This classification also includes employees who provide tours of the production operations, including tours where product tasting samples are provided to customers not in connection with taproom, tasting room, retail store, ~~or~~ restaurant, bar or tavern operations.

Taprooms, tasting rooms, ~~restaurants, bars or taverns or the preparation~~ that may also prepare and ~~serving of~~ serve hot food, shall be separately classified as ~~9079(1)~~ 9084, Restaurants Bars or Taverns.

~~Beer brewing operations at restaurants where the beer brewed on-site is primarily (over 50% of gross receipts) sold to restaurant customers for on-site consumption shall be classified as 9079(1), Restaurants or Taverns.~~

The distribution of beer or similarly brewed beverages that were not produced by the employer to retailers or commercial users shall be classified as 7392, *Beer Dealers*.

The production of wine, sparkling wine or alcoholic cider shall be classified as 2142(1), *Wineries*.

The production of distilled spirits shall be classified as 2142(2), *Distilling*.

Retail stores shall be separately classified.

Beer brewing operations where the beer brewed on-site is primarily (over 50% of gross receipts) sold at restaurant locations operated by the same employer for on-site consumption shall be assigned to the applicable *Food and Beverage Service* Industry Group classification.

* * * * *

Amend Classification 2142(2), *Distilling – N.O.C.*, which is part of the Food Packaging and Processing Industry Group, for clarity and consistency with other proposed changes.

PROPOSED

FOOD PACKAGING AND PROCESSING

DISTILLING – N.O.C.

2142(2)

This classification applies to the production of distilled spirits, including but not limited to vodka, rum, whiskey, brandy, tequila and liqueurs.

This classification includes employees who provide tours of the production operations, including tours where product tasting samples are provided to customers not in connection with tasting room, retail store, or restaurant, bar or tavern operations.

~~Tasting rooms, restaurants, taverns or the preparation and serving of hot food shall be separately classified as 9079(1), *Restaurants or Taverns*.~~

The production of wine, sparkling wine or alcoholic cider shall be classified as 2142(1), *Wineries*.

The production of vinegar shall be classified as 2142(3), *Vinegar Mfg.*

The production of beer or similarly brewed beverages shall be classified as 2121, *Breweries*.

Blending and bottling purchased wine or distilled spirits shall be classified as 8041, *Stores – wine or spirits – wholesale*.

Retail stores shall be separately classified.

Tasting rooms or the preparation and serving of food or beverages shall be separately classified. Refer to the *Food and Beverage Service* Industry Group for a complete list of classifications applicable to the preparation or serving of food or beverages.

* * * * *

Amend Classification 6504, *Food Products Mfg. or Processing – N.O.C.*, which is part of the Food Packaging and Processing Industry Group, to clarify the intended application and provide direction as to how related operations should be classified for consistency with other proposed changes.

PROPOSED

FOOD PACKAGING AND PROCESSING

FOOD PRODUCTS MFG. OR PROCESSING – N.O.C.

6504

This classification applies to the manufacture of food products that are not described by another *Food Packaging and Processing* Industry Group classification, including but not limited to candy, chocolate, cocoa, condiments, sauces, seasoning, barbecue sauce, breakfast cereals, energy ~~and/or~~ nutrition bars, food extracts, flavored cooking oil (not oil extraction or refining), food coloring, glucose, frozen pizza, unbaked dough ~~and/or~~ pies, salad dressing, potato, fruit, ~~and~~ pasta or

V-A-88
B:B-23

other salads, bean cakes, bouillon cubes, burritos and enchiladas, dumplings, pudding, edible cake decoration, food grade starch, syrup, tofu, yeast, chewing gum and fish food. This classification also includes but is not limited to coconut shredding; coffee bean cleaning, roasting or grinding; bean sorting; tea blending or packaging; flour mixing, sifting or packaging; baking powder mixing; spice milling; cake mix (dry ingredients) blending; flavored cooking oil processing; gelatin mixing, blending or grinding; honey processing; and egg dehydrating or freezing. This classification includes ~~incidental~~ the processing or packaging of food products or individual meals in containers, including but not limited to bottles, boxes, plastic containers and metal or paper cans that are not cooked to order, kept warm or served hot to the walk-in trade.

Nut processing, including but not limited to hulling, shelling, cleaning, drying, sorting, roasting, flavoring, grinding and packaging, or the manufacture of peanut butter or other nut butters shall be classified as 0096, *Nut Hulling, Shelling or Processing*.

The production or packaging of vitamins or dietary supplements shall be classified as 4831, *Vitamin or Dietary Supplement Mfg.*

The preparation and serving of hot or cold food items or the pouring and serving of alcoholic beverages for consumption by the walk-in trade on or away from the premises shall be assigned to the applicable Food and Beverage Service Industry Group classification.

* * * * *

Amend Classification 2142(1), *Wineries*, which is part of the Food Packaging and Processing Industry Group, for clarity and consistency with other proposed changes.

PROPOSED

FOOD PACKAGING AND PROCESSING

WINERIES

2142(1)

This classification applies to the production of wine, sparkling wine or alcoholic cider.

This classification includes employees who provide tours of the production operations, including tours where product tasting samples are provided to customers not in connection with tasting room, retail store, or restaurant, bar or tavern operations.

Tasting rooms shall be separately classified as 8060, *Stores – wine, beer or spirits – retail*.

~~Restaurants, taverns or the preparation and serving of hot food shall be separately classified as 9079(1), Restaurants or Taverns.~~

The production of beer or similarly brewed beverages shall be classified as 2121, *Breweries*.

The production of distilled spirits shall be classified as 2142(2), *Distilling*.

The manufacture of vinegar shall be classified as 2142(3), *Vinegar Mfg.*

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

Blending and bottling purchased wine or distilled spirits shall be classified as 8041, *Stores – wine or spirits – wholesale*.

Retail stores shall be separately classified.

Growing or harvesting, including field packing, of crops shall be assigned to the applicable *Farms* Industry Group classification.

The preparation and serving of food or beverages shall be separately classified. Refer to the *Food and Beverage Service* Industry Group for a complete list of classifications applicable to the preparation or serving of food or beverages.

* * * * *

Amend Classification 8839, *Dentists and Dental Surgeons*, which is part of the Health and Human Services Industry Group, to limit an employee's annual payroll and 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.

PROPOSED

HEALTH AND HUMAN SERVICES

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

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

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

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

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

* * * * *

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

PROPOSED

HEALTH AND HUMAN SERVICES

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

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

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

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

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

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

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

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

* * * * *

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

PROPOSED

HEALTH AND HUMAN SERVICES

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

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

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

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

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

* * * * *

Amend Classification 9053(2), *Health Clubs or Gyms*, to clarify the intended application for consistency with other proposed changes.

PROPOSED

HEALTH CLUBS OR GYMS – including restaurant, bar or tavern employees, retail store employees and receptionists 9053(2)

This classification applies to health clubs or gyms operating facilities that provide space and exercise equipment, including but not limited to cardiovascular equipment, weight machines and free weights available for use by clients on an at-will basis for the majority of operating hours. This classification includes facilities and services provided in connection with health club or gym operations, including but not limited to swimming pools, tennis courts, child care and spa, massage and personal appearance services. This classification includes fitness class instruction when provided in connection with health club or gym operations. This classification also applies to facilities that provide climbing walls or trampolines available for use by clients on an at-will basis or for fitness programs or instruction.

The operation of fitness studios or fitness training programs primarily offering scheduled fitness classes where space and exercise equipment is not available for use by clients at-will during the majority of operating hours shall be classified as 8870, *Fitness Instruction Programs or Studios*.

The operation of spa or bath facilities that include saunas, steam baths, hydrotherapy baths or soaking tubs, including massage or personal appearance services that are not provided in connection with a health club or gym, shall be classified as 9054, *Spas or Baths*.

Hair cutting, massage services, nail salons and other personal appearance services that are not performed in connection with health clubs, gyms, spas or baths shall be classified as 9586, *Barber Shops, Hair Styling Salons and Personal Appearance Services*.

Public or private swimming pools shall be classified as 9053(3), *Swimming Pools or Swimming Clubs*.

Tennis or racquetball clubs shall be classified as 9053(5), *Clubs – racquet sports*.

Non-profit community health and wellness clubs shall be classified as 9067(1), *Clubs – community health and wellness*.

* * * * *

Amend Classification 9066, *Homeowners Associations and Housing Cooperatives*, for clarity and consistency with other proposed changes.

PROPOSED

HOMEOWNERS ASSOCIATIONS AND HOUSING COOPERATIVES – N.O.C.

9066

This classification applies to homeowners associations (HOAs) or housing cooperatives (Co-ops) operating or maintaining the premises owned by HOA or Co-op members. Such operations include but are not limited to the maintenance of common grounds; operation of swimming pools, tennis courts, saunas, weight rooms ~~and/or~~ recreational clubhouse facilities; functions performed by security personnel; and front desk operations such as receptionists and lobby attendants.

~~Property management firms, including firms that manage HOA or Co-op properties, shall be assigned to the applicable *Property Management/Operation* Industry Group classification.~~ The operation or management of hotels, motels or short-term residential housing where 25% or more of the housing units are rented for 30 consecutive days or less, including but not limited to vacation rentals and timeshare properties shall be classified as 9050, *Hotels, Motels or Short-Term Residential Housing – all employees other than employees engaged exclusively in food or beverage operations*.

Golf courses, stables, ~~restaurants~~, outpatient clinics, boat marinas, day nurseries, water works, fire departments or new construction, alteration or demolition work shall be separately classified.

The preparation and serving of food shall be separately classified. Refer to the *Food and Beverage Service* Industry Group for a complete list of classifications applicable to the preparation or serving of food or beverages.

~~The operation or management of hotels, motels or short-term residential housing where 25% or more of the housing units are rented for 30 consecutive days or less, including but not limited to vacation rentals and timeshare properties shall be classified as 9050, *Hotels, Motels or Short-*~~

~~Term Residential Housing~~ Property management firms, including firms that manage HOA or Co-op properties, shall be assigned to the applicable Property Management/Operation Industry Group classification.

* * * * *

Amend Classification 9016(3), *Horse Shows or Rodeos – all employees other than stable employees and employees engaged in the operation or maintenance of amusement devices, restaurants or retail stores*, for clarity and consistency with other proposed changes.

PROPOSED

HORSE SHOWS OR RODEOS – all employees other than stable employees and employees engaged in the operation or maintenance of amusement devices, restaurants or retail stores **9016(3)**

This classification applies to all employees of horse shows or rodeos other than stable employees and employees engaged in the operation or maintenance of amusement devices, restaurants or retail stores.

~~Also refer to companion Classification 7207(3), *Horse Shows or Rodeos – stable employees*. The preparation and serving of food or beverages shall be separately classified as 9079(1), *Restaurants – N.O.C.*~~

Horse dealers or auctions shall be classified as 8286, *Livestock Dealers or Auction Yards*.

The operation or maintenance of amusement devices, ~~restaurants and/or~~ retail stores shall be separately classified.

Also refer to companion Classification 7207(3), *Horse Shows or Rodeos – stable employees*.

* * * * *

Amend Classification 9050, *Hotels, Motels or Short-Term Residential Housing*, to clarify the intended application for consistency with other proposed changes and reference the proposed companion Classification 9058, *Hotels, Motels or Short-Term Residential housing – food or beverage employees*.

PROPOSED

HOTELS, MOTELS OR SHORT-TERM RESIDENTIAL HOUSING – all employees other than employees engaged exclusively in food or beverage operations **9050**

When lodging is provided by the employer, the total remuneration shall include the market value of such lodging to the employee.

This classification applies to the operation of hotels, motels or short-term residential housing.

This classification includes all employees other than employees ~~exclusively engaged~~ exclusively

in food or beverage operations, including restaurant, bar or tavern operations. Front desk, cashiering, concierge or retail store operations, and facility tours, including but not limited to tours for marketing or inspection purposes, are included in this classification.

Short-term residential housing, including but not limited to vacation rentals and timeshare properties, is defined as housing units that are rented for not more than 30 consecutive days. The operation of residential housing where more than 75% of units are rented for longer than 30 consecutive days shall be assigned to the applicable *Property Management/Operation* Industry Group classification.

~~The payroll of employees engaged exclusively in connection with restaurant or tavern operations shall be separately classified as 9079(1), *Restaurants or Taverns*. This includes employees who work in food or beverage departments, prepare or serve hot food in connection with complimentary breakfasts, or provide room service, including delivering food or restocking in room refrigerators, provided such employees perform no hotel duties. Employees who perform hotel, motel or short-term residential housing operations and restaurant or tavern operations shall be assigned to Classification 9050.~~

Recreation, leisure or resort operations, including but not limited to country clubs, golf courses, yacht clubs, casinos, gaming clubs, spas, baths, health clubs, gyms, barber shops or hair salons shall be separately classified.

The payroll of employees who alternate between two or more separately classifiable operations shall be assigned in accordance with Section V, Rule 3, *Division of Single Employee's Payroll*.

The payroll of employees who do not engage in operations that are integral to each classifiable operation but perform operations in general support of more than one classifiable operation shall be assigned to the Governing Classification of the group of classifications to which their work pertains. Employees who perform general support operations include but are not limited to supervisors, maintenance workers, security guards, shipping and receiving clerks and yard employees.

Overnight retreat facilities that specialize in providing instruction or guidance through a scheduled program of activities or workshops structured to promote wellness or personal, spiritual or professional growth for participants shall be classified as 9048(1), *Camps or Retreat Facilities*.*

Nonmedical residential care facilities, including but not limited to psychiatric, pre-parole or probation halfway houses that provide services in a group setting to persons who are capable of meeting their life support needs independently, but who temporarily need assistance, guidance and counseling shall be classified as 8804(2), *Social Rehabilitation Facilities for Adults*.

Also refer to companion Classification 9058, *Hotels, Motels or Short-term Residential housing – food or beverage employees*.

* The changes to this footnote are proposed to be effective September 1, 2023.

* * * * *

Establish Classification 9058, *Hotels, Motels or Short-Term Residential Housing – food or beverage employees*, as a companion classification to apply to employees engaged exclusively in food or beverage operations in connection with hotel, motel or short-term residential housing operations assigned to Classification 9050, *Hotel, Motel or Short-term Residential Housing*.

PROPOSED

HOTELS, MOTELS OR SHORT-TERM RESIDENTIAL HOUSING – food or beverage employees **9058**

This classification applies to employees engaged exclusively in the following food or beverage operations in connection with the employer's hotel, motel or short-term residential housing operations:

- prepare or serve food or beverages in connection with restaurants, bars or taverns;
- set-up food or beverages in connection with the provision of continental breakfasts;
- prepare or serve sandwiches, beverages or ice cream;
- provide room service;
- restock in-room refrigerators; or
- on-site catering.

Refer to the *Food and Beverage Service Industry Group* for a complete list of classifications applicable to restaurant, bar or tavern operations that are not in connection with hotel, motel or short-term residential housing operations.

Also refer to companion Classification 9050, *Hotels, Motels or Short-Term Residential Housing – all employees other than employees engaged exclusively in food or beverage operations*.

* * * * *

Amend Classification 8078(3), *Ice Cream or Frozen Yogurt Shops*, to be included as part of the proposed Food and Beverage Service Industry Group and clarify how related operations should be classified for consistency with other proposed changes.

PROPOSED

FOOD AND BEVERAGE SERVICE

ICE CREAM OR FROZEN YOGURT SHOPS

8078(3)

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

~~Ice cream or frozen yogurt shops~~ This classification does not apply to locations that: (1) prepare and serve hot food or (2) pour and serve alcoholic beverages for consumption on the premises or prepare and serve hot food for consumption by the walk-in trade on or away from the premises shall be assigned to Classification 9079(1), *Restaurants or Taverns*. Such operations shall be assigned to the applicable *Food and Beverage Service Industry Group* classification.

* * * * *

Establish a new cross-reference for Classification 8078(3), *Ice Cream or Frozen Yogurt Shops*, to be part of the proposed Food and Beverage Service Industry Group, for consistency with other proposed changes.

PROPOSED

ICE CREAM OR FROZEN YOGURT SHOPS

See Food and Beverage Service.

* * * * *

Amend Classification 9033, *Housing Authorities*, which is part of the Municipal, State or Other Public Agencies Industry Group, to remove a footnote that is no longer necessary.

PROPOSED

MUNICIPAL, STATE OR OTHER PUBLIC AGENCIES

HOUSING AUTHORITIES – including resident or on-site managers

9033

When lodging is provided by the employer, the total remuneration shall include the market value of such lodging to the employee.

This classification applies to public agencies that provide housing or housing assistance to individuals in need. The housing authority may own and operate the housing or provide financial assistance in the form of housing vouchers, which allow clients to reside in approved housing operated by other concerns. This classification includes but is not limited to resident or on-site property managers and property maintenance or repair staff.

On-site property managers are those employees whose base of operations is at any property location that they are employed to manage. The term “resident” shall refer to any employee who resides at a property managed by the employer.

Employees engaged in property inspections to determine the eligibility of properties owned and operated by separate parties for rental subsidies shall be separately classified as 9410, *Municipal, State or Other Public Agency Employees – not engaged in manual labor, or direct supervision of construction or erection work*.

~~The preparation or serving of hot foods shall be separately classified as 9079(1), *Restaurants or Taverns*.~~

Day care centers operated by housing authorities shall be separately classified as 9059, *Day Care Centers*.

New construction, alteration or demolition work shall be separately classified.

* * * * *

Amend Classification 8838, *Museums*, to clarify the intended application and how related operations should be classified for consistency with other proposed changes.

PROPOSED

MUSEUMS – all employees other than those engaged in the operation of retail stores, restaurants or retail stores, bars or taverns – including Clerical Office Employees and Clerical Telecommuter Employees **8838**

This classification applies to employers that display art objects, natural science exhibits, antiquities or objects of historical or cultural significance for viewing by the general public. This classification also applies to botanical gardens, planetariums or public aquariums and includes veterinarians employed by public aquariums.

~~Retail store or restaurant operations shall be separately classified.~~

Art galleries that display art objects for sale to the walk-in trade shall be classified as 8017(1), *Stores – retail*.

Zoos shall be classified as 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices*, and 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*.

Retail store or restaurant, bar or tavern operations shall be separately classified. Refer to the Food and Beverage Service Industry Group for a complete list of classifications applicable to the preparation or serving of food or beverages.

* * * * *

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

PROPOSED

PRINTING, PUBLISHING AND DUPLICATING

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

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

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

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

* * * * *

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

PROPOSED

PRINTING, PUBLISHING AND DUPLICATING

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

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

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

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

* * * * *

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

PROPOSED

PRINTING, PUBLISHING AND DUPLICATING

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

8807

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

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

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

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

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

* * * * *

Amend Classification 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, to clarify how related operations should be classified for consistency with other proposed changes.

PROPOSED**PROPERTY MANAGEMENT/OPERATION**

Refer to Section IV, *Special Industry Classification Procedures*, Rule 8, *Property Management/Operation*.

APARTMENT OR CONDOMINIUM COMPLEX OPERATION – N.O.C. – not Homeowners Associations – all other employees – including resident employees, resident Clerical Office Employees and resident Clerical Telecommuter Employees

9011(1)

When lodging is provided by the employer, the total remuneration shall include the market value of such lodging to the employee.

This classification applies to employers engaged in the management and operation of residential apartment or condominium complexes comprised of one or more multi-unit buildings with four or more units per building. This classification includes property managers engaged in the direct supervision of employees engaged in the operation, maintenance and care of properties. Such operations include but are not limited to cleaning and maintaining lobbies and common

areas, maintaining ventilation and heating systems, changing door locks and directories, interior remodeling, exterior landscape maintenance, swimming pool maintenance, security and the operation of parking facilities.

Also refer to companion Classification 8740(1), *Apartment or Condominium Complex Operation – N.O.C. – not Homeowners Associations – property management supervisors*. Classification 8740(1) applies to non-residing property management supervisors who exercise direction through maintenance or operations supervisors who directly supervise employees engaged in the operation, maintenance and care of properties. Classification 8740(1) also applies to non-residing property management supervisors who oversee apartment or condominium complexes at which all operation, maintenance and care activities are conducted by separate concerns and no payroll is assignable to 9011(1). Property managers not meeting the above conditions shall be classified as 9011(1).

Non-residing employees engaged exclusively in the rental or leasing of property to clients and who have no other duties of any kind in the service of the employer except clerical office work shall be separately classified as 8741, *Real Estate Agencies*, provided separate employees are retained to manage the property.

~~New construction, alteration or demolition work shall be separately classified.~~

~~The preparation or serving of hot foods shall be separately classified as 9079(1), *Restaurants or Taverns*.~~

The management and operation of individual apartment or condominium units (not apartment or condominium complexes), single-family residences, duplexes, triplexes and other residential properties consisting of not more than three units per building shall be classified as 9015(1), *Building Operation – N.O.C. – all other employees*.

The management and operation of properties, including but not limited to residential homes and apartment or condominium complexes, by homeowners associations shall be classified as 9066, *Homeowners Associations and Housing Cooperatives*.

New construction, alteration or demolition work shall be separately classified.

The preparation and serving of food or beverages shall be separately classified. Refer to the Food and Beverage Service Industry Group for a complete list of classifications applicable to the preparation or serving of food or beverages.

* * * * *

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, to clarify how related operations should be classified for consistency with other proposed changes.

PROPOSED

PROPERTY MANAGEMENT/OPERATION

Refer to Section IV, *Special Industry Classification Procedures*, Rule 8, *Property Management/Operation*.

COMMERCIAL AND RESIDENTIAL MIXED-USE BUILDING OPERATION – not Homeowners Associations – all other employees – including resident employees, resident Clerical Office Employees and resident Clerical Telecommuter Employees 9011(2)

When lodging is provided by the employer, the total remuneration shall include the market value of such lodging to the employee.

This classification applies to employers engaged in the management and operation of combined commercial and residential mixed-use multi-unit properties comprised of one or more mixed-use multi-unit buildings with four or more units per building. This classification includes property managers engaged in the direct supervision of employees engaged in the operation, maintenance and care of properties. Such operations include but are not limited to cleaning and maintaining lobbies and common areas, maintaining ventilation and heating systems, changing door locks and directories, interior remodeling, exterior landscape maintenance, swimming pool maintenance, security and the operation of parking facilities.

Also refer to companion Classification 8740(7), *Commercial and Residential Mixed-Use Building Operation – not Homeowners Associations – property management supervisors*. Classification 8740(7) applies to property management supervisors who exercise direction through maintenance or operations supervisors who directly supervise employees engaged in the operation, maintenance and care of commercial and residential mixed-use buildings. Classification 8740(7) also applies to non-residing property management supervisors who oversee commercial and residential mixed-use buildings at which all operation, maintenance and care activities are conducted by separate concerns and no payroll is assignable to 9011(2). Property managers not meeting the above conditions shall be classified as 9011(2).

Non-residing employees engaged exclusively in the rental or leasing of property to clients and who have no other duties of any kind in the service of the employer except clerical office work shall be separately classified as 8741, *Real Estate Agencies*, provided separate employees are retained to manage the property.

~~New construction, alteration or demolition work shall be separately classified.~~

~~The preparation or serving of hot foods shall be separately classified as 9079(1), *Restaurants or Taverns*.~~

The management and operation of only the residential portion of a commercial and residential mixed-use building where a separate concern manages the commercial portion shall be classified as 9011(1), *Apartment or Condominium Complex Operation – N.O.C. – not Homeowners Associations – all other employees*.

The management and operation of only the commercial portion of a commercial and residential mixed-use building where a separate concern manages the residential portion shall be classified as 9009, *Commercial Properties – N.O.C. – all other employees*.

The management and operation of individual apartment or condominium units (not apartment or condominium complexes), single-family residences, duplexes, triplexes and other residential properties consisting of not more than three units per building shall be classified as 9015(1), *Building Operation – N.O.C. – all other employees*.

The management and operation of properties, including but not limited to residential homes and apartment or condominium complexes by homeowners associations shall be classified as 9066, *Homeowners Associations and Housing Cooperatives*.

New construction, alteration or demolition work shall be separately classified.

The preparation and serving of food or beverages shall be separately classified. Refer to the Food and Beverage Service Industry Group for a complete list of classifications applicable to the preparation or serving of food or beverages.

* * * * *

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, to clarify how related operations should be classified for consistency with other proposed changes.

PROPOSED

PROPERTY MANAGEMENT/OPERATION

Refer to Section IV, *Special Industry Classification Procedures*, Rule 8, *Property Management/Operation*.

**APARTMENT OR CONDOMINIUM COMPLEX OPERATION FOR SENIORS – age restricted – not 9007
Congregate Living Facilities or Homeowners Associations – all other employees – including resident employees, resident Clerical Office Employees and resident Clerical Tele-commuter Employees**

When lodging is provided by the employer, the total remuneration shall include the market value of such lodging to the employee.

This classification applies to employers engaged in the management and operation of apartment or condominium complexes comprised of one or more multi-unit buildings with four or more units per building that, in compliance with state or federal housing laws, restrict tenancy to persons who have reached a minimum age (typically either 55 or 62 depending on the type of facility). This classification includes property managers engaged in the direct supervision of employees engaged in the operation, maintenance and care of properties. Such operations include but are not limited to cleaning and maintaining lobbies and common areas, maintaining ventilation and heating systems, changing door locks and directories, interior remodeling, exterior landscape maintenance, swimming pool maintenance, security and the operation of parking facilities.

Also refer to companion Classification 8740(6), *Apartment or Condominium Complex Operation for Seniors – age-restricted – not Congregate Living Facilities or Homeowners Associations – property management supervisors*. Classification 8740(6) applies to non-residing property management supervisors who exercise direction through maintenance or operations supervisors who directly supervise employees engaged in the operation, maintenance and care of properties. Classification 8740(6) also applies to non-residing property management supervisors who oversee such apartment or condominium complexes for seniors at which all operation, maintenance and care activities are conducted by separate concerns and no payroll is assignable to 9007. Property managers not meeting the above conditions shall be classified as 9007.

Non-residing employees engaged exclusively in the rental or leasing of property to clients and who have no other duties of any kind in the service of the employer except clerical office work shall be separately classified as 8741, *Real Estate Agencies*, provided separate employees are retained to manage the property.

~~New construction, alteration or demolition work shall be separately classified.~~

~~The preparation or serving of hot foods shall be separately classified as 9079(1), *Restaurants or Taverns*.~~

Those facilities that, for a single monthly fee, provide a service package that typically includes a living unit, one to three meals a day, in-unit housekeeping and personal laundry service shall be classified as 8851, *Congregate Living Facilities for the Elderly*.

The management and operation of individual apartment or condominium units (not apartment or condominium complexes), single-family residences, duplexes, triplexes and other residential

properties consisting of not more than three units per building shall be classified as 9015(1), *Building Operation – N.O.C. – all other employees*.

New construction, alteration or demolition work shall be separately classified.

The preparation and serving of food or beverages shall be separately classified. Refer to the Food and Beverage Service Industry Group for a complete list of classifications applicable to the preparation or serving of food or beverages.

* * * * *

Amend Classification 9015(1), *Building Operation – N.O.C. – all other employees*, which is part of the Property Management/Operation Industry Group, clarify how related operations should be classified for consistency with other proposed changes.

PROPOSED

PROPERTY MANAGEMENT/OPERATION

Refer to Section IV, *Special Industry Classification Procedures*, Rule 8, *Property Management/Operation*.

BUILDING OPERATION – N.O.C. – all other employees – including resident employees

9015(1)

When lodging is provided by the employer, the total remuneration shall include the market value of such lodging to the employee.

This classification applies to the management or operation of properties such as individual apartment or condominium units (not apartment or condominium complexes), single-family residences, duplexes, triplexes and other residential properties consisting of not more than three units per building, undeveloped land, recreational vehicle parks and campgrounds that are not described by another *Property Management/Operation* classification. This classification includes property managers engaged in the direct supervision of employees engaged in the operation, maintenance and care of properties. Such operations include but are not limited to cleaning and maintaining property grounds and structures, maintaining ventilation and heating systems, changing door locks and directories, interior remodeling, exterior landscape maintenance, swimming pool maintenance, restroom maintenance, security and the operation of parking facilities.

Also refer to companion Classification 8740(3), *Building Operation – N.O.C. – property management supervisors*. Classification 8740(3) applies to non-residing property management supervisors who exercise direction through maintenance or operations supervisors who directly supervise employees engaged in the operation, maintenance and care of properties. Classification 8740(3) also applies to non-residing property management supervisors who oversee properties at which all operation, maintenance and care activities are conducted by separate concerns and no payroll is assignable to 9015(1). Property managers not meeting the above conditions shall be classified as 9015(1).

Classification 9015(1) also applies to employers that perform a variety of minor property repairs for other concerns on a fee basis for which no contractor's license is required. Such repairs include but are not limited to patching walls, touch-up painting, faucet repair, door hardware repair and replacement of electrical switches.

Non-residing employees engaged exclusively in the rental or leasing of property to clients and who have no other duties of any kind in the service of the employer except clerical office work

shall be separately classified as 8741, *Real Estate Agencies*, provided separate employees are retained to manage the property.

New construction, alteration or demolition work shall be separately classified.

The preparation ~~and serving of hot foods or beverages~~ shall be separately classified as ~~9079(1), *Restaurants or Taverns*~~. Refer to the *Food and Beverage Service* Industry Group for a complete list of classifications applicable to the preparation or serving of food or beverages.

* * * * *

Amend Classification 9009, *Commercial Properties – N.O.C. – all other employees*, which is part of the Property Management/Operation Industry Group, to clarify how related operations should be classified for consistency with other proposed changes.

PROPOSED

PROPERTY MANAGEMENT/OPERATION

Refer to Section IV, *Special Industry Classification Procedures*, Rule 8, *Property Management/Operation*.

COMMERCIAL PROPERTIES – N.O.C. – all other employees

9009

This classification applies to employers engaged in the management and operation of commercial properties, including but not limited to office buildings, office complexes, shopping malls and centers, and industrial buildings. This classification includes property managers engaged in the direct supervision of employees engaged in the operation, maintenance and care of properties. Such operations include but are not limited to cleaning and maintaining restrooms, lobbies and common areas, maintaining ventilation and heating systems, changing door locks and office directories, interior remodeling, exterior landscape maintenance, security and the operation of parking facilities.

This classification also applies to the management and operation of commercial properties as data center colocation facilities where business customers rent space for their servers and other computing hardware or rent space on the facility's servers. The installation, service or repair of computer or telephone systems or equipment in connection with the operation of data center colocation facilities on a fee basis shall be separately classified as 5193, *Computer or Telephone System or Equipment Installation, Service or Repair*.

Also refer to companion Classification 8740(2), *Commercial Properties – N.O.C. – property management supervisors*. Classification 8740(2) applies to property management supervisors who exercise direction through maintenance or operations supervisors who directly supervise employees engaged in the operation, maintenance and care of commercial properties. Classification 8740(2) also applies to non-residing property management supervisors who oversee commercial properties at which all operation, maintenance and care activities are conducted by separate concerns and no payroll is assignable to 9009. Property managers not meeting the above conditions shall be classified as 9009.

Non-residing employees engaged exclusively in the rental or leasing of property to clients and who have no other duties of any kind in the service of the employer except clerical office work shall be separately classified as 8741, *Real Estate Agencies*, provided separate employees are retained to manage the property.

The management and operation of combined commercial and residential mixed-use buildings shall be classified as 9011(2), *Commercial and Residential Mixed-Use Building Operation – not Homeowners Associations – all other employees.*

New construction, alteration or demolition work shall be separately classified.

The preparation ~~and~~ serving of ~~hot foods or beverages~~ shall be separately classified as 9079(1), *Restaurants or Taverns*. Refer to the *Food and Beverage Service Industry Group* for a complete list of classifications applicable to the preparation or serving of food or beverages.

~~The management and operation of combined commercial and residential mixed-use buildings shall be classified as 9011(2), *Commercial and Residential Mixed-Use Building Operation – not Homeowners Associations – all other employees.*~~

* * * * *

Amend Classification 9010, *Mobile Home Park Operation – all other employees*, which is part of the Property Management/Operation Industry Group, to clarify how related operations should be classified for consistency with other proposed changes.

PROPOSED

PROPERTY MANAGEMENT/OPERATION

Refer to Section IV, *Special Industry Classification Procedures*, Rule 8, *Property Management/Operation*.

MOBILE HOME PARK OPERATION – all other employees – including resident employees, resident Clerical Office Employees and resident Clerical Telecommuter Employees 9010

When lodging is provided by the employer, the total remuneration shall include the market value of such lodging to the employee.

This classification applies to employers engaged in the management and operation of mobile home parks where tenants are provided with a space for the placement of the mobile home and utility services. The mobile home unit may be owned by the tenant or the mobile home may be owned by the park owner and rented or leased to the resident. Spaces are rented on a month-to-month or extended lease basis. This classification includes property managers engaged in the direct supervision of employees engaged in the operation, maintenance and care of mobile home parks. Such operations include but are not limited to cleaning and maintaining restrooms, lobbies, swimming pools and common areas, general property repairs, exterior landscape maintenance and security.

Also refer to companion Classification 8740(4), *Mobile Home Park Operation – property management supervisors*. Classification 8740(4) applies to non-residing property management supervisors who exercise direction through maintenance or operations supervisors who directly supervise employees engaged in the operation, maintenance and care of mobile home parks. Classification 8740(4) also applies to non-residing property management supervisors who oversee mobile home parks at which all operation, maintenance and care activities are conducted by separate concerns and no payroll is assignable to 9010. Mobile home park property managers not meeting the above conditions shall be classified as 9010.

Non-residing employees engaged exclusively in the rental or leasing of property to clients and who have no other duties of any kind in the service of the employer except clerical office work

shall be separately classified as 8741, *Real Estate Agencies*, provided separate employees are retained to manage the property.

The management and operation of recreational vehicle parks and campgrounds shall be classified as 9015(1), *Building Operation – N.O.C. – all other employees*.

New construction, alteration or demolition work shall be separately classified.

The preparation ~~or~~ and serving of hot foods or beverages shall be separately classified as 9079(1), *Restaurants or Taverns*. Refer to the *Food and Beverage Service* Industry Group for a complete list of classifications applicable to the preparation or serving of food or beverages.

~~The management and operation of recreational vehicle parks and campgrounds shall be classified as 9015(1), *Building Operation – N.O.C. – all other employees*.~~

* * * * *

Amend Classification 9079(1), *Restaurants or Taverns*, to be included as part of the proposed Food and Beverage Service Industry Group, to apply to restaurant operations that are not more specifically classified by another Food and Beverage Service Industry Group classification and for consistency with other proposed changes.

PROPOSED

FOOD AND BEVERAGE SERVICE

RESTAURANTS OR TAVERNS – all employees – including musicians and entertainers N.O.C.

9079(1)
XXXX(1)

This classification applies to the restaurants that preparation prepare and serving-serve hot and cold food for consumption on or away from the premises or the preparation, and may pouring and serving-serve alcoholic beverages for consumption by the walk-in trade on or away from the premises, and that are not more specifically described by another *Food and Beverage Service* Industry Group classification.

This classification also applies to mobile food vending operations involving the use of food trucks, trailers, carts or temporary booths wherein hot food is prepared for sale to customers. includes but is not limited to:

- hot food departments within grocery stores;
- mobile food vending operations involving the use of food trucks, trailers, carts or temporary booths wherein hot food is prepared for sale to customers;
- doughnut shops that prepare and serve doughnuts and beverages or food for consumption on the premises; and
- food or beverage operations conducted by amusement, recreational or athletic facilities.

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

~~This classification also applies to taprooms at breweries, including product tasting in connection therewith includes musicians and entertainers employed by the restaurant.~~

~~This classification also applies to restaurants that engage in on-site beer brewing operations where the beer brewed on-site is primarily sold to the general public for consumption on the premises. If 50% or more of the beer brewed on-site is sold for off-site consumption, the brewing operations shall be separately classified as 2121, *Breweries*.~~

~~Hot foods items are foods that are cooked to order and served hot to customers or foods that are cooked in advance and served from a warming tray or similar device.~~

~~This classification also applies to doughnut shops that prepare and serve doughnuts and beverages for consumption on the premises.~~

~~This classification includes the manufacture of baked goods, doughnuts (baked or fried) or filled pasta, including but not limited to ravioli and tortellini, by restaurants to be used or sold at restaurant locations operated by the same employer. If the manufacture of baked goods, doughnuts or filled pasta that are not used or sold at the restaurant locations operated by the same employer's restaurants, the manufacturing operations shall be classified as 2003, *Bakeries or Cracker Mfg.*~~

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

Mobile food vending operations vendors, including food trucks, trailers, carts or temporary booths, that do not include the preparation of prepare and serve hot food shall be classified as 8017(1), *Stores – retail*, 8078(1), *Sandwich Shops*, 8078(2), *Beverage Preparation Shops*, or 8078(3), *Ice Cream or Frozen Yogurt Shops*, depending on the products sold.

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

Employers that operate under concessionary agreements to sell prepared or prepackaged hot or cold food or beverages, including but not limited to hot dogs, hamburgers, pretzels, french fries, popcorn, nachos, ice cream, candy, funnel cakes, soft drinks and alcoholic beverages at ball parks, racetracks, theaters, concert venues or amusement or recreational facilities shall be classified as 9079(2), *Concessionaires*.

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

* * * * *

Establish a new cross-reference for Classification 9079(1), *Restaurants – N.O.C.*, to be part of the proposed Food and Beverage Service Industry Group, for consistency with other proposed changes.

PROPOSED

RESTAURANTS – N.O.C.

See Food and Beverage Service.

* * * * *

Amend Classification 8078(1), *Sandwich Shops*, to be included as part of the proposed Food and Beverage Service Industry Group, to clarify the intended application and how related operations should be classified for consistency with other proposed changes.

PROPOSED

FOOD AND BEVERAGE SERVICE

SANDWICH SHOPS—~~not restaurants~~ – N.O.C. – not restaurants

8078(1)

This classification applies to the preparation, serving or sale of cold food items such as sandwiches, salads and side dishes that are prepared for consumption by the walk-in trade. This classification shall apply to each separate location at which the sale of prepared cold food items for consumption on or away from the premises equals or exceeds 50% of gross receipts.

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

This Classification 8078(1) also applies to stores that prepare the preparation and sell sale of fresh, unbaked pizzas.

~~Sandwich shops that~~ This classification does not apply to locations that: (1) prepare and serve hot food, or (2) pour and serve alcoholic beverages for consumption on the premises or prepare and serve hot food for consumption on or away from the premises by the walk-in trade. Such operations shall be assigned to Classification 9079(1), *Restaurants or Taverns*, the applicable *Food and Beverage Service* Industry Group classification.

* * * * *

Establish a new cross-reference for Classification 8078(1), *Sandwich Shops – N.O.C. – not restaurants*, to be part of the proposed Food and Beverage Service Industry Group, for consistency with other proposed changes.

PROPOSED

SANDWICH SHOPS – N.O.C. – not restaurants

See Food and Beverage Service.

* * * * *

Amend Classification 9180(2), *Shooting Clubs or Shooting Ranges*, for consistency with other proposed changes.

PROPOSED

SHOOTING CLUBS OR SHOOTING RANGES

9180(2)

This classification applies to the operation of facilities for game hunting or sport shooting. This classification also applies to indoor or outdoor shooting ranges. This classification includes gun rental and ammunition sales in connection with gun club or range operations.

The preparation ~~and~~ serving of ~~hot foods~~ or beverages shall be separately classified as 9079(1), *Restaurants or Taverns – N.O.C.*

* * * * *

Amend Classification 9092(3), *Skating Centers*, to clarify the intended application and how related operations should be classified for consistency with other proposed changes.

PROPOSED

SKATING CENTERS – ice or roller – including restaurant, bar or tavern employees, retail store employees and counterpersons

9092(3)

This classification applies to the operation of indoor or outdoor ice or roller skating centers or skate parks, including the operation of arcades, snack bars, restaurants, bars, taverns and retail stores for the sale of equipment or clothing in connection with skating centers where 50% or more of gross receipts are generated by skating operations. This classification also applies to instructors when on the payroll of skating centers or skate parks.

~~Restaurants or taverns with skating center operations where the primary (over 50% of gross receipts) operations are restaurant or tavern operations shall be classified as 9079(1), *Restaurants or Taverns*.~~

The operation of skating centers or skate parks by public agencies shall be classified as 9410/9420, *Municipal, State or Other Public Agency Employees*.

Non-profit community health and wellness clubs shall be classified as 9067(1), *Clubs – community health and wellness*.

Restaurants, bars or taverns with skating center operations where the primary (over 50% of gross receipts) operations are restaurant, bar or tavern operations shall be assigned to the applicable *Food and Beverage Service Industry Group* classification.

* * * * *

Amend Classification 9184, *Ski Resorts*, for consistency with other proposed changes.

PROPOSED

SKI RESORTS – Alpine – including the operation of Nordic ski trails at Alpine ski resort locations **9184**

This classification applies to all operations of Alpine (downhill) ski resorts, including but not limited to trail maintenance, snow grooming, snowmaking, ticket sales, general building maintenance, parking lot attendants, security staff, ski school operations and the operation of gondolas, rope tows, chair or T-bar lifts. This classification also applies to the operation or maintenance of Nordic (cross-country) ski trails at Alpine ski resort locations.

Ski resorts that exclusively provide Nordic (cross-country) skiing shall be classified as 9016(1)/9180(1), *Amusement or Recreational Facilities – N.O.C.*

Ski equipment rental shops engaged in the rental or sale of skis, boots, poles, gloves, goggles or related accessories shall be separately classified as 8017(1), *Stores – retail*.

Retail store, hotel or restaurants, retail stores or hotels bar or tavern operations shall be separately classified. Refer to the *Food and Beverage Service Industry Group* for a complete list of classifications applicable to the preparation or serving of food or beverages.

* * * * *

Amend Classification 9054, *Spas or Baths*, to clarify the intended application for consistency with other proposed changes.

PROPOSED

SPAS OR BATHS – including restaurant, bar or tavern employees, retail store employees and receptionists **9054**

This classification applies to the operation of spa or bath facilities, including but not limited to saunas, steam baths, hydrotherapy baths, cryotherapy, natural springs, mud baths and soaking tubs. This classification also applies to massage or personal appearance services provided in connection with spa or bath operations.

Health clubs or gyms operating facilities that provide space and exercise equipment, including but not limited to cardiovascular equipment, weight machines and free weights available for at-will use by clients for the majority of operating hours shall be classified as 9053(2), *Health Clubs or Gyms*.

The operation of fitness studios or fitness training programs primarily offering scheduled fitness classes where space and exercise equipment is not available for use by clients at-will during the majority of operating hours shall be classified as 8870, *Fitness Instruction Programs or Studios*.

Hair cutting, massage services, nail salons and other personal appearance services that are not performed in connection with spas or baths shall be classified as 9586, *Barber Shops, Hair Styling Salons and Personal Appearance Services*.

Public or private swimming pools shall be classified as 9053(3), *Swimming Pools or Swimming Clubs*.

Tennis or racquetball clubs shall be classified as 9053(5), *Clubs – racquet sports*.

Non-profit community health and wellness clubs shall be classified as 9067(1), *Clubs – community health and wellness*.

* * * * *

Amend Classification 8017(1), *Stores – retail – N.O.C.*, which is part of the Stores Industry Group, to remove the reference that preparation or serving of hot foods shall be separately classified as the direction is already included in the Special Industry Classification Procedures for Stores.

PROPOSED

STORES

Refer to Section IV, *Special Industry Classification Procedures*, Rule 5, *Stores*.

STORES – retail – N.O.C.

8017(1)

This classification applies to retail stores engaged in the sale of items not more specifically described by another store classification, including but not limited to appliances, artwork, baked goods, cellular telephones, cosmetics or beauty supplies, prescription and non-prescription pharmaceuticals, party supplies, craft supplies, disposable medical supplies, mattresses and

V-A-112
B:B-47

box springs, domestic pets, firearms, games or gaming devices, home electronics, musical instruments, sporting goods, toys, vitamins or food supplements, cut Christmas trees and wheelchairs.

This classification also applies to self-serve laundromats, dry cleaning or laundry drop-off and pick up facilities (no cleaning on the premises), mail service stores and gaming arcades.

~~The preparation or serving of hot foods shall be separately classified as 9079(1), *Restaurants or Taverns*.~~

* * * * *

Amend Classification 9053(3), *Swimming Pools or Swimming Clubs*, to clarify the intended application for consistency with other proposed changes.

PROPOSED

SWIMMING POOLS OR SWIMMING CLUBS – including restaurant, bar or tavern employees, retail store employees and receptionists **9053(3)**

This classification applies to the operation of public swimming pools. This classification also applies to swim clubs that operate pool facilities. This classification also applies to swimming, diving, scuba diving and water safety instruction performed in swimming pools.

Competitive swim clubs or teams that do not operate pool facilities shall be classified as 9182, *Athletic Teams or Athletic Facilities – all employees other than players, umpires, referees and game officials*.

Health clubs or gyms operating facilities that provide space and exercise equipment, including but not limited to cardiovascular equipment, weight machines and free weights available for at-will use by clients for the majority of operating hours, including swimming pool operations provided in connection therewith, shall be classified as 9053(2), *Health Clubs or Gyms*.

Tennis or racquetball clubs, including swimming pool operations provided in connection therewith, shall be classified as 9053(5), *Clubs – racquet sports*.

Non-profit community health and wellness clubs shall be classified as 9067(1), *Clubs – community health and wellness*.

The operation of water parks shall be classified as 9016(1)/9180(1), *Amusement or Recreational Facilities – N.O.C.*

Water-based athletic or fitness instructional programs at locations other than swimming pools, including but not limited to surfing, scuba, kayaking, paddle boarding, and kite surfing lessons and tours on lakes, bays, rivers or oceans, shall be classified as 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices*.

* * * * *

Amend Classification 9155, *Theaters – motion picture – all employees other than employees exclusively engaged in restaurant or tavern operations*, to clarify the intended application and how related operations should be classified for consistency with other proposed changes.

PROPOSED

THEATERS – motion picture – all employees other than employees exclusively engaged in restaurant, bar or tavern operations **9155**

This classification applies to all employees engaged in the operation of “walk-in” or “drive-in” motion picture theaters, including but not limited to ushers, motion picture projection and sound equipment operators, box office and snack bar cashiers, security staff and parking lot attendants.

The operation of a concession stand or snack bar by separate concerns shall be classified as 9079(2), *Concessionaires*.

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

Orchestras, touring bands, casual or steady engagement music groups or event disc jockeys engaged in the provision of musical entertainment before a live audience shall be classified as 9151, *Theaters – musical entertainment*.

Employees other than performers, directors or musicians engaged in the operation of live performance theaters shall be classified as 9154, *Theaters – not motion picture*.

The payroll of employees engaged exclusively in restaurant, bar or tavern operations shall be separately classified as ~~9079(1), *Restaurants or Taverns*~~. Refer to the *Food and Beverage Service* Industry Group for a complete list of classifications applicable to the preparation or serving of food or beverages.

* * * * *

Amend Section VIII, *Abbreviated Classifications – Numeric Listing*, for consistency with other proposed changes.

PROPOSED

Abbreviated Classifications – Numeric Listing

-
-
-
- 9050 Hotels/Motels/Short-Term Housing—other
- 9058 Hotels/Motels/Short-Term Housing—food/beverage
- 9079(1) Restaurants/~~Taverns~~—N.O.C.

9080 Restaurants—full service
9082 Caterers
9083 Restaurants—fast food/casual
9084 Bars/Taverns

-
-
-

* * * * * * *