



Pennsylvania Compensation Rating Bureau

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August 4, 2000

BUREAU CIRCULAR NO. 1411

To All Members of the Bureau:

Re: **MANUAL REVISIONS - SECTIONS 1, 2 AND 5**
EFFECTIVE DECEMBER 1, 2000

1) Code 984, Insurance Company

2) Small Class Study Result Revisions

3) Merger of Interim Code 309, Woodenware Mfg., N.O.C., into Code 306, Wood Turned Products Mfg., and of Interim Code 335, Pattern Mfg., N.O.C., into Code 441, Tool Mfg., N.O.C.

4) Clarification of Clerical Definition - Section 1

5) Housekeeping Revisions

6) Revisions to Code 968, Amusement, Indoor, and Erection of Code 884, Health And Exercise Clubs, All Employees Including Office

The Bureau has filed and the Insurance Commissioner has approved Manual revisions to Sections 1, 2 and 5 pertaining to changes in classification procedure in Pennsylvania. These revisions become **effective as of 12:01 a.m., December 1, 2000** with respect to new and renewal business only.

The revisions, as referenced above, are discussed below.

1) Code 984, Insurance Company

The Manual revisions are a result of a study undertaken as part of the continuing effort to limit use of the standard exception classes (Codes 951 and 953) as field of business classifications, particularly addressing the feasibility of creating a separate classification for insurance companies. Code 984 will only include insurance companies and will be all-inclusive in nature and contemplate the payroll developed by all employees.

The Manual amendments are shown below with new wording underlined and deleted wording bracketed.

SECTION 2

984 INSURANCE COMPANY - All Employees Including Office.

An establishment chartered under state law that undertakes to indemnify for losses pursuant to a written contract of insurance and to perform other insurance-related operations.

Any contractor providing a service(s) to an insurance company including but not necessarily limited to independent insurance agents, consulting actuarial firms, advisory rating organizations or establishments engaged in premium auditing or performing the adjusting or administration of insurance claims shall be separately classified as provided for in this Manual.

SECTION 5

Underwriting Guide

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Advisory Rating Organization - Field Representative..... 951

Auditor, [(Insurance [Company Or]- Traveling - Independent [Insurance) -
Traveling]Contractor..... 951

Inspection of Mercantile, Mfg. [And]Or Risks For Insurance [And]Or Valuation
Purposes - By Independent Contractor..... 951

Insurance Adjuster - By Independent Contractor..... 951

Insurance Traveling Auditor - [Insurance Company Or] Independent Contractor..... 951

Traveling [(Insurance [Company Or]Auditor - Independent [Insurance)
Auditor]Contractor..... 951

Advisory Rating Organization - Clerical Office..... 953

Adjuster, Insurance Company..... 984

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Inspection of Mercantile, Manufacturing or Risks For Insurance Or Valuation
Purposes - By Insurance Company..... 984

Insurance Company..... 984

Traveling Insurance Company Auditor..... 984

The following are the approved loss cost and expected loss factors:

CODE	APPROVED EFF. 12/1/00 LOSS COST	EXPERIENCE RATING PLAN <u>Expected Loss Factors Table</u>			HAZARD GROUP
		A-1	A-2	A-3	
951	0.60	0.32	0.40	0.46	III
953	0.29	0.16	0.20	0.22	II
984	0.52	0.28	0.35	0.40	II

2) Second Small Class Study Result Revisions

As a result of the second serial review of small payroll classes undertaken by the Bureau, the following four classifications have been discontinued:

1. **Code 053, Slate Quarries** has been discontinued, and operations in that classification are reassigned to Code 051, Quarries.
2. **Code 505, Stone Cutting or Polishing** has been discontinued, and operations in that classification are reassigned to Code 855, Lumber and/or Building Material Dealer.
3. **Code 533, Sheet Glass Mfg.** has been discontinued, and operations in that classification are reassigned to Code 535, which will be concurrently retitled from Glassware Mfg., N.O.C., to Glass or Glassware Mfg.
4. **Code 7323F, Stevedoring - Explosives Materials** has been discontinued, and operations in that classification are reassigned to the appropriate stevedoring class pursuant to the methodology utilized to either load or unload the particular vessel carrying explosives.

The Manual revisions are shown below with new wording underlined and deleted wording bracketed:

SECTION 2

- 051 QUARR[IES]Y - limestone, dolomite, marble, lime [and], gypsum or slate - including but not necessarily limited to: drilling [or], stripping[by contractor or operator and incidental], cutting, polishing, crushing [or], lime burning or slate splitting or milling by the quarry operator.
- [053 SLATE QUARRIES, including slate manufacturing and stripping or drilling by contractor or operator and slate splitting or milling.]
- [505 STONE CUTTING or Polishing, no quarrying or mining.
Stone cutting or polishing performed by a quarry or mine operator shall be assigned in accordance with the class appropriate to the business at the location.]
- [533 SHEET Window GLASS MFG., including rolled and wire glass manufacturing and polished plate glass manufacturing.]
- 535 GLASS OR GLASSWARE MFG.[, N.O.C.]
The manufacture of glass products from purchased glass shall be assigned to Code 536.
- [7323F STEVEDORING - EXPLOSIVES MATERIALS.
Includes the handling of ammunition.
Code 0763F must be applied to Class 7323F payroll to determine the mandatory catastrophe reserve which is not subject to experience or retrospective rating.]

SECTION 5

[Lime] Lime Burning <u>Or</u> Processing.....	051
Quarry, Slate.....	[053] <u>051</u>
Slate Processing - <u>By Quarry Operator</u>	[053] <u>051</u>
Flat Glass Mfg.	[533] <u>535</u>
[Glassware Mfg., Cut.....	535]
Glassware Mfg. [, N.O.C.].....	535
Plate Glass Mfg.	[533] <u>535</u>
Polished Plate Glass Mfg.	[533] <u>535</u>
Pressed [<u>And</u>] <u>Or</u> Blown Glass [<u>And Glassware</u>] Mfg. [, N.O.C.].....	535
Rolled Glass Mfg.	[533] <u>535</u>
Sheet Glass Mfg.	[533] <u>535</u>
Sheet Window Glass Mfg.	[533] <u>535</u>
Window Glass Mfg.	[533] <u>535</u>
Wire Glass Mfg.	[533] <u>535</u>
Cemetery Monument Or Memorial, Cutting, Engraving And/Or Polishing.....	[505] <u>855</u>
Cut Stone [<u>And</u>] <u>Or</u> Stone Products Mfg.	[505] <u>855</u>
Hone Or Oilstone Mfg.	[505] <u>855</u>
Monument Or Memorial (Cemetery) Cutting, Engraving And/Or Polishing.....	[505] <u>855</u>
Soapstone Or Soapstone Products Mfg.	[505] <u>855</u>
Stone Cutting <u>Or</u> [<u>Stone</u>] Polishing - <u>Not By A Mine Or Quarry Operator</u>	[505] <u>855</u>
Stevedoring - Explosives <u>Materials - Assign The Appropriate</u> <u>Stevedoring Class</u>	[7323F]

The following are the approved loss costs and expected loss factors:

CODE	APPROVED EFF. 12/1/00 LOSS COST	EXPERIENCE RATING PLAN <u>Expected Loss Factors Table</u>			HAZARD GROUP
		A-1	A-2	A-3	
051	4.00	2.06	2.53	2.91	III
535	4.54	2.30	2.86	3.27	II
855	5.49	2.95	3.67	4.21	III

3) Merger of Code 309 into Code 306 and Code 335 into Code 441

Because the indicated changes in rating values for four of the five class revisions which resulted from the Bureau study of Code 323, Furniture Mfg. - Wood, exceeded the permissible class rating value changes for the April 1, 1999 Loss Cost Filing, the Bureau regrouped the four separate class revisions into two new, "interim" classifications, each of which permitted a "capped" change in rating value. As per the filing letter to the Insurance Commissioner, the Bureau continued to monitor the involved classes for potential consolidation, if and when rating values became sufficiently similar. The Bureau's subsequent review for the April 1, 2000 Loss Cost Filing indicated that the rating values for all but one of these classes (Code 305, Carpentry Shop) were sufficiently similar to allow consolidation. Therefore, the following revisions have been made:

- Except for artificial Christmas tree manufacturers, Code 309, Woodenware Mfg., N.O.C., and Code 306, Wood Turned Products Mfg., have been merged into a single class (Code 306), which will be concurrently retitled to “Woodenware Mfg., N.O.C.”
- Code 335, Pattern Mfg., N.O.C., and Code 441, Tool Mfg., N.O.C., have been merged into a single classification, Code 441.
- The three employers identified in the Code 323 study as artificial Christmas tree manufacturers have been reassigned from Code 309 to Code 457, Wire Good Mfg.

The Manual revisions are shown below with new wording underlined and deleted wording bracketed:

SECTION 2

- 305 CARPENTRY SHOP, including Planing Mill.
Includes but is not necessarily limited to: the manufacture of sash, door, assembled millwork, pallets or wood trusses. For the manufacture of ~~[turned wood]~~woodenware products N.O.C., see ~~[Class]~~Code 306.
Separately rate erection work as provided for in this Manual
~~[Risks]~~Businesses also engaged in selling lumber and/or building materials on a wholesale or retail basis with a separate staff of employees may have a division of payroll with Code 855~~], Lumber and/or Building Material Dealer].~~ Code 855 will apply to the yard and delivery staffs. If further engaged in the sale of hardware in a physically separate department by a separate staff, payroll so developed shall be assigned to Code 935~~], Lumber and/or Building Material Dealer - Store, employees].~~
- 306 ~~[WOOD TURNED PRODUCTS]~~WOODENWARE MFG., N.O.C.
- ~~[309~~ WOODENWARE MFG., N.O.C.]
- ~~[335~~ PATTERN MFG., N.O.C.]

SECTION 5

Rulings and Interpretations

TOOL MFG. - ~~[NOC]~~N.O.C. 441

Applies to a business principally engaged in the manufacture of non-forged tools used for cutting or machining operations, dies or molds which are used to cut or form materials in a press, ~~[and]~~or jigs and fixtures used to hold or position work for machines. ~~[This a]~~Also applies to a business principally engaged in making molds for plastics ~~[injection or compression]~~ molding ~~[and]~~or white or non-ferrous metal casting operations ~~[and]~~or dies for wire drawing, stamping, extrusion, threading or tapping.

Also included [within the class is payroll developed]are businesses principally engaged in the manufacture of non-forged hand tools, such as screwdrivers, pliers, hammers and chisels, sewing machine attachments, such as hemmers and binders, automobile piston rings, universal joints, transmissions [and]or clutches, ring, plug [and]or snap gauges [and]or welding or cutting torch tips.

Further included are [insureds]employers principally engaged in Precision Machined Parts Mfg. - [NOC] N.O.C. Such term will be construed as applying [only] to [insureds] employers where the plans or specifications require that at least [50]51% of all machining operations performed by the [insured]employer will be held to a final tolerance of .001 inch or closer and where the machined parts made by the employer are not assigned to any other manufacturing classification.

Also further included are employers principally engaged in the manufacture of wood or metal patterns or models and analogous products including but not necessarily limited to: aircraft propeller mfg. - wood, architectural scale model mfg. by a specialist contractor, last form mfg. - wood or wood carving by hand or machine.

[Operations Not Covered]OPERATIONS NOT COVERED:

1. Cemented carbide tips for cutting tools or other products made from powered metal that are pressed to shape and sintered shall be assigned to Code 506[, Powder Metal Products Mfg].
2. Molds or patterns produced by foundry (the melting and casting of the molten metal) process shall be assigned to the appropriate foundry class.

Underwriting Guide

Bird House Or Feeder Mfg. - Wood.....	[309]306
Bowling Pin Mfg. - Wood.....	[309]306
Brush Mfg.	[309]306
Cane Mfg.	[309]306
Coat Hanger Mfg. - Wood.....	[309]306
Cork Products Mfg.	[309]306
Crutches Mfg. - Wood.....	[309]306
Golf Club Heads Or Shafts Mfg. - Wood.....	[309]306
[Gunstock Mfg.] Gunstock Mfg., Finished <u>Or</u> Unfinished Shapes.....	306/[309]306
Hat Block Mfg. - Wood.....	[309]306
Ladder Mfg. - Wood.....	[309]306
Lead Pencil Mfg.	[309]306
Mop Mfg.	[309]306
Pencil, Pencil Stock [Mfg.], Penholder, Or Crayon Pencil Mfg. - Wood.....	306/[309]306
Pipe Mfg., Tobacco - Wooden.....	[309]306
Screen Mfg., Window - Wood.....	[309]306
Sign Or Sign Letter Mfg. - Wood, Shop Only, No Erection.....	[309]306
Ski Mfg. - Wood.....	[309]306
Spice, Cutlery Or Wine Racks Mfg. - Wood.....	[309]306
Toothpick Mfg.	[309]306
Veneer Products Mfg., N.O.C. - No Veneer Mfg.	[309]306

Wooden Tobacco Pipe Mfg.	[309] <u>306</u>
Woodenware Mfg., N.O.C.	[309] <u>306</u>
Aircraft Propeller Mfg. - Wood.....	[335] <u>441</u>
Architectural Scale Model Mfg. - By Specialist Contractor.....	[335] <u>441</u>
Die [And Or] Jig Mfg.	441
Last Form Mfg. - Wooden.....	[335] <u>441</u>
Model Or Pattern Mfg. - Wood Or Metal, Shop Only, Excluding Castings.....	[335] <u>441</u>
Pattern Or Model Mfg. - Wood Or Metal, Shop Only, Excluding Castings.....	[335] <u>441</u>
Shoe Form Mfg. - Wood.....	[335] <u>441</u>
Wood Carving - By Hand Or Machine.....	[335] <u>441</u>
Artificial Christmas Tree Mfg.	[309] <u>457</u>

The following are the approved loss costs and expected loss factors:

CODE	APPROVED EFF. 12/1/00 LOSS COST	EXPERIENCE RATING PLAN <u>Expected Loss Factors Table</u>			HAZARD GROUP
		A-1	A-2	A-3	
306	4.55	2.31	2.86	3.27	II
441	1.75	0.89	1.10	1.26	II

4) Clarification of Clerical Definition - Section 1

These changes to Section 1 of the Manual will clarify the intended classification for cashiers within the basic classification of various businesses. These clarifications are consistent with prevailing Bureau practices.

Manual revisions are shown below with new wording underlined and deleted wording bracketed:

SECTION 1

RULE IV - CLASSIFICATIONS

B. CLASSIFICATIONS

2. Standard Exception Classifications

Some occupations are.....the business is assigned.

(1) The clerk, such as a counter, time, stock or tally clerk, whose work is necessary, incidental or part of any operation of the business other than clerical office, shall not be considered a clerical office employee. [A cashier in a store whose duties include handling merchandise, accepting payment for merchandise or who is otherwise engaged in the store operations shall be included under the appropriate store classification.] Such clerk should be assigned to the basic classification of the business.

(2) [Office employees shall be separately classified except in connection with those classes which specifically include Office Employees.] The cashier also shall not be considered a clerical office employee. A cashier is responsible for accepting payment for merchandise or services rendered. The cashier's physical location may include but is not necessarily limited to a booth, behind a counter or on a sales floor. The cashier or any employee whose regular and frequent duty is accepting payment for merchandise or services should be assigned to the basic classification of the business regardless of the physical work location.

(3) Office employees shall be separately classified except in connection with those classes which specifically include Office Employees.

5) Housekeeping Revisions

These housekeeping revisions are intended to make the Manual clearer and less ambiguous by clarifying key classification procedures, updating class language or recognizing technological or industrial change. The update to the Employment Contractor - Temporary Staffing Cross-reference Chart incorporates revisions pursuant to other revisions in this filing. None of the revisions involve a change to existing Bureau classification procedure but are mainly clarification of certain rules in Section 1, language in Section 2 or additions, changes or deletions to the Rulings and Interpretations or Underwriting Guide in Section 5 intended to clarify class scope or being Section 5 into alignment with the revisions to Sections 1 and 2.

The Manual revisions are shown below with new wording underlined and deleted wording bracketed:

SECTION 1

RULE V - PREMIUM BASIS

B. REMUNERATION - PAYROLL

2. *Inclusions*

Remuneration includes:

q. [Davis-Bacon wages paid to employees based on required Federal government specified minimum wage rates] Prevailing wage payments paid to employees based on required government-specified minimum wage rates, including but not limited to the Davis-Bacon Act or the Pennsylvania Prevailing Wage Act;

3. *Exclusions*

Remuneration excludes:

a. Payments by an.....covered by Rule V-B-2e;
b. Payments made by the employer to a Group Insurance, Pension Plan or to an employee directly in lieu of the foregoing because of Provisions of a prevailing wage statute including but not limited to the Pennsylvania Prevailing Wage Act, 43: 1-17 Section 276A of Title 40 of the U. S. Code] or the [(Davis-Bacon Act)] and amendments thereto]. For [more details] additional information please see the Rulings & Interpretations in Section 5 of this Manual.

SECTION 2

134 KNIT GOODS MFG.

Applies to the knitting of yarn into cloth or fabric and the dyeing and/or finishing of the knitted fabric by the knitting mill. Subsequent manufacturing of clothing [(Class 161)] or non-apparel textile products [(Class 163)] shall be [separately rated]assigned to either Code 161 or to Code 163, respectively when performed by a separate [group]crew of employees in a physically separate [department]work area.

815 AUTOMOBILE SERVICE CENTER or Garage - including counter personnel and estimators. Tire recapping or retreading shall be [separately rated]assigned to Code 225 when performed by a separate crew of employees in a physically separate work area.

Please see the Automobile Service/Gasoline Station Ruling[s] and Interpretation[s] for information on classifying such business enterprise.

962 ACCOUNT[ANT]ING OR AUDIT[OR]ING FIRM - all employees including clerical office.

This classification is for accounting or auditing firms. Accountants or auditors employed by other establishments whose field of business includes but is not necessarily limited to manufacturing or construction shall be assigned to the classification consistent with the employer's business.

An insurance company [or] traveling auditor shall be assigned to Code 984. An independent insurance traveling auditor shall be assigned to Code 951[, Salespersons].

963 CHURCH - all employees including office, except cemetery employees.

Payroll division must be provided for schools and hospitals at separate locations. Payroll division shall also be provided to Code 891 for a day nursery school, kindergarten or [day care] daycare center or to Code 965 for an elementary and/or secondary school for children operated on the church premises from Monday through Friday, when such is separately staffed.

If two or more churches.....as shown in Section 3.

SECTION 5

Rulings and Interpretations

CONSTRUCTION OR ERECTION - EXECUTIVE SUPERVISORS - CODE 951

The assignment of Code 951 is applicable only to executive supervisors who do not exercise direct supervision of construction or erection operations. Code 951 is not applicable to supervisors permanently located at a given job location until the completion of that job. Code 951 is also not assigned to the payroll of any individual who is directly in charge of construction workers (including general laborers) at a specific job location. Any person who is directly in charge of construction work or construction employees at a specific job location shall be assigned to that job classification or, if more than one classification is assigned, to the highest-rated classification for that job if separate payroll records are not maintained.

The job duties of an executive supervisor would include time spent in an office and visits to a job site. Such supervision given by an individual classified under Code 951 must be indirect; i.e., through another person such as a superintendent or foreman. The executive supervisor has overall managerial responsibility for the various projects. That responsibility may include making arrangements for the procurement of materials and/or the delivery of supplies, procurement of subcontractors, maintenance of construction timetables, visits to job sites to keep track of job progress, conferring with clients, architects and engineers, and traveling to and from the company's headquarters. It also contemplates clerical office exposure and the part-time hazards of walking and climbing around on job sites. Typically, the use of the classification is applicable to large construction companies that have at least one level of supervision between the executive supervisor and the worker. It is also applicable in situations where numerous smaller projects are in progress simultaneously and the executive supervisor has the managerial responsibility for all of them.

An exception to the above stated application would apply to a job superintendent responsible for and physically located at a specific job site where all operations are subcontracted to unrelated concerns. In this instance the contractor has no construction workers at the job site, and the superintendent cannot exercise direct control of the subcontractor's employees. Therefore, in this circumstance the job superintendent should have his/her payroll assigned to Code 951.

WEATHERIZATION PROGRAMS - CODE 647

The purpose of a weatherization program is to insulate 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 incident to the effort of preventing outside air from infiltrating the home and concurrently preventing warm or air-conditioned air from escaping the home or enhancing the home's insulation. Assign Code 647 to payroll developed in a weatherization program.

EMPLOYMENT CONTRACTOR - TEMPORARY STAFFING

Employers engaged in.....other business classification(s).

Code 544 chart **deletions:** **309, 335, 505, 533**

Code 682 chart unchanged

Code 929 chart unchanged

Code 937 chart **deletions:** **053**

Code 947 chart **additions:** **884, 984**

Code 949 chart unchanged

[DAVIS-BACON ACT] PREVAILING WAGE PAYMENTS¹

[This act]Prevailing wage statutes including but not necessarily limited to the Davis-Bacon Act or the Pennsylvania Prevailing Wage Act stipulate[s] that contractors under Federal or State government contracts respectively are required to pay specific minimum wage rates and specified fringe benefits that may be paid into an approved fund for distribution at a later date or paid directly to the employee. Where an employer is unionized, the payments will normally go into a fund. However, if the employer is not unionized, the payments will often be made directly to the employee.

LIMOUSINE OPERATION

Limousine operation means the rental of a vehicle with driver or chauffeur for use on defined trips in connection with weddings, funerals, business, social functions, shopping **[and] or similar [business] purposes. Such business is assigned to Code 817.**

Limousine operation does not include the operation of a vehicle that is available for immediate hire (on a call and demand basis) with fares to be determined by zone or meter. Such **[operations should be] business is** classified by Code 803[, Taxicab Company].

Payroll developed in the provision of ambulance services on an employee or non-volunteer basis shall be assigned to Code 807[, Ambulance Service - Non - Volunteer].

WHOLESALE/RETAIL/MAIL ORDER HOUSE OR INTERNET SALES - DEFINITIONS

Wholesale

For the purpose of classifying.....as those previously listed.

Wholesale store operations generally include the maintenance of warehouse inventories; delivery and the promoting of sales through utilization of an outside sales force and/or by telephone or fax. Many but not all wholesalers may also perform the physical assembling, sorting and grading of their goods; the breaking of bulk quantities and repackaging into smaller lots. A wholesaler may also have a sales counter where a walk-in customer's order may be written up and payment for merchandise made. The counter clerk may transmit the order to the warehouse or the customer may take the order to the warehouse for fulfillment.

Mail Order House Or Internet Sales

An enterprise principally (more than 50 percent of the gross receipts) engaged in selling by mail order and/or via Internet web site shall be assigned to the appropriate wholesale store classification for the commodities handled, except for mail order pharmacies filling individual patient drug prescriptions which shall be assigned to Code 927. Mail order or Internet sales by a manufacturer or incidental to a retail store business shall be classified in accordance with the class or classes appropriate to the business of the employer.

¹ The Bureau has relocated this Ruling and Interpretation to the Auditing portion of the Rulings and Interpretations, Section 5.

BAKERY PRODUCTS DISTRIBUTION

Payroll developed in the wholesale distribution of bakery products including but not necessarily limited to bread, cakes, pies, cookies [and/]or crackers [(bakery products)] by a baker[s located in other]whose production facilities are located in another state[s] or by [risks not associated with baking companies on a wholesale basis]an independent business (not related to a bakery) must be assigned to Code 924[, Wholesale Store - N.O.C].

Underwriting Guide

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The following are the approved loss cost and expected loss factors:

CODE	APPROVED EFF. 12/1/00 LOSS COST	EXPERIENCE RATING PLAN			HAZARD GROUP
		<u>Expected Loss Factors Table</u>			
		A-1	A-2	A-3	
971	6.13	3.29	4.10	4.70	II

6) Revisions to Code 968, Amusement, Indoor, and Erection of Code 884, Health And Exercise Clubs, All Employees Including Office

The Bureau has revisited a previous study of Code 968, originally undertaken in 1999 due to ongoing audit disputes concerning certain employees (e.g., inside salespersons, front desk personnel and club managers) of health and exercise clubs. Based on this more recent study, these clubs have been reassigned to a new, separate classification, Code 884, Health And Exercise Clubs, All Employees Including Office.

Manual revisions are shown below with the new wording underlined and deleted wording bracketed:

SECTION 2

- 884 HEALTH OR EXERCISE CLUB - all employees, including office.
Organized athletics are excluded from this classification and are assigned to Code 970.
- 968 AMUSEMENT, INDOOR [and Exercise and Health Club or Institute, excluding Organized Athletics].
Health or exercise clubs shall be assigned to Code 884.
Organized athletics are excluded from this classification and are assigned to Code 970.

SECTION 5

Underwriting Guide

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Health Spa.....	884
[Exercise And Health Institute.....	968]
[Health Spa Or Steam Bath, N.O.C.	968]

The following are the approved loss costs and expected loss factors:

CODE	APPROVED EFF. 12/1/00 LOSS COST	EXPERIENCE RATING PLAN Expected Loss Factors Table			HAZARD GROUP
		A-1	A-2	A-3	
884	1.21	0.65	0.81	0.93	II
968	1.80	0.97	1.21	1.38	II

Manual reprints will be distributed at a later date in the usual manner.

Timothy L. Wisecarver
President

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