

# Classification and Rating Committee

## Meeting Minutes

---

| Date             | Time    | Location         | Staff Contact |
|------------------|---------|------------------|---------------|
| January 30, 2025 | 9:30 AM | WCIRB California | Kristen Marsh |

---

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

---

Released: February 11, 2025

**Members:**

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

**Represented By:**

Sara VanWyk  
Christine Glynn  
Matt Zender  
Gregory Hanel  
Peter Gunn  
Jennifer Fortin  
Sarah Elston

**WCIRB**

Kristen Marsh, Chair  
Andrea Coleman  
Tony Milano  
Bill Mudge  
Katrina Sonka

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

\* \* \* \* \*

**Approval of Minutes**

The Minutes of the meeting held on November 12, 2024 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.

© 2025 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](mailto:customerservice@wcirb.com).

## **Item III-A**

### **2025 Classification Relativities**

The Agenda included preliminary classification relativity review sheets to be effective September 1, 2025. The Committee was advised that the review sheets are preliminary in that staff would be continuing the process of validating the underlying data and factors used in the computation of these classification relativities. The Committee was also advised that the methodologies and processes used to compute the September 1, 2025 classification relativities are generally consistent with those used in the computation of the September 1, 2024 relativities. Staff noted that the September 1, 2025 classification relativities reflect unit statistical data through policy year 2022, which refers to December 1, 2021 to November 30, 2022 policies and does not include refinement to mitigate the impact of pandemic period data as the latest two years (2021 and 2022) are post pandemic. Staff also noted that COVID-19 claims were excluded from the data used to compute the September 1, 2025 relativities. Staff summarized the overall methodology used to compute the classification relativities.

Staff noted that the WCIRB's 2019 Cotton Merchants and Warehouse Study recommended combining Classification 0400, *Warehouse – cotton*, with Classification 0401, *Cotton Gin Operation*, for ratemaking purposes and limiting the advisory pure premium rate for constituents of Classification 0400 to 25% each year until the rate better aligned with that of Classification 0401. Staff noted that the indicated September 1, 2025 Classification 0400 relativity is within 25% of the combined Classifications 0400 and 0401 indicated relativity. As a result, staff recommended the elimination of Classification 0400 and proposed USRP changes to facilitate the elimination of Classification 0400. In addition, the WCIRB's 2022 Newspaper Delivery Study recommended 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 operations comprised of the sale and 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 rate for Classification 4312 better aligned with Classifications 7198(1) and 4304. Staff noted that the indicated classification relativity for Classification 4312 is now within 25% of the combined classifications indicated relativities. As a result, staff recommended the elimination of Classification 4312 and proposed *California Workers' Compensation Uniform Statistical Reporting Plan—1995* changes to facilitate the elimination of Classification 4312. A motion was made, seconded and unanimously passed to recommend to the Governing Committee to include the proposed rule changes in the September 1, 2025 Regulatory Filing.

Following the presentation and discussion, the consensus of the Committee was that the September 1, 2025 classification relativities should be filed, once finalized, as outlined by staff.

## Proposed Changes to the USRP

### Recommendation

Amend Classification 0401, *Cotton Gin Operation*, to include cotton dealers or merchants and cotton warehousing and clarify the intended application.

### PROPOSED

**~~COTTON GIN OPERATION~~PROCESSING OR WAREHOUSES – during both active and dormant seasons – including installation or repair of equipment; yard employees; seed or fuel haulers** **0401**  
**all operations**

This classification applies to the ginning (removing cotton fibers from their seeds) or processing of cotton during both active and dormant seasons, including but not limited to drying, raking, compressing and/or baling of cotton, when performed for other concerns on a fee basis or when performed in connection with the purchase and sale of cotton. This classification also applies to cotton dealers or merchants or the storage of cotton for other concerns on a fee basis.

The cultivation and harvesting of cotton shall be separately classified as 0171, *Field Crops*.

~~The contract storage of baled cotton or purchase and sale of cotton, including cotton compressing, when no ginning operations are performed, shall be classified as 0400, Warehouses – cotton.~~

Cotton batting manufacturing shall be classified as 2222, *Spinning, Weaving or Fiber Processing*.

\* \* \* \* \*

### Recommendation

Amend Classification 0171, *Field Crops*, which is part of the Farms Industry Group, for consistency with other proposed changes and to provide direction as to how related operations should be classified.

### PROPOSED

#### FARMS

#### FIELD CROPS

**0171**

This classification applies to all acreage devoted to the cultivation and harvesting of hay; alfalfa; flax; safflower; maize; all sorghums; or all the cereal grains, including but not limited to wheat, barley, rice, field corn and oats. This classification also applies to all acreage devoted to the cultivation and harvesting of cotton.

Cotton dealers or merchants, cotton ginning or processing operations, including cotton compressing, or storage of cotton for other concerns on a fee basis shall be separately classified as 0401, *Cotton Gin Operation* ~~Processing or Warehouses~~.

~~The contract storage of baled cotton or the purchase and sale of cotton, including cotton compressing, when no ginning operations are performed, shall be classified as 0400, *Warehouses—cotton*.~~

The cultivation and harvesting, including field packing, of sweet (edible) corn shall be classified as 0172, *Truck Farms*.

The cultivation and harvesting of grass sod for use in landscaping shall be classified as 0005, *Nurseries*.

Providing machinery and operating crews to conduct mechanized farming or harvesting operations for separate concerns on a fee basis shall be classified as 0050, *Farm Machinery Operation*.

\* \* \* \* \*

**Recommendation**

Consistent with the recommendations of the WCIRB’s 2022 Newspaper Delivery Study, eliminate Classification 4312, *Newspaper Delivery*, which is part of the Printing, Publishing and Duplicating Industry Group, as, after combining for ratemaking purposes due to low statistical credibility, its advisory pure premium rate has reached alignment with that of the destination classes, and reassign (1) the employers that deliver newspapers on a fee basis to customers for their personal use to Classification 7198(1), *Parcel Delivery and Messenger Service Companies*, and (2) the operations comprising the sale or delivery of newspapers by newspaper publishers or printers to customers for their personal use to Classification 4304, *Newspaper Publishing or Printing*.

PROPOSED

**~~PRINTING, PUBLISHING AND DUPLICATING~~**

**~~NEWSPAPER DELIVERY~~**

**4312**

~~This classification applies to the sale and/or delivery of newspapers to customers for their personal use and not for resale. This classification applies to such sale and delivery operations by employers engaged in the publishing or printing of newspapers, tabloids, advertising newspapers, and specialty sections, and to such operations performed on a fee basis.~~

\* \* \* \* \*

**Recommendation**

Amend Classification 7198(1), *Parcel Delivery and Messenger Service Companies*, to include employers that deliver newspapers on a fee basis to customers for their personal use and for consistency with previously approved changes.

PROPOSED

**PARCEL DELIVERY AND MESSENGER SERVICE COMPANIES – including terminal employees and mechanics – no handling of bulk merchandise or freight 7198(1)**

This classification applies to the delivery of lightweight parcels on a fee basis if (1) less than 10% of the individual parcels and packages delivered weigh in excess of one hundred pounds and (2) less than 10% of all deliveries have a total combined weight of all items delivered at any one stop exceeding two hundred pounds. This classification also applies to app-based on-demand Delivery Network Companies (DNC) that deliver restaurant meals, groceries or various store merchandise, or perform errands such as dropping off or picking up dry cleaning.

This classification applies to the delivery of newspapers, tabloids, advertising newspapers or specialty sections on a fee basis to customers for their personal use and not for resale.

Transport of the United States mail under contract to the United States Postal Service shall be classified as 7232, *Mail Delivery Service Companies*.

When employees furnish the vehicles utilized in these operations the determination of reportable remuneration shall be made in accordance with Section V, Rule 4, *Drivers' and Their Helpers' Payroll*.

~~Transport of the United States mail under contract to the United States Postal Service shall be classified as 7232, *Mail Delivery Service Companies*.~~

\* \* \* \* \*

**Recommendation**

Amend Classification 4304, *Newspaper Publishing or Printing*, which is part of the Printing, Publishing and Duplicating Industry Group, to include operations comprising the sale or delivery operations by newspaper publishers or printers to customers for their personal use and for consistency with other proposed changes.

PROPOSED

**PRINTING, PUBLISHING AND DUPLICATING**

**NEWSPAPER PUBLISHING OR PRINTING – all other employees – including drivers and their helpers 4304**

This classification applies to employers engaged in the publishing or printing of newspapers, tabloids, advertising newspapers, and specialty sections, including but not limited to the comics and television sections of newspapers. This classification includes sale or delivery operations by employers engaged in publishing or printing newspapers, tabloids, advertising newspapers and specialty sections.

This classification applies to newspaper publishers that assemble, bundle, label or distribute newspapers that are printed by other employers.

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.

The sale or delivery of newspapers, tabloids, advertising newspapers or specialty sections on a fee basis to customers for their personal use and not for resale shall be separately classified as 4312, Newspaper Delivery 7198(1), Parcel Delivery and Messenger Service Companies.

~~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.~~

Also refer to companion Classification 8818, *Newspaper Publishing or Printing – editing, designing, proofreading and/or photographic composing.*

\* \* \* \* \*

**Recommendation**

Amend Classification 8745, *News Agents or Distributors of Magazines or Other Periodicals*, which is part of the Printing, Publishing and Duplicating Industry Group, to provide direction as to how related operations should be classified and for consistency with other proposed changes.

PROPOSED

**PRINTING, PUBLISHING AND DUPLICATING**

**NEWS AGENTS OR DISTRIBUTORS OF MAGAZINES OR OTHER PERIODICALS – not retail dealers – including Outside Salespersons 8745**

This classification applies to the wholesale distribution of newspapers, magazines or periodicals.

The sale or delivery of newspapers, tabloids, advertising newspapers or specialty sections on a fee basis to customers for their personal use and not for resale shall be separately classified as 4312, Newspaper Delivery 7198(1), Parcel Delivery and Messenger Service Companies.

Employers engaged in the publishing or printing of newspapers, tabloids, advertising newspapers and specialty sections shall be classified as 4304, Newspaper Publishing or Printing – all other employees, and 8818, Newspaper Publishing or Printing – editing, designing, proofreading or photographic composing.

\* \* \* \* \*

**Recommendation**

Amend Classification 8746, *Newspaper Publishing or Printing*, which is part of the Printing, Publishing and Duplicating Industry Group, to provide direction as to how related operations should be classified and for consistency with other proposed changes.

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.

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 sale or delivery of newspapers, tabloids, advertising newspapers or specialty sections on a fee basis to customers for their personal use and not for resale shall be separately classified as 4312, Newspaper Delivery 7198(1), Parcel Delivery and Messenger Service Companies.

~~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.~~

Employers engaged in 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, and 8818, Newspaper Publishing or Printing – editing, designing, proofreading and/or photographic composing.

\* \* \* \* \*



**Recommendation**

Consistent with the recommendations of the WCIRB’s 2019 Cotton Merchants and Warehouses Study, eliminate Classification 0400, *Warehouses – cotton*, as, after combining for ratemaking purposes due to low statistical credibility, its advisory pure premium rate has reached alignment with that of the destination classification, and reassign the operations described by this classification to Classification 0401, *Cotton Gin Operation*.

PROPOSED

~~WAREHOUSES – cotton – including cotton compressing~~

**0400**

~~This classification applies to the storage of cotton for other concerns on a fee basis and includes incidental cotton compressing. This classification also applies to cotton dealers or merchants.~~

~~The cultivation and harvesting of cotton shall be separately classified as 0171, *Field Crops*.~~

~~This classification does not apply to cotton gin operations; all operations, including the storage, compressing, sale and distribution of cotton in connection with cotton gin operations shall be classified as 0401, *Cotton Gin Operation*.~~

~~Cotton batting manufacturing shall be classified as 2222, *Spinning, Weaving or Fiber Processing*.~~

\* \* \* \* \*

**Recommendation**

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

PROPOSED

**Section VIII – Abbreviated Classifications – Numeric Listing**

- 
- 
- 
- 0400      ~~Warehouses – cotton – incl cotton compressing~~
- 0401      ~~Cotton Gin Operation~~Processing/Warehouses
- 
- 
- 
- 4312      Newspaper Delivery
- 
- 
- 

\* \* \* \* \*

## **Item IV**

### **Updates to WCIRB's Mailing Address**

The Committee was advised that, as a result of the WCIRB's planned move in summer 2025, staff proposed revisions to the WCIRB's mailing address for receipt of Complaints and Requests for Action and questions concerning the WCIRB's inspection program in the *California Workers' Compensation Uniform Statistical Reporting Plan—1995 and California Workers' Compensation Experience Rating Plan—1995*. The proposed rule changes were provided to the Committee in advance of the meeting via email.

A motion was made, seconded and unanimously passed to recommend to the Governing Committee that the proposed rule changes be included in the September 1, 2025 Regulatory Filing.

## Proposed Changes to the USRP

### Recommendation

Amend Part 1, *General Provisions*, Section V, *Inquiries, Complaints and Requests for Action, Reconsideration and Appeals*, Rule 3, *Complaints and Requests for Action*, to update the WCIRB's mailing address.

### PROPOSED

#### Section V – Inquiries, Complaints and Requests for Action, Reconsideration and Appeals

- 
- 
- 

#### 3. Complaints and Requests for Action

An insured employer, insurer, or other aggrieved person seeking review of the WCIRB's decision, action, or omission to act, or review of the manner in which this Plan, or any other applicable regulations of the Insurance Commissioner, has been applied in connection with its workers' compensation insurance shall serve the WCIRB with a written Complaint and Request for Action pursuant to the regulations found at Title 10, California Code of Regulations, Sections 2509.40 *et seq.* Complaints and Requests for Action must be served on the WCIRB at the following address:

WCIRB

~~1901 Harrison Street, 17th Floor~~ One Montgomery Street, Suite 400

~~Oakland~~ San Francisco, CA ~~94612~~ 94104

Attention: Complaints and Reconsideration

Fax 415.371.5204

customerservice@wcirb.com

Upon receipt of a Complaint and Request for Action, the WCIRB shall respond in accordance with the regulations found at Title 10, California Code of Regulations, Sections 2509.40 *et seq.* Any change resulting from such response shall be applied in accordance with the rules of this Plan or other applicable statutes or regulations. If a loss correction is required pursuant to the Revision of Losses rule, the current experience rating for purposes of the application of that rule shall be the experience modification in effect

\* \* \* \* \*

**Recommendation**

Amend Part 3, *Standard Classification System*, Section VI, *Administration of Classification System*, Rule 1, *Inspection of Employer's Premises*, to update the WCIRB's mailing address.

PROPOSED

**Section VI – Administration of Classification System**

**1. Inspection of Employer's Premises**

- a. The WCIRB has authority to inspect the premises of any employer for classification assignment purposes.
- b. The WCIRB shall be responsible for conducting a comprehensive inspection program to ensure that insurers use the proper classifications in reporting payroll and losses.
- c. Questions concerning the WCIRB's inspection program may be directed to:

WCIRB Customer Service  
~~1901 Harrison Street, 17th Floor~~ One Montgomery Street, Suite 400  
~~Oakland~~ San Francisco, CA 94612 94104  
888.229.2472 (CAWCIRB)  
Fax 415.778.7272  
customerservice@wcirb.com

\* \* \* \* \*

## Proposed Changes to the ERP

### Recommendation

Amend Section VII, *Inquiries, Complaints and Requests for Action, Reconsideration and Appeals*, Rule 3, *Complaints and Requests for Action*, to update the WCIRB's mailing address.

### PROPOSED

### Section VII – Inquiries, Complaints and Requests for Action, Reconsideration and Appeals

- 
- 
- 

#### 3. Complaints and Requests for Action

- 
- 
- 

WCIRB  
~~1901 Harrison Street, 17th Floor~~ One Montgomery Street, Suite 400  
~~Oakland~~ San Francisco, CA 94612 ~~94104~~  
Attention: Complaints and Reconsideration  
Fax: 415.371.5204  
customerservice@wcirb.com

- 
- 
- 

\* \* \* \* \*

Classification and Rating Committee  
Meeting Minutes for January 30, 2025

The meeting was adjourned at 10:03 AM.

\* \* \* \* \*

Note to Committee Members: These Minutes, as written, have not been approved. Please refer to the Minutes of the meeting scheduled for May 20, 2025 for approval and/or modification.