



Pennsylvania Compensation Rating Bureau

United Plaza Building • Suite 1500
30 South 17th Street • Philadelphia, PA 19103-4007
(215)568-2371 • FAX (215)564-4328 • www.pcrb.com

TO: Pennsylvania Classification & Rating Committee

FROM: David T. Rawson – Technical Director
Classification & Field Operations Department

DATE: November 8, 2013

RE: Proposed Manual Language Revisions to Sections 1 and 2 (Housekeeping)

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

This memorandum proposes a single revision to the cross-reference chart in the General Auditing and Classification Information's entry entitled "Employment Contractor - Temporary Staffing," which will be discussed below. This memorandum also proposes six revisions to classification procedure. That said, none of the six proposed classification procedure changes nor any of the language revision proposals will impact any classification's proposed April 1, 2014 class rating value. The PCRB recommends that all of the Sections 1 or 2 language revisions proposed herein become effective upon new and renewal policies of April 1, 2014 and later.

The following narrative will first discuss the six proposed revisions to existing classification procedure. Following that discussion, this memorandum will present proposed Section 2 additions, changes and deletions.

PROPOSED REVISIONS TO CLASSIFICATION PROCEDURE

PCRB proposes the following revisions to classification procedure.

PREMIUM VALUE IMPACT TO ITEM 1: UNKNOWN. EMPLOYERS PERFORMING THIS WORK MAY BE PRESENTLY ASSIGNED TO DIFFERENT CLASSIFICATIONS AND/OR TO MORE THAN A SINGLE CLASSIFICATION. REASSIGNMENTS WILL BE IMPLEMENTED PURSUANT TO THE MANUAL RULE – SEE SECTION 1, RULE IV, C., 8.

1. **Cell Tower/Cell Site Erection – By Contractor** - PCRB has been utilizing existing construction classifications for contractors performing cell tower/cell site erection. The existing classes were created when the entire telephone system was based upon landlines with electromechanical equipment switching and/or connecting telephone calls. The Committee is referred to the discussion below on the proposed retitling of Code 656, Electric, Telephone or Telegraph Line Construction. Background reading and classification inquiries have informed PCRB that telephone infrastructure work today is focused upon wireless (cellular) telephone

service. Thus, PCRB has revisited how contractors installing cell tower/cell sites (the focus of the typical classification inquiry) are classified to make certain that those assignments are as up-to-date as possible with the digital computer world of wireless telephone service. PCRB proposes to do this by means of expanding the "Operations Not Included" section of Code 757's Section 2 description (by adding a second paragraph) and by adding specific "Cell Tower Erection" Underwriting Guide entries for the different tasks/phases of such job.

PCRB has found that it is common for a cell tower erection project to be "split" between various specialty contractors. Based upon file-by-file review, staff proposes to separately rate the following services for a cell tower erection project:

1. Assign Code 609, Excavation, to payroll developed in clearing, excavating and or grading the site.
2. Assign Code 654, Concrete Construction, to payroll developed in building the concrete pad.
3. Assign Code 655, Iron Erection, to the erection of the cell tower and the installation, service and/or repair of the cell tower's antennas.
4. Assign Code 660, Alarm or Sound System Installation, to wiring the cell site's base station and/or running a lateral line connecting the cell site to the landline telephone network.
5. Assign Code 952, Office Machine Service or Repair, to the installation, service and/or repair of computerized telephone call switching equipment.

PREMIUM VALUE IMPACT TO ITEM 2: NONE TO A BUSINESS PRESENTLY ASSIGNED TO CODE 648. A DECREASE TO A BUSINESS PRESENTLY ASSIGNED TO EITHER CODE 651 AND/OR OCDE 652 FOUND UPON PCRB REVIEW TO NOW ALSO BE ELIGIBLE FOR ASSIGNMENT TO CODE 648.

2. **Code 648, Carpentry – Installation of Cabinet Work** - Staff proposes deletion of the language "Not applicable to contractors who perform other carpentry operations at the same job or location" from the class' Section 2 description. Such removal will permit the use of Code 648 for any carpentry jobs performed by the employer provided that separate staffs or separate payroll records for interchanging personnel have been maintained. In other words, staff proposes that going forward Code 648 be treated more like the other 600 series construction classifications, excepting only the few designated as "all work to completion" codes. Staff's review (including the discussion of other states' procedures below) has shown that, in addition to Code 648, the two classifications that will be impacted the most by the approval and implementation of this proposal will be Code 651, Carpentry – Commercial Structures, and Code 652, Carpentry – Residential.

Staff observes that PCRB has no reasonable way to quantify the potential impact of the proposed language deletion on Codes 648, 651 or 652. PCRB would need detailed knowledge regarding how premium audits over multiple years would have been conducted absent the present restriction on Code 648's application, which information is not available. Staff also observes that, assuming approval of proposal starting with policies effective on a new and renewal basis of April 1, 2014 and later, five full Manual years of data will not be available until PCRB makes its April 1, 2023 comprehensive loss cost revision (using Manual Years 2015 through 2019) .

Code 648 was erected effective for new and renewal policies of October 1, 1985 and later and was modeled upon the class scope and Manual language of NCCI's Code 5437, Carpentry – Installation Of Cabinet Work Or Interior Trim. NCCI Code 5437 and the independent bureau states that have a class equivalent to Pennsylvania Code 648 or to NCCI Code 5437 all have restrictive language regarding use of the classification.

Staff contacted NCCI and the independent bureaus of New York and California, asking when such restrictive language was adopted and the reasons supporting that adoption. NCCI and New York were able to discuss the “vintage” of their restrictive language, but neither was able to explain why it had been adopted. NCCI traced their restrictive language back to the 1920s and observed “there simply is not a lot of background information” in their archive. New York's comments suggest that their restrictive language originated at about the same time. Both NCCI and New York suggested that the restrictive use language may have been adopted for data quality reasons. Staff observes that data quality is a universal concern and is aware of no obvious reason to take more than our usual level of care to safeguard the data integrity of Code 648.

California stated that their restrictive use was limited to Codes 5403/5432, which both contemplate commercial and residential carpentry operations, with one or the other class being assigned depending upon the individual employer's hourly wage. California's equivalent to Code 648 also requires that, in order to be eligible for assignment thereto, the contractor must possess a certain contractor's license. On that point, the California Bureau responded that the specified license (California C-6 for millwork) is for a specialty contractor rather than a general contractor who has either an A (general engineering contractor) license or a B (general contractor) license to run the job. The California Bureau went on to advise that California licenses contractors on a statewide basis and that the State of California strictly enforces contractor licensing. For the record, staff must observe that California's contractor licensing gives the California Bureau a ready means to enforce their existing Manual language.

The collective experience of PCRB's classification staff questions the need for specialized staff for much of the work contemplated by Code 648. PCRB surveys and test audits show that more and more of this work can be and is being performed by the laborers of general contractors. PCRB's test audit staff observes that there are specialist Code 648 contractors (e.g., for hardwood flooring installation). For general contractors test audit staff also observes that many general contractors maintain separate payroll records. From time-to-time, PCRB must disallow Code 648 because these separate payroll records are maintained for the staff performing the Code 648 work rather than by the job as required by present Manual language.

PREMIUM VALUE IMPACT TO ITEM 3: A DECREASE IN THE EVENT PCRB IDENTIFIES AN EMPLOYER SO ENGAGED

3. **Geophysical Exploration** – Pursuant to the Underwriting Guide entries for “Geophysical Exploration - Seismic Method” and “Geophysical Exploration, N.O.C.,” PCRB has assigned geophysical exploration to Code 607, Drilling, N.O.C., since at least 1997. For the record, this analyst performed the Code 607 class study completed in early 2009, which pursuant to PCRB's class studies procedures, included a file-by-file review of all businesses assigned thereto. A check of my study notes showed that there had been a separate “Geophysical Exploration” study group and that no businesses had been slotted to that group. In other words, the study did not identify any business assigned to Code 607 as being so principally engaged.

While PCRB has no knowledge of such Pennsylvania businesses, that does not mean that there are none or that such may not become active in Pennsylvania. Staff review of this topic has shown that geophysical exploration takes place on the surface using one or more methods (gravity, magnetic, gamma-ray, thermal, electric or electromagnetic) to measure the physical properties of the subsurface earth, along with observed anomalies in these properties to detect or infer the presence of minerals (e.g., ores, oil, natural gas), water reservoirs and other geological phenomena. This work is performed by geologists. Staff finds this is reasonably analogous to “engineering,” and, in fact, engineers routinely use ground penetrating radar in at least selected civil construction activities (e.g., to locate underground utilities). Thus, staff recommends the reclassification of “Geophysical Exploration” from Code 607 to Code 955, Engineering Consulting Firm.

For the record the Delaware Compensation Rating Bureau, Inc. (DCRB) previously proposed this revision, which has been reviewed by the DCRB’s Classification and Rating Committee, filed with and approved by the Delaware Insurance Department to become effective upon new and renewal policies of December 1, 2013 and later. For reference please see DCRB Circular No. 884 issued May 7, 2013.

PREMIUM VALUE IMPACT TO ITEM 4: A DECREASE

4. Party Supplies Rental – Present classification procedure provides for alternate classification assignments for a “wholesale” or a “retail” business renting party supplies between Code 921, Furniture Store – Wholesale, and Code 922, Furniture Store – Retail, respectively. The applicable class assignment to an individual employer is based upon whether the employer is principally engaged in renting party supplies to either wholesale or retail customers, as such are defined in the “Wholesale/Retail Mail Order House Internet Sales – Definitions” Ruling and Interpretation. Party supplies include but are not necessarily limited to: tables, chairs, tents, dance floors, lighting, heaters, restroom trailers, canopies, centerpieces, linens, china, flatware and coffee machines. Staff has found it reasonably common for a party supplies rental business to also rent inflatable amusements.

It is not uncommon for a “cluster” of files with the same classification issue to come before PCRB in a short time period. The classification applicable to party supplies rental businesses was such an issue about a year ago. Typically, when there are separate retail and wholesale class assignments, the retail and wholesale businesses have different staffing patterns, such as a greater emphasis on floor sales staff or having more over-the-road sales and warehouse staff, respectively. The recent file reviews have shown that, regardless of who the customer may be, the operations and staffing of a party supplies rental business are the same. For this reason staff recommends there be a single class assignment for party supplies rental and that that class should be Code 922.

To accomplish this objective, staff proposes to delete the Code 921 party supplies rental Underwriting Guide entry and to revise the Code 922 “Operations Also Included” to include party supplies rental and the Code 922 party supplies rental Underwriting Guide entry “retail” to read “retail or wholesale.”

PREMIUM VALUE IMPACT TO ITEM 5: A DECREASE

5. **Code 952, Office Machine Service or Repair** – PCRB proposes to reassign and revise the Code 660, Alarm or Sound System Underwriting Guide entry “Telephone and Telegraph Apparatus Installation, By Contractor” to Code 952. This proposed reassignment is based on the fact that computers have been used as telephone call switching equipment for about the last 25 years. The revision is a part of PCRB’s proposed across-the-board removal of “telegraph” from the Manual. The Committee may refer to the discussion below on the proposed revisions to Code 656, Electric, Telephone or Telegraph Line Construction by Contractors.

PREMIUM VALUE IMPACT TO ITEM 6: A DECREASE

6. **Code 7428, Airport Operation – ground employees** – The principal operations contemplated by this class are airport ground staff, airline ground staff and aircraft service and maintenance contractors (who generally perform their tasks at airports). In the mid-1980s staff was reviewing the applicable classification of several businesses principally engaged in converting aircraft from one use (e.g., carrying passengers on scheduled flights) to another (e.g., carrying freight or to be used as a private passenger charter). This work was performed by aircraft ground crews in aircraft hangers. Staff’s review of classification procedures in other states showed that California had an Underwriting Guide entry for their Code 7428 entitled “Aircraft Remanufacturing, Conversion Or Modification – Not By The Original Aircraft Manufacturer.” Staff observed that contractors performing van conversion were assigned to Code 815, Auto Service Center. Staff concluded there was a reasonable analogy between van conversion and aircraft conversion. Thus, staff proposed that PCRB adopt the aforementioned California Underwriting Guide entry to become effective new and renewal policies of October 1, 1986 and later. That proposed additional entry was one of many Underwriting Guide revisions concurrently filed with and approved by the Department. Staff revisited that entry for the first time during a recent file review with particular reference to the “remanufacturing” portion thereof.

Staff’s present review found that the inclusion of aircraft conversion or modification into Code 7428 is sound. Staff also found aircraft remanufacturing to require considerably more effort than that needed to convert or modify an aircraft. The remanufacture of an older aircraft begins with disassembling or stripping it down to the airframe, which is inspected and cleaned. The airframe’s length may be modified. Parts taken from the older aircraft are inspected, and those that may be reused are cleaned and reconditioned. The aircraft is then rebuilt (reassembled) with a combination of reconditioned and new parts. The business under review also made the new aircraft parts. All of the aircraft’s wiring and avionics are replaced.

Staff concluded that a business principally engaged in remanufacturing should be assigned to the applicable new product manufacturing classification. Staff is aware of the file reviewed and perhaps one additional aviation business that may be impacted by this proposal, which will require further staff review. To accomplish this reassignment, staff proposes to delete “remanufacturing” from the aforementioned Code 7428 Underwriting Guide entry.

SECTION 2

The discussion of staff’s proposals to revise selected class language in Section 2 will start with the seven classifications that staff proposes to retitle. The proposed revisions are merely to each class’ title. There is no change to the classifications’ respective scope.

PREMIUM VALUE IMPACT: NONE TO ANY OF THE CLASSIFICATIONS PROPOSED FOR RETITLING

CLASSES TO BE RETITLED

1. The first of these classifications is **Code 104**, presently entitled “Food Sundries Mfg., N.O.C., No Cereal Milling.” Code 104 was approved as a PCRB classification effective new and renewal policies of October 1, 1982 and later. Code 104’s scope was modeled upon the NCCI’s then Code 6504, and PCRB adopted the then Code 6504 class title. As a part of NCCI Filing B-1409 in 2011, Code 6504 was retitled from “Food Sundries Mfg., N.O.C.” to “Food Products Mfg., N.O.C.” PCRB finds it reasonable to propose adoption of “Food Products Mfg., N.O.C.” as Code 104’s new title. PCRB also finds it reasonable to delete “No Cereal Milling” from the class’ title.

PCRB is aware that NCCI concurrently revised the scope of their Code 6504 by separating businesses principally engaged in potato chip, popcorn or snack chip manufacturing not otherwise classified to a new, separate class (NCCI Code 6503). Staff observes that PCRB has assigned and continues to assign “Popcorn Mfg.” to Code 107, officially entitled “Candy Mfg.” Staff also observes that revision(s) to the scope of Code 104 and/or to Code 107 is an issue that PCRB may study in the future, as PCRB’s procedures for creating new classifications are different from those of NCCI.

The Code 104 Section 2 class description had been the class’ Ruling and Interpretation prior to the PCRB Manual’s reformatting which was done effective new and renewal policies of November 1, 2007 and later. Staff cannot recall the precise source of this language, but believes that it was borrowed almost verbatim from that in use by another rating organization or another reference source concurrent with the class’ adoption in 1982. A recent rereading of the class description showed that portions thereof are either unneeded (e.g., the explanation of N.O.C.) or should be rewritten to “tidy-up” its language. The purpose for “tidying up” would be to make the language clearer and less susceptible to alternate interpretations. On further review, staff has concluded that the class description is not needed in light of the multiple Underwriting Guide entries and the proposed modernization of “Operations Not Included,” and, thus, staff proposes its deletion.

Code 104 has also had an “Operations Not Included” section that is not denoted as such. This section was also created concurrent with the class’ erection, which was prior to the current convention of utilizing a separate subheading “Operations Not Included.” The different excluded entries do not specify the class to which the excluded operation should be assigned. Staff also proposes to “modernize” and clarify that part of the Code 104 class description. The modernized “Operations Not Included” section starts off with direction on how to classify a business performing cereal milling.

The final Code 104 proposals involve Underwriting Guide entries. The first is the clarification of the “Peanut Handling” entry, and the second and third are the proposed deletions of the “Olive Handling” and “Vegetable Processing, N.O.C” entries. Absent clarification of what PCRB means by “Peanut Handling” or “Olive Handling,” each entry could be misinterpreted. The same may also be said regarding “processing,” which has several possible definitions, each for a different stage of getting any type of food from the “farm” to one’s dinner table. File- by-file

review shows that many employers specialize in or exclusively perform a single “processing” stage. The application of the “correct” definition of “processing” depends upon the stage in which an employer has specialized.

2. The second class is **Code 476**, presently entitled “Industrial Controls Or Systems Manufacture/Assembly.” Staff proposes to delete the “s” from “Controls” and to also delete “Or” in the class’ title. Staff also proposes to delete the current class descriptive note and to substitute in its place language from an internal PCRB document depicting the class. Staff further proposes to add/utilize the “Operations Not Included” methodology to state the operations explicitly not contemplated by Code 476. A recent file review revealed to staff how the present Code 476 Manual description could create confusion on the part of readers, illustrating the need to clarify the language.

3. Code **656** is the third class. When Code 656 was implemented effective new and renewal policies of December 31, 1951 and later, it may have been proper for this construction class to include the following tasks for electric, telephone or telegraph lines: setting of poles, the installation of pole hardware or transformers, or the stringing of lines between the poles. All three types of overhead line construction are cited in the class’ title. Staff’s review of how to classify building cell telephone sites led to further background reading on the present state of telegraph service. Personal experience and consultations with other classification analysts show that all of us have reviewed the files of contractors installing or repairing electric or telephone lines. No classification analyst recalls having reviewed a contractor setting poles, installing pole hardware and/or stringing telegraph wires from pole-to-pole.

Internet research shows that the “traditional” telegram sent over landline wires is past its “hey-day.” Developed in the 1930s the Telex (switched networks of teleprinters) is a form of wireless telegraphy, meaning the telegram is sent using a radio signal. Starting shortly after the end of World War II the Telex was widely used for several decades. Internet reading shows that, while the Telex remains in use, it has been largely superseded by newer technologies (e.g., the facsimile or e-mail). Staff’s reading shows that the quintessential telegraph company (i.e., Western Union) sent its last telegram in 2006. International Telegraph (who may be contacted by e-mail or telephone) has operations in 23 countries including the USA offering mailgrams and first class priority telegrams. Mailgrams are transmitted electronically to a post office and then printed and delivered by the postal service. Staff was unable to locate information regarding the current volume of such transmissions.

For the reasons discussed above staff proposes to delete “Telegraph” from the Code 656 class title and those Underwriting Guide entries that include that term. Staff also proposes to delete “Telegraph” where warranted throughout Section 2.

4. The fourth classification is **Code 804** presently entitled “School Bus Operation.” Code 804 was approved as a PCRB class effective new and renewal policies of September 1, 1971 and later. Code 804 was erected for contractor providers of school bus service, which means the transportation of school students to and from school or other activities (e.g., to and from school athletic events). The class’ title has been unchanged since that time. The operations now contemplated by Code 804 were separated from Code 803, Taxicab Company. Pennsylvania is one of four states (the others being Maryland, New Hampshire and New Jersey) that have a

separate school bus classification. All other states assign school bus contractors to Code 7832, Bus Company: All Other Employees & Drivers. Those other states provide for separate classification of garage staff (a PCRB general inclusion into the applicable field-of-business class) along with outside sales and clerical.

Questions have arisen from time-to-time regarding the class to be used for school transportation because of the type of vehicle used. Background reading on the Pennsylvania website shows that any vehicle used to transport school children and the driver of that vehicle must fulfill Pennsylvania Department of Transportation (PENNDOT) regulations. As the type of vehicle may change from time-to-time, staff believes the better course is to revise the class title to "School Transportation – By Independent Contractor" than to replicate pages of PENNDOT regulations with periodic updates.

5. The fifth class retitling is for **Code 817** whose present title reads "Bus (except school bus) Operation." The class wording has been in effect since the erection of Code 804 (see the discussion above) to assist in distinguishing Code 804 from Code 817. PCRB has evolved an alternate methodology to aid in distinguishing one class from another, which is "Operations Not Included." Staff proposes to delete the parenthesis and the language within and expand Code 817's "Operations Not Included."

6. The sixth class is Code **940**, Residential Care Facility for the Developmentally Disabled, which was erected for new and renewal policies of January 1, 1991 and later. Memories tell this writer that the one controversial element in the discussion of staff's proposal to create this class was on how to title it. The several Classification Subcommittee meetings that reviewed the staff class study report concluded with the recommended (and shown above) class title that reflected the politically correct term at that time. A recent file and Internet review (for background) showed that "intellectually disabled" was substituted for "developmentally disabled" several years ago. Staff proposed to make that substitution in Code 940's class title and in all Underwriting Guide entries as warranted.

7. The seventh and final class retitling is **Code 964**, presently entitled "Sheltered Workshop." Code 964 was approved as a PCRB class effective new and renewal policies of August 1, 1980 and later. The class' title is unchanged since that time. Another recent file review found staff accessing the Wage and Hour Division's (WHD) pages of the United States Department of Labor's website. Their Glossary included the fact that WHD no longer refers to such organizations as "sheltered workshops." The current term is "Work Center." WHD's "work center" definition is the same as that of a "sheltered workshop," and such facility also needs to be certified to provide what WHD's Glossary also defines as a special minimum wage or one lower than the standard minimum wage. For these reasons staff proposes to retitle Code 964 to "Work Center."

OTHER SECTION 2 PROPOSALS

Additional revisions to Section 2 include proposing additions or revisions to a class' description or adding or amending an "Operations Also Included" and/or an "Operations Not Included" section to a class. Not including the several class procedural and retitling revisions discussed above, this involves 25 additional classifications. There are further proposals to add, amend or to delete Underwriting Guide entries. Eight of staff's proposals will be highlighted below.

PREMIUM VALUE IMPACT: NONE EXCEPT FOR THE ONE PROPOSED TEMPORARY STAFFING CHART DELETION, WHICH IS A DECREASE.

1. **Code 028, Oil Or Gas Production** – In additional to the procedural revision regarding geophysical exploration (the first listing under “Operations Not Included”) discussed above, there is need to revise the change previously proposed and approved to the fifth “Operations Not Included” that discusses how to classify the installation of well pad containment liners and fences (barriers). The approval of that change was announced as a part of PCRB Circular No. 1618 issued on July 24, 2013. Staff now proposes to delete the language added to the fifth “Operations Not Included” that specifies that Code 012 may only be used when that work is performed by a separate staff or an independent contractor principally engaged in that work. That language contradicts the “separately rate” designation given to the other “Operations Not Included” listings.

Further review confirms that Code 012 is the best “fit” for the installation of well pad containment liners and barriers by analogy with artificial turf installation. That analogy was provided to staff by one of the employers reviewed, and staff has and continues to find it reasonable. While Code 012 normally does not provide for division with another class, in this instance staff has concluded the “separately rate” procedure for the Code 028 “Operations Not Included” is the better method for classifying oil or gas well site services.

2. **Code 055, Sand, Gravel or Slag Excavation** – Staff proposes to delete kaolin and other types of clays from the list of minerals in the class description. Review has shown that kaolin is not surface mined in Pennsylvania. Staff also proposes to delete the other specific types of clay presently listed but to leave clay among the listed minerals. Staff submits that it does not matter what type of clay is being surface-mined because Code 055 includes the surface mining of all types of clay. Further review has shown that the term “refractory materials” covers a number of different minerals, not all of which may be surface mined. Also, the surface mining of several refractory materials is assigned to another classification. Thus, staff proposes the deletion of “refractory materials.” Staff further proposes several additional technical language revisions to the class’ description.

The kaolin Underwriting Guide entry in Code 059, Mineral Milling, has also been proposed for a similar revision.

3. **Code 807, Ambulance Service – Non-Volunteer** – Staff’s proposal to add a class description to this class results from confusion regarding the class’ scope. While Code 807 has included both emergency and non-emergency patient transfers since its erection effective new and renewal policies of October 1, 1987 and later, the lack of a statement to that effect led to the aforementioned confusion. The scope of an ambulance service’s operations was made clear to staff in meetings with ambulance service operators and PCRB surveys thereof prior to the class’ erection. The non-emergency patient transfer facet has also been observed in current PCRB surveys of such businesses. That said, a school of thought set forth that Code 807 was exclusively for emergency patient transfers and also suggested that non-emergency patient transfers should be assigned to Code 828, Paratransit Service. Review has confirmed that ambulance services may also perform non-emergency patient transfers, with health insurance

reimbursement rules typically limiting such to situations where no other means of ground transportation should be utilized because use of another means would endanger the patient's health. For example, ambulance services would be utilized to transport a patient who is unable to get out of bed without assistance, is unable to walk or is unable to sit in a chair (including a wheelchair). Non-emergency transfers of this nature are scheduled in advance.

Staff proposed language revision also observes that ambulance services (and their staff) are licensed by the Commonwealth Department of Health's Bureau of Emergency Medical Services and further recommends that "Salaried Employees" be substituted for "Non-Volunteer."

4. Code 828, Paratransit Services – The staff review that began with clarifying Code 807's scope also found that ambulance service and paratransit service are different means of surface transportation that are not reasonably analogous. Paratransit service is regulated by the Federal Transit Administration pursuant to the Americans with Disabilities Act as amended. Public entities operating a fixed route transit system are required to provide paratransit service to physically handicapped or otherwise disabled individuals who cannot take public transportation. The public entity may (and from file review they frequently do) outsource this service to an unrelated entity. Many of those unrelated entities also provide what are known as "shared-ride" programs that are sponsored by the Commonwealth. A "shared-ride" program is a door-to-door, advance reservation surface transportation offered on a space available basis to senior citizens (defined as being 65 years of age or older).

The current Code 828 class description is tilted toward "share-ride," while it is entitled "Paratransit Service." Staff proposes to correct this.

5. Code 862, Recycling Center – A colleague recently observed that the Code 862 Underwriting Guide entries for "Tire Dealer – Used" and "Used Tire Dealer" are broad, making no distinction or exception whatsoever and asked why.

The above listed Code 862 Underwriting Guide entries were adopted effective new and renewal policies of October 1, 2001 and later. Rubber has been a listed Code 862 commodity since Code 862 was created effective new and renewal policies of December 31, 1927 and later. Used tires have historically been the principal source of used rubber. The Code 862 class study completed in early 2005 identified 14 businesses principally engaged as either used rubber stock dealers or as used tire dealers. The latter businesses constituted 12 of the 14. Ten of the 12's operations included the shredding, cutting, chipping or pulverizing the used tires prior to shipment. Keeping in mind that tires are synthetic rubber, they are a type of plastic or a hydrocarbon product. That would explain why tire derived fuel is the largest use of used tires. The Rubber Manufacturers Association estimates that approximately 10-to-15 percent of the used tires generated every year (approximately 266 million in 2011) are pulled from recycling per se and sold to customers (for mounting onto their vehicle) as what is known in the tire trade as "gently" used tires. The used tires may be sold by the new tire dealer or another vendor as a lower cost option to the retail customer. Various articles on the Internet suggest that such used tire sales have been increasing since 2007/2008. One should not assume that each and every used tire dealer today is principally engaged in the manner described above. Accordingly, staff proposes clarification of both Code 862 Guide entries.

6. Code 891, Pre-School (Child Care Or Early Education) Services – To become effective April 1, 2013 staff proposed and the Department approved a new Underwriting Guide entry for Code 891 for “After School Program.” Staff now recognizes that the entry, as recently approved, is “incomplete.” Many pre-school and/or child daycare providers now also offer both before and after school programs for children aged six through (typically) 12. This fulfills the need for the custodial care of younger school age children from single parent families or families with two working parents for both before and after their children’s normal school day. In the afternoon the daycare staff may assist the children with their homework or supervise other activities. This proposal requires concurrent proposals to revise the applicable “Operations Not Included” entry for Codes 963, Church, and 965, College or School, N.O.C.

7. Code 965, College or School, N.O.C. and Code 988, Bank – Staff proposes to clarify that both classifications also include cyber school or cyber banks respectively.

TEMPORARY STAFFING CROSS-REFERENCE CHART

PCRB Filing No. 253 made with the Department on May 30, 2013 proposed that Code 602, Road Construction: Subsurface Work, be merged into Code 609, Excavation, effective new and renewal policies of April 1, 2014 and later. The Department’s approval of PCRB Filing No. 253 was announced by PCRB Circular No. 1618 issued July 24, 2013. Thus, PCRB needs to bring the Temporary Staffing Cross Reference Chart up-to-date by deleting Code 602 from the direct employment classifications mapped to Code 526, Temporary Staff N.O.C. – Exposure Group G. ***Code 609 is mapped to Code 691 (a one-to-one temporary staffing class), which has a lower rating value in relation to that of Code 526.***

MANUAL REVISIONS

SECTION 2

CLASSIFICATIONS

ADDITIONS

UNDERWRITING GUIDE

To 012:

Installation Of Well Pad Containment Liners & Fences (Barriers) – By Independent Contractor

To 113:

Pie Filling Mfg.

To 473:

Carpet Shampooer Mfg.

To 476:

Process And Batch Control Systems Assembly
Traffic Control Systems Assembly

To 551:

Sulfuric Acid Mfg.

To 609:

Cell Tower Erection – Excavation Or Grading Of The Site By Contractor

To 654:

Cell Tower Erection – Building Of The Concrete Pad By Contractor

To 655:

Cell Tower Erection – Erection of the Tower By Contractor
Cell Tower Erection - Antenna(s) Installation, Service And/Or Repair By Contractor

To 660:

Cell Tower Erection – Wiring The Cell Site

To 922:

Inflatable Amusement – Rental

To 928:

Tobacco Products Store – Retail

To 952:

Cell Tower Erection – Installation And/Or Service of Computerized Call Switching Equipment By Contractor

To 965:

Cyber School

ADDITIONS (continued)

To 977:
Tattoo Parlor

To 988:
Cyber Bank

CHANGES

UNDERWRITING GUIDE

To 005:
Clearing Of Right-of-Way, For Telephone[, Telegraph] Or Electric Lines

028 OIL OR GAS PRODUCTION, Operation of Wells – including gasoline mfg. from casing-head gas.

Applicable to the..... specialized intervention to fix.

OPERATIONS NOT INCLUDED:

As provided for in this Manual..... not necessarily limited to:

1. Assign Code [607]955 to geophysical exploration.
2. through 6. unchanged

055 SAND, Gravel or Slag **EXCAVATION** – Including Crushing.

[Includes establishments]Applicable to businesses principally engaged in operating sand or gravel pits and in washing, screening, or otherwise preparing sand or gravel. Also included are [establishments]businesses principally engaged in surface mining, along with milling or otherwise preparing [fire]by the producer any type of clay, [fuller's earth, kaolin, ball clay, clay ceramic, refractory minerals] or performing the dredging of materials on non-navigable waters with incidental shore operations.

UNDERWRITING GUIDE

[Kaolin]Clay (Any Type) Excavation Or Surface Mining – Including Milling Or Washing

To 059:
[Kaolin]Clay Milling Or Washing By Other Than Producer

104 FOOD [SUNDRIES]PRODUCTS MFG.[, N.O.C. No cereal milling]

[This classification applies to..... and disposed of daily.]

OPERATIONS NOT INCLUDED:

[1. through 9. deleted in entirety]

1. Assign Code 101 to a business performing cereal milling.
2. Assign Code 106 to a business preparing meat products by smoking, corning, curing, salting, encasing, etc.
3. Assign Code 113 to a business pickling cucumbers or other foods.

CHANGES (continued)

4. Assign Code 113 to a business manufacturing preserved fruits (e.g., candied fruit peels or rinds, pie fillings, soda fountain syrups) by cleaning, cutting and cooking the required ingredients.
5. Assign Code 113 to a business manufacturing syrup by mixing and cooking fruits or fruit juices with sugar and related ingredients.
6. Assign Code 571 to the manufacture of essential oils or extracts such as used for perfume.
7. Assign Code 898 to the preparation of food by caterers.
8. Assign Code 907 to fresh fruit or vegetable dealers whose operations may include washing, sizing and/or packaging the fresh fruits or vegetables.
9. Assign Code 911 to a business repackaging food products from large containers into smaller ones involving no processing operations. This would include dry, liquid, semi-liquid or solid products.
10. Assign the applicable agricultural class to a business principally engaged in raising of one or more different fruits or vegetables whose operations may include the washing, sizing and/or packaging thereof prior to shipment to customers.

UNDERWRITING GUIDE

To 104:

Peanut Handling – Cleaning, Grading or Shelling

To 461:

Automobile Engine Or Engine Part Mfg.
Engine Or Engine Part Mfg., Internal Combustion
Outboard Motor Or Motor Part Mfg.

476 INDUSTRIAL CONTROL[S OR] SYSTEMS MANUFACTURE/ASSEMBLY

[Applies to the manufacture..... for in this Manual.]

Industrial control systems measure and control the power distribution or process variables such as flow, level, liquid concentration, motion and rotation. Shop wiring is the principal task where controls, switches and instrumentation are wired into a cabinet (which may have been manufactured by the business or purchased) or a complete control station which can be computer-based, allowing the operator to read, display and change the operating system.

OPERATIONS NOT INCLUDED:

1. Assign Code 488 to businesses principally engaged in the manufacture of meters, counters, thermometers or other electronic analytic/measuring instrumentation not otherwise classified.
2. Separately rate installation or repair provided at customer locations as provided for in this Manual.

UNDERWRITING GUIDE

To 551:

Vegetable Oil [Mill] Mfg. – All Types

CHANGES (continued)

648 CARPENTRY – INSTALLATION of CABINET WORK, Finished Wooden Flooring or Interior Trim. [Also includes installation of parquet flooring. Not applicable to contractors who perform other carpentry operations at the same job of location.]

OPERATIONS ALSO INCLUDED:

1. The installation of parquet flooring.
2. The installation of countertops of any material except stone countertops.

OPERATIONS NOT INCLUDED:

1. Assign Code 668 to the installation of all types of stone countertops.

UNDERWRITING GUIDE

To 655:

Steel Tower Erection For Cross-Country Electric[,] Or Telephone [Or Telegraph] Lines

656 ELECTRIC, Telephone or [Telegraph] **LINE CONSTRUCTION** – by Contractors

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

OPERATIONS NOT INCLUDED:

1. and 2. unchanged
3. Separately rate the tasks performed by a contractor(s) in erecting a cell phone tower as provided for in this Manual.

UNDERWRITING GUIDE:

To 656:

Installation Of Telephone[, Telegraph] Or Electric Pole Hardware

Installation Of Telephone[, Telegraph] Electric Transformers

Setting Of Telephone [Or Telegraph] Poles

Telephone [Or Telegraph] Line Construction By Contractor

661 ELECTRICAL WIRING – within **BUILDINGS**

Includes electric fixtures..... of service connections.

OPERATIONS NOT INCLUDED:

1. Assign Code 656 to payroll developed in overhead electric [,]or telephone [or telegraph] line construction.
2. Unchanged

CHANGES (continued)

718 BOAT BUILDING OR REPAIR

Coverage under State Act only.

Includes businesses engaged in the building of recreational vessels and/or the repairing and the dismantling of a recreational vessel in connection with the repair of such vessel as defined in the United States Longshore and Harbor Workers' Compensation Act (LHWCA) as amended who have been granted exemption from the LHWCA by the United States Secretary of Labor. A copy of the exemption certificate shall be made available to the PCRB as documentation.

757 TELECOMMUNICATIONS COMPANY – including installation..... equipment

Applicable to FCC..... for customers on a fee basis.

OPERATIONS NOT INCLUDED:

1. Unchanged
2. Separately rate the tasks performed by a contractor(s) in erecting a cell phone tower. Such tasks may include but are not necessarily limited to:
 - a. Assign Code 609 is to the clearing, excavation or grading of the site.
 - b. Assign Code 654 to building the concrete pad.
 - c. Assign Code 655 is applicable to the erection of the tower and the installation of the tower's antennas.
 - d. Assign Code 660 to running a lateral connecting the cell tower site to the land-line telephone network and/or wiring the cell site.
 - e. Assign Code 952 to the installation of computerized telephone call switching equipment in the cell site's base station.

803 TAXICAB COMPANY

Applicable to a business engaged in operating a vehicle(s) that is available for immediate hire (on a call and demand basis) with the fare to be determined by zone or meter.

When cabs are leased..... a full year.

804 SCHOOL [BUS OPERATION]TRANSPORTATION– by independent contractor

Applicable to [specialist] an independent contractor[s] engaged in the transportation of students to and from school. Such a business may also perform the transportation of students to and from sporting events or field trips.

807 AMBULANCE SERVICE – [Non-volunteer]Salaried Employees

Applicable to an independent contractor operating an ambulance service staffed by salaried employees. Each ambulance service is licensed by the Bureau of Emergency Medical Services of the Pennsylvania Department of Health who also credentials ambulance attendants. An ambulance service may engage in both emergency and non-emergency patient transfers. Non-emergency transfers are generally by appointment.

CHANGES (continued)

817 BUS [(except school bus)] OPERATION

OPERATIONS NOT INCLUDED:

1. [Paratransit Operations are assigned to Code 828.] Assign Code 828 to a business operating a paratransit and/or a shared ride program.
2. Unchanged
3. Assign Code 803 to a business operating a vehicle(s) that is available for immediate hire (on a call and demand basis) with the fare to be determined by zone or meter.
4. Assign Code 804 to an independent contractor engaged in the transportation of students to and from school.
5. Assign Code 807 to an ambulance service staffed by salaried employees.

UNDERWRITING GUIDE:

Scheduled [Or Public] Lines Bus Operation

Trolley Operation – Tracked Or Trackless [Trolley Operation]

828 PARATRANSIT SERVICE

[Applies to employers..... destinations as needed.]

Paratransit service is regulated by the Federal Transit Administration pursuant to the Americans with Disabilities Act as amended. Each public entity operating a fixed route surface transportation system is required to provide paratransit service to the physically handicapped or otherwise disabled individuals who cannot take public transportation. Such individuals may be transported to doctors' appointments, places of employment, stores, social venues or other destinations as needed. The public entity may outsource the provision of this service to an unrelated entity. A fare is charged for this service that may not exceed twice the fare charged for a trip of similar length, at a similar time of day as would be charged by the public entity's fixed route system.

OPERATIONS ALSO INCLUDED:

1. Shared-ride program which is a door-to-door, advance reservation, ride sharing service offered on a space-available basis to senior citizens 65 years of age or older.

855 LUMBER and/or BUILDING MATERIAL DEALER

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

OPERATIONS ALSO INCLUDED:

1. Unchanged
2. The operations of a showroom where customers may view samples of the lumber and/or building materials sold and place orders for such [at a counter].
3. and 4. remain unchanged.

CHANGES (continued)

UNDERWRITING GUIDE:

To 862:

Tire Dealer – Used – For Recycling (May Include Shredding)

Used Tire Dealer – For Recycling (May Include Shredding)

To 891:

Before and/or After School Program

897 FAST-FOOD RESTAURANT – All employees except office

Applicable to a retail business principally engaged in preparing food(s) and selling the prepared food(s) and generally nonalcoholic beverages to the public for immediate consumption, either on the business' premises or on a take-out basis. Fast food restaurants have a limited menu and no wait service except on an occasional or accommodation basis. Customer orders are typically placed at a counter (the menu being openly displayed above and/or behind the counter) via a drive-through service, [or] by telephone or by Internet and are rapidly filled. Fast-food restaurants generally sell nonalcoholic beverages, but certain fast-food restaurants may also have incidental [beer]alcoholic beverage sales. Where there are "eat-in" facilities, counter staff wipe down tables and may also clear tables after a customer's food has been consumed. Included within (but not necessarily limited to) this definition are retail businesses principally engaged in the preparation and sale of hamburgers, tacos, pizza or chicken.

Also contemplated are..... no wait service.

907 FRUIT OR VEGETABLE DEALER – Wholesale

Applies to dealers principally engaged in the wholesale distribution of fresh fruits or vegetables. The dealer may specialize in a single fruit or vegetable or handle two or more different fruits or vegetables. Such dealers [as a part of their operation] may also wash the fresh fruits or vegetables and perform incidental repackaging of the merchandise into retail size bunches, boxes, bags or similar containers.

In addition these..... of the gross receipts.

916 CLOTHING OR DRY GOODS STORE – Wholesale or Retail

OPERATIONS NOT INCLUDED:

1. Assign Code 928 to businesses principally engaged as either a Clothing Store (Used) – Retail or a Thrift Store (Used Clothing, Furniture, Household Items) – Retail

922 FURNITURE STORE – Retail All Employees Except Office – no woodworking

Applies to a retail store..... are not separately classified.

OPERATIONS ALSO INCLUDED:

1. Businesses principally engaged in party supplies rental – Retail or Wholesale.
2. Unchanged

CHANGES (continued)

UNDERWRITING GUIDE

To 922:

Party Supplies Rentals - Retail Or Wholesale

940 RESIDENTIAL CARE FACILITY for [the DEVELOPMENTALLY DISABLED] INDIVIDUALS WITH INTELLECTUAL DISABILITIES

Includes operations licensed as Intermediate Care Facilities for [the Mentally Retarded (ICF/MR)]individuals with Intellectual Disabilities (ICF/IID) regardless of client count or location. Also included are schools and daycare activities operated by the facility.

[ICF/MRs]ICF/IIDs are licensed by the state to provide on a regular basis, health-related care and services to the [mentally retarded]intellectually disabled, who do not require the degree of care or treatment which a hospital or skilled nursing facility is designed to provide. These facilities, regardless of client number, provide unique and specialized residential, medical and habilitation services to its clients.

The larger [ICF/MRs]ICF/IIDs (9 or more clients) usually provide educational, workshop/vocational and physical therapy programs at one campus with many residents living in cottages having no more than 8 residents each. Supervision may be provided in three 8-hour shifts. Smaller [ICF/MRs]ICF/IIDs (8 or fewer clients) also assigned to this classification provide community-based programs which are designed to facilitate the client's movement to a less restrictive environment than the larger facilities. These community-based [ICF/MRs]ICF/IIDs employ a relatively high staff-to-client ratio and 24-hour supervision with at least one staff member monitoring overnight activity. Smaller [ICF/MRs]ICF/IIDs may serve clients from higher functioning to profoundly retarded.

[Facilities providing within this class.]

UNDERWRITING GUIDE

Community Residential Facility For [The Developmentally Disabled]Individuals With Intellectual Disabilities – 9 Or More Residents Per Facility

Group Home – 9 Or More Per Facility Licensed As Community Residential Services For [Developmentally Disabled]Individuals With Intellectual Disabilities

Group Home – Intermediate Care Facility For [The Mentally Retarded]Individuals With Intellectual Disabilities– Regardless Of Client Count

Intermediate Care Facility For [The Mentally Retarded]Individuals With Intellectual Disabilities– Regardless Of Client Count

948 MAILING or ADDRESSING COMPANY – all employees including office

Applicable to businesses principally engaged in mailing advertising material such as letters, circulars and/or small product samples or other items (e.g., bills) for unrelated concerns. The mailing company may compile mailing lists or receive lists of names from customers. Materials to be mailed may be received bound on pallets ready for mailing. Billing information is received from customers. The mailing company may

CHANGES (continued)

generate the letter or bill by computer (laser or impact printed). The mailing company may design and print advertising materials. Printing operations shall be included with the mailing company class provided that more than 50 percent of the items printed are used as materials in the mailing business.

Most mailing companies..... Code 951 or Code 953.

UNDERWRITING GUIDE:

To 952:

Telephone [And Telegraph] Apparatus Installation, By Contractor [660]952

UNDERWRITING GUIDE

To 955:

Geophysical Exploration [N.O.C.] [607]955

963 CHURCH – all employees including office

Applicable to the place of worship by a local congregation of any religious faith.

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

OPERATIONS ALSO INCLUDED:

No changes.

OPERATIONS NOT INCLUDED:

1. Unchanged
2. Assign Code 891 for a separately-staffed day nursery school, kindergarten, [or] child daycare center or a before and/or after school program operated on the church premises from Monday through Friday.
3. and 4. Unchanged.

964 [SHELTERED WORK SHOP]WORK CENTER– all employees including office

This classification is for..... Wage and Hour Administration.

965 COLLEGE OR SCHOOL, N.O.C. – all employees including office

Applicable to academic, trade or vocational institutions of learning (e.g., colleges or universities, private schools, public or parochial school districts, cyber schools and charter schools) that provide a formal educational curriculum in a classroom setting or online. Trade or vocational schools may also provide shop or field experience as a part of the curriculum. Colleges or universities, private schools, public or parochial school districts, cyber schools and charter schools are subject to licensing by the Pennsylvania Department of Education. Colleges or universities may also be subject to accreditation by multi-state bodies such as the Middle States Association of Colleges and Schools.

OPERATIONS ALSO INCLUDED:

No changes

CHANGES (continued)

OPERATIONS NOT INCLUDED:

1. through 3 remain unchanged
4. Assign Code 891 to employers principally engaged in operating day nursery schools, kindergartens, child daycare centers, [or] Head Start Programs or before and/or after school programs.
5. through 9 remain unchanged.

966 TELEVISION, VIDEO, AUDIO or RADIO EQUIPMENT SERVICE OR REPAIR - Shop or Outside

[Separately staffed..... appropriate store class.]

OPERATIONS ALSO INCLUDED:

1. Specialist contractors performing the installation of vehicular equipment including but not necessarily limited to: alarm systems, radios, security systems, navigation systems, video systems, remote starters and ignition interlock systems.
2. Specialist contractors performing the installation, service and repair of marine equipment, including but not necessarily limited to: radar systems, radios and depth finders.

OPERATIONS NOT INCLUDED:

1. Assign the appropriate store class to separately-staffed store operations.
2. Assign Code 662 to businesses principally engaged in the service and repair of household and commercial appliances.
3. Assign Code 952 to businesses principally engaged in the service and repair of office machines or equipment.

UNDERWRITING GUIDE

To 968:

Sports (e.g., Basketball, Ice Hockey Or Boxing) Amateur Training Facility – [Not Organized Athletic Team]Not Professional Or Semiprofessional Sports.

To 971:

Building Cleaning[,No Exterior Wall Cleaning] – By Contractor Or Owner

976 COMMUNITY CENTER – all employees including office

Applies to a YMCA, YWCA that follows the “traditional” YMCA, YWCA business model. A traditional YMCA, YWCA will provide a range of recreational, informational and social services but is not principally engaged in the operation of a camp, health or exercise club or after school program. The range of programs and services provided by a traditional YMCA, YWCA include but are not necessarily limited to: sports leagues, personal fitness services, pre-school and/or child day care, [overnight] camping, employment readiness and training programs, advice services, immigrant services and conference centers.

CHANGES (continued)

Also applies to a community center that is not principally engaged in the operation of a camp, health or exercise club or after school program. A community center is a public location [(usually a space within a home, a school or a church)] where members of a community gather for group activities, social support, public information, and other purposes. Community centers may be open to the entire community in which they are located or to a specific group within the greater community.

Further applicable to a..... age and/or illness.

OPERATIONS ALSO INCLUDED:

1. A camp operated by [a traditional YMCA, YWCA]any organization whose operations are assignable to Code 976.
2. Pre-school (child care or early education) or after school program services provided by [a traditional YMCA, YWCA]any organization whose operations are assignable to Code 976.

988 BANK – all employees including office

Applicable to “brick and mortar” and online businesses whose operations must include the deposit and holding of money in the form of checking/savings accounts or certificates of deposit. In addition these [risks]businesses may also provide credit extensions, commercial/consumer loans or mortgages.

UNDERWRITING GUIDE

To 7428:

Aircraft [Remanufacturing,] Conversion Or Modification – Not By The Original Aircraft Manufacturer

DELETIONS

UNDERWRITING GUIDE

From 055:

Clay Digging In Open Pits

From 104:

Olive Handling

Vegetable Processing N.O.C.

From 306:

Golf Club Heads Or Shafts Mfg. – Wood

From 607:

Geophysical Exploration – Seismic Method

From 817:

Bus Operation, Scheduled, Public

Street Railroad Operation

DELETIONS (continued)

From 921:

Party Supplies Rentals - Wholesale

From 970:

Organized Athletics

From 977:

Hat Cleaner

GENERAL AUDITING AND CLASSIFICATION INFORMATION

CHANGE

EMPLOYMENT CONTRACTOR – TEMPORARY STAFFING

Temporary staffing is a.....staffing contractor's payroll.
Code 526 chart **deletion:** 602

DELETION

LIMOUSINE OPERATION

This entry is deleted in its entirety.