



Wisconsin Compensation Rating Bureau

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CIRCULAR LETTER 3004—MAY 30, 2007

PROCEEDINGS OF THE WISCONSIN RATING COMMITTEE

TO: Members of the Bureau

FROM: Donna Knepper

RE: Item Number 3893 NCCI Proposal Item B-1397 Revisions to Basic Manual
Classifications and Rules

Pursuant to ch 626, Wis. Stats., the State of the Wisconsin, Office of the Commissioner of Insurance has advised that the action taken by the Rating Committee has been approved.

The following amendments to the Wisconsin Basic Manual have been approved effective October 1, 2007, applicable to new and renewal business:

1. Ambulance and Emergency Medical Services

Wisconsin background: Wisconsin currently classifies for-profit ambulance service providers under code 7380 and volunteer ambulance service providers under code 7710. Thus, Wisconsin already is an exception to NCCI's classification of ambulances under code 7370.

Approved action: Adopt code 7705 for paid, for-profit ambulance providers while retaining code 7710 for volunteer ambulance services. The rate for code 7705 will be the same as code 7380 until such time that the class develops sufficient experience to determine its own rate. NCCI's description of code 7705 will also be adopted with the exception of striking any language indicating that volunteers are to be included under the code. Finally, in time, if the rates for codes 7705 and 7710 do not indicate large differentials, consideration will be given to combining the two ambulance codes, paid for-profit and volunteer, just as NCCI proposes in this filing.

2. Athletic Team Sports and Parks

Wisconsin background: Currently, players, coaches, trainers and officials of sports teams/organizations, both professional and amateur, are classified under either codes 9178 or 9179, depending on whether the activity is a contact sport or a non-

contact sport. Furthermore, both classes apply a minimum payroll per employee of \$500.00 for amateur players. The origin of the \$500.00 payroll minimum per employee figure is not readily known but dates back to the 1950's. Effective 10-1-06, the rate for code 9178 is \$53.25, code 9179 is \$4.13 and code 9063 is \$1.47.

Approved action: Retain codes 9178 and 9179 for players but classify coaches, trainers, officials and all other similar employees of sports teams/organizations to code 9063. The \$500.00 minimum payroll inclusion per player will be retained under this recommendation.

3. Cleaning Services and Pet Sitting

Wisconsin background: Janitorial services are currently classified under code 9014 when the contractor is servicing commercial structures and code 0917 when the contractor is cleaning residences. No differentiation is considered in relation to whether these operations take place from ground level or above ground level.

Approved action: The majority of this proposal is not being recommended for adoption. However, two portions of the proposal have merit and should be adopted. First, the phraseology for code 0917 should be amended from "Domestic Service Contractor" to "Residential Cleaning Services by Contractor-Inside." Second, the phraseology for code 9014 should be amended to include the words "& Drivers" in order to recognize and clarify the exposure of delivering cleaning equipment and supplies to job sites.

4. Domestics

Wisconsin background: Wisconsin classifies domestic workers (inside and outside, full-time and occasional) in the same manner as NCCI. Thus, there are currently four classes for these exposures.

Approved action: This proposal should be adopted in full to consolidate the four classes into two. Class code 0908 will recognize all part-time domestic employees, both inside and outside, while class code 0913 will recognize all full-time domestic employees, both inside and outside. NCCI's review has determined that there is little difference in claims experience between in-servants such as maids, butlers, etc. and out-servants such as gardeners and chauffeurs.

5. Firefighting Including Volunteer Firefighters

Wisconsin background: Wisconsin is already an exception to NCCI's classification of this industry. While this proposal seeks to separately rate paid firefighters from volunteer firefighters, Wisconsin already does so with the use of code 7704, a

payroll-based code for paid firefighting departments, and code 7709, a classification for volunteer firefighting departments whose premium is calculated based on the population of the communities served by the volunteer fire department.

Approved action: Due to the fact that separate class codes already exist for paid and volunteer firefighters, this proposal should not be adopted. However, the current class codes 7704 and 7709 should be amended to include clarifying language in NCCI's new firefighting classifications. Such language spells out how to classify individuals who perform both firefighting and emergency medical services (ambulance) duties as well as which class code to use when separately rating personnel who are solely responsible for providing emergency medical services.

Furthermore, while NCCI proposes collecting head count data related to numbers of paid firefighters and volunteer firefighters, no such data collection will be required in Wisconsin.

6. Mailing Companies

Wisconsin background: Wisconsin currently classifies this industry in the same manner as NCCI. That is, clerical personnel are included along with production employees within a single classification for this industry.

Approved action: This proposal should be adopted in terms of its intent, which is to separately rate clerical exposure from production exposure. However, rather than establish a new classification for mailing or addressing company clerical employees, as NCCI proposes with code 8799, such payroll will simply be assigned to the existing clerical classification in the class system, that being code 8810.

7. Sheet Metal

Wisconsin background: Wisconsin currently classifies this industry in the same manner as NCCI. Code 3066 is utilized largely for job shop type sheet metal shops, while code 3076 is used for fabricating shops which produce a final product such as metal furniture, ovens, refrigerators, etc. Code 5538 is a contracting class used to classify installers and repair personnel who work outside of a shop exposure.

Approved action: This proposal is not being recommended for adoption. The filing proposes to combine codes 3066 and 3076 and establish two new sheet metal shop classes. One shop code, 3076, would be used for employers who do not provide installation and repair services while the other shop class, 3069, would be applied to employers who also provide such field services. A new field class, code 5535, would be a companion code to risks classified under code 3069, representing

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the repair and installation portion of the operation.

Codes 3066 and 3076 have developed distinct rates (currently \$7.08 for 3066 and \$3.94 for 3076) over time, perceivably due to distinct processes, expertise of labor and other factors. It is felt that this differentiation should continue to be recognized.

One portion of the proposal should be adopted, however. The filing provides a clarification for the heating and air conditioning (HVAC) classification code 5537, to include the assignment of shop operations and yard work to 5537. This clarification addresses current confusion on how to classify shop employees of HVAC contractors.