

Classification and Rating Committee

Meeting Minutes

Date	Time	Location	Staff Contact
June 13, 2018	9:45 AM	WCIRB California 1221 Broadway, Suite 900 Oakland, CA	Brenda Keys

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Members Present

National Union Fire Insurance Company of Pittsburgh PA
Pacific Compensation Insurance Company
Preferred Employers Insurance Company
Republic Indemnity Company of America
Security National Insurance Company
State Compensation Insurance Fund
Zenith Insurance Company

Represented By

Ellen Sonkin
Steve Schafer
John Bennett
Reggie Fradkin**
Matt Zender
Geeta Shah
Sarah Elston

California Department of Insurance

Patricia Hein
Brentley Yim

WCIRB

Brenda Keys, Chair
Bill Mudge
David Bellusci
Ward Brooks
Brendan Dolen*
Brian Gray
Paul Kim
Eric Riley
Rex Serrao*
Caleb Stanton
Tara Widmer*
Chris M. Wong*

* Attended part of the meeting

** Participated via teleconference

The meeting of the Classification and Rating Committee was called to order at 9:45 AM following a reminder of applicable antitrust restrictions, with Ms. Brenda Keys, Senior Vice President and Chief Legal Officer, presiding.

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Approval of Minutes

The Minutes of the teleconference meeting held on May 31, 2018 were distributed to the Committee members in advance of the meeting for review. As there were no corrections to the Minutes, a motion was made, seconded and unanimously approved to adopt the Minutes as written.

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Item III-A Potential Classification Studies

The Committee was provided a list of potential classification research studies. This list was compiled based on Committee suggestions, customer input and WCIRB staff analyses. Staff solicited the Committee's feedback regarding the completeness and relative priority of the studies and projects under consideration.

Staff summarized the studies being proposed as classification research projects for 2018-2019.

A Committee member inquired about a potential study of Classification 8859(1), *Computer Programming or Software Development*, which staff recommended be held for future consideration, and asked whether this study would address online product sales and similar operations. Staff explained that the anticipated scope of this study would be to address software programming in connection with electronic product manufacturing, but agreed that when the study is conducted it could address online product sales or similar concerns.

Another Committee member asked whether there were any plans to study cannabis industry operations. Staff explained that there are many non-homogenous operations that pertain to the cannabis industry and that the WCIRB has issued an e-newsletter that explains how specific existing classifications apply to what are currently the most common operations and business models in the cannabis industry. Staff also indicated that the WCIRB will monitor the industry to ensure that existing classifications remain applicable to any new operations that may emerge within the industry and recommend a study if they do not.

The Committee also inquired about the USL&H Classifications and Social Services Agencies studies and suggested that both of these studies should be priorities next year.

Finally, the Committee discussed the expected scope of the Hospitality and Resort Industry study and the Food and Beverage Classifications study and expressed agreement that these large, multi-jurisdictional, collaborative studies appear to be of high value.

Following staff's presentation and the Committee's discussion, the consensus of the Committee was that the following classification studies should be conducted in 2018-2019 for inclusion in the January 1, 2020 Regulatory Filing:

1. Hospitality and Resort Industry
2. Expansion of Maximum Payroll Limitations (outreach and determination of the appropriate adjustment to advisory pure premium rates as a continuation of the 2019 study)
3. Classifications 8017(7), *Stores – Hardware*, and 8111(1), *Plumbers' Supplies Dealers*
4. Dual Wage Classifications Thresholds
5. Payroll/Remuneration Reporting Rules
6. Food and Beverage Classifications
7. Classification 8810 in Connection with Aircraft Operations
8. Wrecking or Demolition
9. Classification 3682, *Instrument Mfg. – non-electronic*
10. Low Credibility Study: Classifications 0400(1), *Cotton Merchants – including cotton compressing*, and 0400(2), *Warehouses – cotton – including cotton compressing*
11. Low Credibility Study: Classification 2150, *Ice Mfg. or Ice Dealers*
12. Further Classification Enhancements to the USRP

Item III-B

Demonstration of WCIRB Services and Tools

WCIRB staff provided demonstrations of the Analytics Portal; CompEssentials; the new Digital Authorization process, which can be used to access the Comprehensive Risk Summary Report; and the new Inspection Report.

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The meeting was adjourned at 11:35 AM.

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Note to Committee Members: These Minutes, as written, have not been approved. Please refer to the Minutes of the meeting scheduled for October 16, 2018 for approval and/or modification.