



## Pennsylvania Compensation Rating Bureau

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February 16, 2016

### **PCRB CIRCULAR NO. 1654**

To All Members of the PCRB:

Re: **MANUAL REVISIONS TO SECTIONS 1 AND 2**  
**PCRB FILING NO. 268.**  
**APPROVED EFFECTIVE APRIL 1, 2016**

- (1) **Classification Procedure Change – deletion of Code 648 door installation Underwriting Guide entry for reassignment to either Code 651 or 652**
- (2) **Classification Procedure Change – revised guideline for assignment of Code 647, Insulation Work, N.O.C.**
- (3) **Classification Procedure Change – adjustment to the classification assignment language for Code 759, Cable Television Operators**
- (4) **Retitled and editorial classification changes – Code 025 – Mining; Code 185 Temporary Food Sundries; and Code 447 Non-Ferrous Foundry**
- (5) **Manual Revisions to Sections 1 and 2 – Housekeeping – Additions and revisions to various Underwriting Guide entries**
- (6) **Deletion of a total of eight underwriting guide entries from the Manual**

The Pennsylvania Insurance Commissioner has approved PCRB's filing regarding Classification procedure changes, retitled Classifications, and Manual housekeeping revisions to Sections 1 and 2. These revisions become **effective as of 12:01 a.m., April 1, 2016** with respect to new and renewal policies having normal anniversary rating dates on or after that date.

In most cases, the above mentioned changes do not affect loss costs for any Pennsylvania employer, other than a classification procedure change which could result in a reassignment of an insured's authorized classification code.

Each of the revisions included in this filing are discussed in sequence below.

**(1) Classification Procedure Change – deletion of Code 648 door installation Underwriting Guide entry for reassignment to either Code 651 or 652**

The assignment of Classification Code 648, Carpentry – Installation of Cabinet Work, Underwriting Guide (Guide) entry “Door or Door Frame Erection – Wood,” is deleted that concurrently consolidates the assignment of all door installation except for overhead doors (whose installation will remain assignable to Code 675, officially entitled “Machinery or Equipment Erection or Repair”) to Code 651 or to Code 652, Carpentry – Residential.

The basis for this change is actually a follow-up to a prior filing (C-363) where the change reflected a deletion of the Code 648 language stating that the class was “Not applicable to contractors who perform other carpentry operations at the same job or location,” which restricted the application of Code 648. Staff's supporting argument for removal of the

restriction set forth that PCRB surveys and test audits had shown that more and more of the work assigned to Code 648 can be, and is being, performed by general rather than specialized carpenters. PCRB continues to hold that this work is now commonly performed by general carpenters. This was the basis for approval of this filing change.

**(2) Classification Procedure Change – revised guideline for assignment of Code 647, Insulation Work, N.O.C.**

This change deletes certain language for Classification Code 647 – Insulation Work, N.O.C., specifically: “The class applies when insulating work is performed as a separate operation not part of or incident to any other construction operation performed by the same contractor at the same job or location.” This change will permit the use of Code 647 for any insulation work performed by the employer, provided that separate staffs are involved or that separate payroll records for interchanging personnel have been maintained.

This adjustment aligns, on a going forward basis, that Code 647 be treated like the other 600 series construction classifications excepting only those few codes that are designated as being applicable to “all work to completion.”

**(3) Classification Procedure Change – adjustment to the classification assignment language for Code 759, Cable Television Operators**

Until now, Classification Code 759, Cable Television Operators, was the only PCRB classification that assigned contractors to the business ascribed to the customer’s (the FCC licensed cable television provider) applicable classification. This will end the anomaly by removing that procedure and adopting the otherwise uniform procedure of classifying the contractors by the contractor’s field of business. This change will align Code 759 with PCRB’s uniform classification plan of classifying an employer by the employer’s field of business.

The language revision will classify specialist contractors engaged in the installation, maintenance or repair of cable television lines or servicing a cable television customer, to their applicable contractor’s classification as provided for in PCRB’s Manual. With one exception, the approved April 1, 2016 loss cost for the potentially applicable contractor classification is lower in relation to the approved loss cost for the cable television operations classification. This is illustrated below:

<b>Class</b>	<b>April 1, 2016 Loss Cost</b>	<b>Service Provided</b>
617	\$2.66	Installing Underground Conduit & Cable in Or Along Streets
656	5.67	Stringing Cable From Pole-to-Pole
660	2.33	Installing Cable From The Street to the Customer’s Structure
759	5.20	The Licensed Cable TV Provider

**(4) Retitled and editorial classification changes – Code 025 – Mining; Code 185 Temporary Food Sundries; and Code 447 Non-Ferrous Foundry**

**Code 025: From - Mining – not coal  
To - Mining - Underground**

The classification has always contemplated the underground mining of any mineral except coal. There are two purposes to the proposed retitling of Code 025. The first is to be more precise in definition on the class' scope. The second is to give greater prominence to the Coal Mine Compensation Rating Bureau of Pennsylvania's (CMCRBPA) role in pricing coal mining and processing workers' compensation exposures.

**Code 185: From - Temporary Food Sundries Mfg., N.O.C. Staff  
To - Temporary Food Products Mfg., N.O.C. Staff**

Code 185 is the one-to-one temporary staffing classification with Code 104 that was previously retitled to Food Products Mfg. N.O.C. from Food Sundries Mfg. N.O.C. This change is an adjustment to the title for Code 185 to bring it into alignment with the retitled Classification Code 104.

**Code 447: From - Non-Ferrous Foundry  
To – Nonferrous Foundry**

The intention of this titling change was to unify the spelling of the term 'Nonferrous.'

**(5) Manual Revisions to Sections 1 and 2 – Housekeeping – Additions and Revisions  
(6) Deletion of a total of eight underwriting guide entries from the Manual**

The housekeeping changes are intended to make the Manual language clearer and less ambiguous. The revisions clarify existing classification procedures and update language defining certain classifications to align the verbiage used with that in other Manual provisions, and/or to recognize ongoing technological or industrial changes.

Approved revisions to the Pennsylvania Manual language are attached.

The Basic Manual will be updated on our website ([www.pcrb.com](http://www.pcrb.com)) at a later date.

William V. Taylor  
President

jf  
encl.

***Remember to visit our web site at [www.pcrb.com](http://www.pcrb.com) for more information about this and other topics.***

SECTION 1

CHANGES

Rule IV, Paragraph B. 3. b.

b. Any operation..... separately classified only if:

No change to 1 & 2

3. If t[T]he principal business is described by classifications defined as Standard Exceptions, the payroll of all employees not specially included in the definition for such Standard Exceptions shall be separately classified to Code 971[a standard exception classification].

Rule IV, Paragraph B. 4. General Exclusions

Some operations in a business.....exclusions and are:

No change to Numbers 1 through 5

6. Please refer to the Coal Mine Compensation Rating Bureau of Pennsylvania ([www.cmcrbpa.com](http://www.cmcrbpa.com)) for the classification(s) applicable to the surface or underground mining of coal and/or the above ground operations necessary to prepare previously mined coal for distribution or sale by the mine operator or an independent coal preparation plant and/or coke burning and/or manufacturing.

Rule IV, Paragraph C. 8. “Changing Classifications”

- a. The PCRB[Bureau] is empowered to determine, revise or modify the classification(s) assigned to any individual insured. No written application by the carrier, agent of record or an insured to change an insurer’s authorized classification(s) shall be considered by the PCRB[Bureau] until the carrier has issued and filed a copy of its policy Information Page written in accordance with an insured’s authorized classification(s). The classification(s) shown in any policy shall be subject to correction or modification, or both, if the PCRB[Bureau] finds by survey or otherwise that the classification(s) shown on the policy are inappropriate to the insured. No written application to change the classification(s) for an insured on the grounds that the insured has been improperly classified shall be considered by the PCRB[Bureau] unless such written application is filed directly with the PCRB[Bureau] by the insured, agent of record or the carrier during the policy period with respect to which the application is made, or within twelve months after the termination thereof.
- b. (1) A change in an insured’s operations that results from a recent change in the insured’s operations (i. e., an operations change that has taken place during the current policy year or the policy year that has just expired) will be applied pro rata as of the date of the change in the insured’s operations, regardless of the premium impact to the insured. When a PCRB[Bureau] review discloses the insured’s recent operations change, the PCRB[Bureau] will make written notice to the carrier of record changing the insured’s authorized classification(s) for the current policy year and, if warranted, for the policy year that has just expired. When the carrier becomes aware of such recent operations change, the carrier shall make written application to the PCRB[Bureau] to change the insured’s authorized classification(s) during the current policy year and, if warranted, for the policy year that has just expired.  
(2) A correction of a.....after the termination thereof.  
(3) A correction of a misclassification which results in a premium increase shall be applied effective the employer’s first normal policy renewal at least sixty days subsequent to the date of the PCRB’s[Bureau’s] misclassification notice.
- c. Any correction of a.....application of this Rule.

- d. The reallocation of payroll by a carrier among an insured's authorized classifications or the PCRB[Bureau] requiring a carrier to reallocate payroll among an insured's authorized classifications or to report payroll under an insured's authorized classifications for the insured's current policy or for the insured's prior policy within twelve months after the termination thereof does not constitute a class change or correction.
- e. Any reclassification pursuant to a revision in classification procedure that PCR[B] has filed with and that has been approved by the Insurance Commissioner shall be effective only upon any insured's first normal policy anniversary date on or later than the effective date for the revision approved by the Insurance Commissioner.

## SECTION 2

### ADDITIONS

#### Underwriting Guide

##### To Code 104:

Noncarbonated Beverage Mfg., N.O.C.

##### To Code 311:

Architectural Woodwork Mfg.

Bulletin Board Mfg.

Display Case Mfg. - Wood

Kitchen Cabinet Mfg. – Wood

Library Cabinet Mfg. – Wood

Partition Mfg. – Wood

Restaurant Booth Mfg. – Wood

Store Counter Mfg. – Wood

Walk-In Refrigerator Mfg.

##### To Code 652:

Door Installation – Residential – All Types Except Overhead Doors

##### To Code 855:

Fence Dealer – All Types

Non-Mobile & Self-Propelled Construction Equipment – Rental Or Sale

Rental Or Sale Of Non-Mobile & Self-Propelled Construction Equipment

##### To Code 885:

Tube Or Pipe Merchant, Including Cutting, New Materials Only – All Types And Sizes

##### To Code 922:

Video Game Arcade – Mobile

##### To Code 934:

Automobile Body Accessories Dealer

##### To Code 969:

Paintball Game Playing Facilities – Outdoor

##### To Code 995:

Trash Transfer Station – Non-Municipal

CHANGES

**025 MINING – UNDERGROUND [- not coal]**

OPERATIONS ALSO INCLUDED:

1. The underground mining of any mineral except coal.
2. Includes all operations (i.e., milling or other mineral preparation) customarily done at mine site or as a part of the mining activity performed by the mine operator.

OPERATIONS NOT INCLUDED:

1. Please refer to the Coal Mine Compensation Rating Bureau of Pennsylvania ([www.cmcrbpa.com](http://www.cmcrbpa.com)) for the classification(s) applicable to the surface or underground mining of coal and/or the above ground operations necessary to prepare previously mined coal for distribution or sale by the mine operator or an independent coal preparation plant and/or coke burning and/or manufacturing.

[Includes underground mining.....part of the mining activity.]

**050 QUARRIES, N.O.C. – [including drilling or.....cutting or polishing**

This class includes.....granite, mica schist.]

OPERATIONS ALSO INCLUDED:

1. The quarrying or excavation of any mineral (except coal) not specifically assigned to either Code 051 or Code 055 respectively.
2. Includes all operations such as but not necessarily limited to drilling, stone crushing, cutting or polishing customarily done at a quarry or mineral excavation site or as part of the quarrying or excavation activity performed by the quarry or mineral excavation operator.

OPERATIONS NOT INCLUDED:

1. Assign Code 025 to the underground mining of any mineral except coal along with all operations (i.e., milling or other mineral preparation customarily done at the mine site or as a part of the mining activity performed by the mine operator).
2. Please refer to the Coal Mine Compensation Rating Bureau of Pennsylvania ([www.cmcrbpa.com](http://www.cmcrbpa.com)) for the classification(s) applicable to the surface or underground mining of coal and/or the above ground operations necessary to prepare previously mined coal for distribution or sale by the mine operator or an independent coal preparation plant and/or coke burning and/or manufacturing.

Underwriting Guide

Change to Code 104:

[Vegetables – ]TV Dinner Type Meals, Cooking, Packing And Freezing

**185 EMPLOYMENT CONTRACTOR – Temporary FOOD PRODUCTS[SUNDRIES]  
Mfg., N.O.C. Staff**

Applicable only to.....classifying temporary staff.

Underwriting Guide

Changes to Code 185:

Employment Contractor – Temporary Food Products[Sundries] Mfg., N.O.C. Staff.....

Food Products[Sundries] Mfg., N.O.C. – Temporary Staff

Temporary Food Products[Sundries] Mfg., N.O.C. Staff

**311 CABINET WORKS** – with power driven machinery

Applicable to a.....and require installation.

[Typical products.....Walk-In Refrigerators.]

**446 PRECISION MACHINED PARTS MFG., N. O. C.**

Applies to a business principally engaged in Precision Machined Parts Mfg., N. O. C. Such term will be defined as applying to a [machining] business machining single-piece parts for others where the plans or specifications require more than 50 percent of all machining operations performed by the employer will be held to a final tolerance of plus/minus .001 inches or closer (e .g., plus/minus .0005 inches) and where more than 50 percent of the single-piece machined parts made by the employer are not assigned to any other manufacturing classification.

A business principally.....business' overall machining.

**OPERATIONS NOT INCLUDED:**

No Change to Numbers 1 and 2

3. Assign the applicable manufacturing classification when the employer assembles of any single-piece machined parts into end-product components. Assembly operations include but are not limited to: welding, fastening, inserting, pressing, and the joining of springs, ball bearings, gears, or other parts or components to any other part or component.

**447 NONFERROUS METALS FOUNDRY**

When a foundry is.....to experience or retrospective rating.

Also includes secondary machining of nonferrous[non-ferrous] castings by the employer. There is no payroll division with Code 461.

**447 NONFERROUS[NON-FERROUS] METALS FOUNDRY**

When a foundry is.....to experience or retrospective rating.

Also includes secondary machining of nonferrous[non-ferrous] castings by the employer. There is no payroll division with Code 461.

**461 MACHINE SHOP**

Also includes the .....(e. g., Hydraulic jacks or lifts).

**OPERATIONS NOT INCLUDED:**

No change to Numbers 1 and 2

3. Separately rate[Assign] the installation, service or repair of industrial machinery, pumps or other products to Code 675 or to an alternate construction classification, if applicable [to separate staff engaged in the installation, service or repair of industrial machinery, pumps or other products whose manufacture is contemplated by Code 461].

**485 COMMUNICATIONS, SEARCH, DETECTION OR SIGNAL PROCESSING EQUIPMENT MFG.**

Includes but is not limited to the manufacture of:  
(1) Telephone[or telegraph] equipment or apparatus  
(2) No change  
(3) No change

Underwriting Guide  
Change to Code 485:  
Telephone [Or Telegraph]Equipment Or Apparatus Mfg.

**647 INSULATION WORK, N. O.C.**

Includes the installation or application of acoustical or thermal insulating material in buildings or within building walls. [The class applies when insulating work is performed as a separate operation not part of or incidental to any other construction operation performed by the same contractor at the same job or location.]

OPERATIONS ALSO INCLUDED:

1. A Weatherization Program insulates the client's home, which may be a detached house, a twin, a row house or a mobile home. The clients are generally either elderly, on a fixed income or are low-income families. All of a weatherization program's tasks (e.g., fixing windows and/or doors, installing blown or vat insulation, putting in foam sealants, doing caulking or putting in weather stripping) are incidental to the efforts of preventing outside air from infiltrating the home and concurrently preventing warm or air-conditioned air from escaping the home's insulation.

OPERATIONS NOT INCLUDED:

1. Assign Code 651 to payroll developed in asbestos encapsulation or removal (not pipe insulation).
2. Assign Code 663 to pipe covering or insulation work including asbestos encapsulation or removal.

[WEATHERIZATION PROGRAMS – 647]

[The purpose of a.....in a weatherization program.]

**649 CEILING INSTALLATION** – suspended acoustical grid type. [Insulation work will be separately rated.]

**651 CARPENTRY – COMMERCIAL STRUCTURES**

OPERATIONS NOT INCLUDED:

1. Assign Code 675 to the installation of overhead doors.

Underwriting Guide  
Change to Code 651:  
Door Installation – All Types Except [Metal or Metal Covered, In Garages, Not] Overhead Doors

**652 CARPENTRY – RESIDENTIAL** Includes one or two.....or apartments.

OPERATIONS ALSO INCLUDED:

1. Assign Code 652 to the entire payroll of employees interchanging among trades at a specific job site.



**OPERATIONS NOT INCLUDED:**

1. Separately classify trades where there is no interchange of personnel at specific job sites.
2. Assign Code 675 to the installation of overhead doors.

[This classification shall.....be separately classified.]

**656 ELECTRIC or Telephone LINE CONSTRUCTION** by Contractors

Includes the setting.....stringing of lines.

**OPERATIONS NOT INCLUDED:**

No change to items 1. through 3c.

- d. Assign Code 660 to running a lateral line connecting the cell tower site to the land-line telephone network and/or installing low voltage wiring to the computer(s) or the fiber optic cable carrying the telephone signal to and from the cell site's base station call switching equipment.
- e. Assign Code 952 to the programming, service or repair [installation] of computerized telephone call switching equipment in the cell site's base station.

Underwriting Guide

Change to Code 660:

Telephone Cable Laying With Automatic Equipment[(Ditchwitch)] – Street to Building – By Specialist Contractor

Underwriting Guide

Change to Code 661:

Electric Cable Laying With Automatic Equipment[(Ditchwitch)] – Street [T]to Building – By Specialist Contractor

Underwriting Guide

Changes to Code 675:

Conveyor Or Conveyor Belt Installation[, By Contractor]  
Crane Or Derrick Installation, Service Or Repair – Permanently-Sited  
Elevator Erection, Service Or Repair  
Escalator Installation, Service Or Repair[, By Contractor]  
Installation of Hod Hoists[, Etc.]  
Hoist Installation, Service Or Repair – Permanently-Sited  
Industrial Crane Installation, Service Or Repair – Permanently-Sited  
Machinery Erection, Service Or Repair[, Not By Manufacturer]  
Textile Machinery Installation, Service Or Repair

**757 TELECOMMUNICATIONS COMPANY**

Applicable to FCC licensed businesses[telecommunications firms.] principally engaged in providing telephone[the] services [provided include]including but [are] not necessarily limited to: wireline, long distance, cellular radio paging or mobile services for customers for a fee.

**OPERATIONS ALSO INCLUDED:**

1. No change

**OPERATIONS NOT INCLUDED:**

No Change to items 1 through 2c.

- d. Assign Code 660 to running a lateral line connecting the cell tower site to the land-line telephone network and/or installing low voltage wiring to the computer(s) or the fiber optic cable carrying the telephone signal to and from the cell site's base station call switching equipment.
- e. Assign Code 952 to the programming, service or repair[installation] of computerized telephone call switching equipment in the cell site's base station.
- 3. Assign Code 759 to a business principally engaged in providing cable television and Internet services.

**759 CABLE TELEVISION OPERATIONS**

Applicable to FCC licensed businesses principally engaged in providing cable television and Internet services to subscribing customers.

OPERATIONS ALSO INCLUDED:

- 1. The erection or installation or system hook-up or service and/or repair or the operation of a cable television and Internet system by the cable and Internet provider.

OPERATIONS NOT INCLUDED:

- 1. Assign Code 936 to separately staffing broadcasting studios and/or separate crews engaged in the presentation and/or filming of news and events.
- 2. Separately classify contractors engaged in the construction or erection work or the hook-up or service of customers for a cable television or Internet provider as follows:
  - a. Assign Code 617 to payroll developed in installing conduit underground and running cable through the conduit.
  - b. Assign Code 656 to payroll developed in the stringing of cable from pole-to-pole.
  - c. Assign Code 660 to payroll developed in hooking up or servicing (including installing or replacing a lateral line from the pole to the customer's building and/or running cable in the customer's building.

[Applicable to contractors.....classified by Code 936].

**809 FUEL DISTRIBUTION – Retail or Wholesale**

For businesses principally engaged in the sale of prepared[processed] coal, fuel oil, liquefied petroleum (LP), gas (bottled gas or in bulk), or any combination of these lines.

OPERATIONS NOT INCLUDED:

- No change to Numbers 1 through 4
- 5 Please refer to the Coal Mine Compensation Rating Bureau of Pennsylvania ([www.cmcrbpa.com](http://www.cmcrbpa.com)) for the classification(s) applicable to the surface or underground mining of coal and/or the above ground operations necessary to prepare previously mined coal for distribution or sale by the mine operator or an independent coal preparation plant.

**810 COAL TRUCKING**

Applies to payroll developed in truck delivery of unprepared coal and is applied to all those engaged in the hauling of unprepared coal except employers assigned to Coal Mine Compensation Rating Bureau Codes 1001, 1010, 1012, 1014, 1015, 1021 or[and] 1023.

If hauling of unprepared coal.....rate to such payroll.

**814 DEALER IN MOBILE, SELF-PROPELLED** factory, farm or construction **EQUIPMENT** – including parts department

**OPERATIONS NOT INCLUDED:**

1. Assign Code 819 to payroll developed by employees engaged in the sale of mobile, self-propelled factory, farm or construction equipment.
2. Assign Code 855 to a business principally engaged in the rental or sale of construction equipment that is not mobile and self-propelled.

[Payroll developed by.....or construction equipment.]

**815 AUTOMOBILE SERVICE CENTER** Or Garage [– including counter personnel and estimators]

Please see the “Automobile Dismantlers” entry in the General Auditing & Classification Information regarding how to classify a business whose operations include the dismantling of automobiles and/or other types of vehicles to recover usable/saleable used parts.

**OPERATIONS ALSO INCLUDED:**

1. Counter personnel and/or cost estimators for auto repair facilities waiting on customers, preparing job cost or sales estimators writing up orders and collecting payments for services rendered or merchandise purchased.

**OPERATIONS NOT INCLUDED:**

1. Assign Code 225 to tire recapping or retreading when performed by a separate crew of employees in a physically separate work area.
2. See the Code 934 Section 2 class description for how to classify a new auto parts store that also provides automobile repair services.
3. Please refer to the “Automobile Service/Gasoline Station” entry in the General Auditing & Classification Information for information on classifying such business enterprise.

[Tire recapping or.....as the dismantling.]

Underwriting Guide

Change to Code 815:

Automobile Dismantler – See General Auditing & Classification Information [815]

**855 LUMBER** and/or **BUILDING MATERIAL DEALER**

Applicable to establishments.....the lumber/building material dealer

**OPERATIONS ALSO INCLUDED:**

No change to Numbers 1 through 4.

5. A business principally engaged in the rental and/or sale of non-mobile and self-propelled construction equipment (e.g., temporary bridge sections, shoring equipment, air compressors).

**857 METAL SERVICE CENTER (Ferrous or Nonferrous Metals)**

Applicable to a business[insureds] principally engaged in the sale and distribution of new ferrous or nonferrous metal merchandise generally obtained from new metal producers such as steel mills or smelters, including but not necessarily limited to: beams, sheet stock in coils, bars, rods, rounds, channel iron, [tubes,] angles or plates. Such business[insured] may handle a broad variety of new metal merchandise or specialize in handling a single type.

The new metal merchandise received by the business[these insureds] is unloaded and stored. The new metal merchandise may be shipped “as is” to the customer or it may be cut, slit, sheeted, bent or burned into the size and shape required by the customer and delivered by truck or rail.

Specialists principally .....the gross receipts.

**885 PLUMBING SUPPLIES DEALER OR PIPE MERCHANT – Wholesale**

Applies to dealers principally engaged in the wholesale selling of plumbing supplies, tubes or pipe. The term plumbing supplies as used in this classification includes but is not necessarily limited to: water heaters, water pumps, kitchen/bathroom fixtures (i. e., sinks, faucets, toilets, bath tubs, shower stalls) fittings or valves. Also included is the selling of tubes or pipe of all types and sizes. Businesses principally engaged in the wholesale sale of heating, ventilating and/or air conditioning equipment, supplies or parts are further contemplated by this classification.

Underwriting Guide

Change to Code 885:

Pipe Or Tube Merchant, Including Cutting, New Materials Only, All Types And Sizes

Underwriting Guide

Change to Code 894:

School for Children With Intellectual or Developmental Disability[Developmentally-Delayed]

**934 AUTOMOBILE PARTS AND ACCESSORY STORE – Retail and/or Wholesale**

An auto parts store that also provides automobile repair services shall have payroll divided with Code 815 provided the following conditions are fulfilled: the new auto parts sales and the automobile repair services are conducted in physically separate work areas by separate employee crews and the majority of the new parts/accessories sold [by the auto part parts store] must be sold to others and are neither installed nor used by the insured for repair services. If both operations are conducted and these conditions are not met, then payroll developed in both the new auto parts sales and auto repair services shall be assigned to Code 815.

Please refer to the “Automobile Dismantlers” entry in the General Auditing and Classification Information for direction in classifying any business whose operations include the dismantler of automobiles or other types of vehicles to recover useable/saleable used parts.

**OPERATIONS NOT INCLUDED:**

1. Assign Code 461 to the machining of brake drums and other auto parts conducted in a physically separate work area and staffed by a separate employee crew.

[The machining of brake drums.....assigned to Code 461.]

Underwriting Guide

Change to Code 934:

Tire Dealer – Wholesale [- No Installation, Service Or Repair]

Underwriting Guide  
Changes to Code 952:  
Cell Tower Erection – Programming,[Installation] Service And/Or Service of Computerized Call Switching Equipment By Contractor  
Telephone (Private Branch Exchange) Apparatus Programming, Service Or Repair[Installation] By Contractor

Underwriting Guide  
Change to Code 953:  
Telephone[Or Telegraph] Operator

**960 NURSING and CONVALESCENT HOME** – Long-Term Care.....  
.....are assignable to Code 974.

There shall be no payroll division between Code 960 and Codes 974 and 979 at a single location[/campus].

**971 COMMERCIAL BUILDINGS**

Applicable to owners, operators.....management firm’s staff.

*OPERATIONS ALSO INCLUDED:*

No change to Numbers 1 & 2.

2. If the principal business is described by classifications defined as Standard Exceptions, the payroll of all employees not specifically included in the definition for such Standard Exceptions shall be separately classified to Code 971.

*OPERATIONS NOT INCLUDED:*

No change to Numbers 1 through 4.

**974 RETIREMENT OR LIFE CARE COMMUNITY** – with less than .....  
..... are assignable to Code 974.

There shall be no payroll division between Code 974 and Codes 960 and 979 at a single location[/campus].

Underwriting Guide  
Change to Code 976:  
Daycare – Developmentally Or Intellectually[Mentally] Disabled, No Residential Facility Affiliation

**979 RESIDENTIAL FACILITY FOR THE ELDERLY – NON-MEDICAL** – all employees except.....activities of daily living.

There shall be no payroll division between Code 979 and Codes 960 and 974 at a single location[/campus].

DELETIONS

Underwriting Guide  
Deletion From Code 113:  
Catsup Mfg.

Underwriting Guide  
Deletion From Code 648  
Door Or Door Frame Erection – Wood

Underwriting Guide  
Deletions From Code 651:  
Hollow Metal Door Installation  
Metal Door Installation – All Types

Underwriting Guide  
Deletion From Code 660:  
Cell Tower Erection – Wiring the Cell Site

Underwriting Guide  
Deletion From Code 675:  
Crane Repair, Permanently Located, By Specialist Contractor

Underwriting Guide  
Deletion From Code 757:  
Telegraph Operation

Underwriting Guide  
Deletion From Code 969:  
Pony Rides

## SECTION 2 – GENERAL AUDITING & CLASSIFICATION INFORMATION

### CHANGES

#### CLASSIFICATION AND [TEST] AUDIT INQUIRIES

Written classification and audit inquiries may be submitted to the Classification & Field Operations Department of the Pennsylvania Compensation Rating Bureau (PCRB) in one of the following methods[:]. PCRB's preferred method is by means of PCRB's website ([www.pcrb.com](http://www.pcrb.com)) by clicking on "Classification" on the website's main menu and then clicking on "Classification Inquiries." PCRB will also accept written inquiries by means of facsimile or the USPS. [via facsimile, USPS, or via the PCRB's website ([www.pcrb.com](http://www.pcrb.com)). For the last (preferred) method please click on "Classification" on the website's main menu and then click on "Classification Inquiries."]

For the Classification & Field Operations Department of the PCRB to operate effectively, it is important that the PCRB have the full cooperation of every carrier, agent and employer in providing the essential information that the PCRB needs to make classification rulings and to otherwise be of service to you.

The information that the Classification & Field Operations Department needs to properly respond to inquiries from carriers, agents or employers on classification questions is:

- A complete listing of all Pennsylvania operating locations.
- The exact name (as shown in Item 1 of the policy) and address of the business in question.
- The Bureau file number (if available) of the business in question (see Rating and Underwriting Reference via the Application Login or "Classification inquiries").
- A full and accurate written description of the business in question, including any available audits, loss control reports and/or insurance application information.

- Reason why a change in classification is being requested, i.e., has a substantial change in the employer's operations recently occurred?
- The name, title and telephone number of a management representative whom a PCRB field representative can contact to schedule an appointment with the employer (in the event that a field survey is necessary).
- Employer's website address.

[If a carrier or an agent is requesting a classification review in conjunction with a policy audit, the audit worksheets for the policy(ies) in question should accompany the request and, if applicable, the name(s) and a detailed job description of the employee(s) whose payroll allocation is being questioned. Please note the importance of this item since considerable time would be saved by the PCRB not having to ask for this information by return correspondence. Also note it is not the PCRB's role to become involved in every dispute involving the allocation of a particular employee's payroll to a given classification. Allocations of payroll are made by the carrier. Since the PCRB did not perform the audit, the PCRB does not normally have the relevant facts on which to base an opinion or render a decision. Issues/disputes of this kind should initially be referred to the carrier's regional audit manager for resolution.]

The information that the Field Operations Department needs to properly respond to disputes concerning payroll allocation on a final audit is:

- A request in writing from the insured or the insured's agent of record outlining the nature of the dispute.
- A complete and accurate description of the business operations during the policy term in dispute and if available a copy of the final audit as issued by the carrier.
- A complete listing of all employees being disputed including the names of each employee, a description of the duties of the employees during the policy term of the audit dispute and an explanation why the duties of the employees do not support the carrier's assignment.

If should be noted that it is not the PCRB's role to become involved in every dispute involving the allocation of a particular employee's payroll to a given classification. Allocations of payroll are made by the carrier and should be explained by the carrier to the insured. Since the PCRB did not perform the audit, the PCRB does not normally have the relevant facts on which to base an opinion or render a decision. Issues/disputes of this kind should initially be referred to the carrier's regional audit manager for resolution

Upon receipt of the written inquiry the PCRB will determine whether the information presented is sufficient to determine the employer's applicable classification. In those cases where the information provided is insufficient, the PCRB will usually schedule the employer for a field survey/special audit or issue a "Description of Operations Questionnaire." Following the field survey/special audit or receipt of the completed questionnaire, the PCRB will issue a written ruling on the matter that will be communicated to authorized parties. These decisions are subject to further review as delineated in the "Appeals from Application of the Rating System Procedure" – Section 1, Rule XVI.

**With respect to telephone requests, an official binding PCRB decision on classification/audit matters cannot be provided over the telephone.** However, the PCRB will offer opinions as requested. To that end a carrier, agent or employer who telephones the PCRB on a classification/audit question should:

- Identify himself/herself and indicate the firm he/she represents;
- Give the name, address and PCRB file number (if available) of the employer in question;
- Be knowledgeable of the facts surrounding the situation and prepared to provide specific responses to any questions asked.

Please remember the PCRB is in a position to reply only to an employer [relative to its account], the authorized agent or carrier-of-record or another representative of the employer relative to the employer's account (providing the PCRB has received a signed, recently-dated letter on the employer's letterhead authorizing the representative to act on the employer's behalf in the matter at issue).