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NOTE: This circular contains an error in the table on Page 15 which has been corrected by Bureau Circular No. 744.

February 27, 2001

BUREAU CIRCULAR NO. 743

To All Members of the Bureau:

Re: **MANUAL REVISIONS – BUREAU FILING NO. 0101**
EFFECTIVE JUNE 1, 2001

- 1) **Sections 1, 2 and 5 – Housekeeping Revisions**
- 2) **Second Small Class Study Revisions**
- 3) **Codes 472, Electronic Component Mfg., 473, Electrical Apparatus Mfg., and 487, Instrument Mfg.**

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 Delaware. These revisions become **effective as of 12:01 a.m., June 1, 2001** with respect to new and renewal business only.

The revisions, as referenced above, result from three Bureau studies. A detailed explanation and the proposed language changes are shown individually below.

1) **Sections 1, 2 and 5 – Housekeeping Revisions**

These revisions make the Manual clearer and less ambiguous by clarifying key classification procedures and updating class language to bring it into alignment with other Manual provisions or to recognize technological or industrial change. The Employment Contractor – Temporary Staffing Cross-Reference Chart is also updated to incorporate the needed revisions pursuant to the other amendments contained in this approved filing.

The housekeeping revisions also contain two changes in procedure, i.e., the reassignment of “Aircraft Propeller Mfg. – Wood” from Code 309, Woodenware Mfg., N.O.C., to Code 441, Tool Mfg., N.O.C. and the reassignment of “Weather Stripping Installation” from Code 648, Carpentry – Installation of Cabinet Work, to Code 647, Insulation Work, N.O.C.

Details of the language revisions are outlined below, followed by the Manual revisions.

Section 1

- Rule IV, Paragraph B. 2. a. – Clarifies the exclusion of clerks (e.g., counter, time, stock or tally) and cashiers from the definition of clerical and specifies that such personnel are to be assigned to the basic classification that depicts their employer's business.
- Rule V, Paragraph B. 2. q. – Clarifies the definition of prevailing wage payments by recognizing such may be made by employers in response to either a federal or state statute.
- Rule V, Paragraph B. 3. b. – Clarifies which prevailing wage payments may be excluded from the definition of remuneration by also recognizing that such payments may be made by employers in response to a federal or state statute.

Section 2:

- Codes 134, Knit Goods Mfg., 815, Automotive Service Center, 955, Engineer, Consulting, and 6826F, Marina – Clarifies language to support the need for separate staff and a separate work area to secure assignment of additional class(es).
- Code 955, Engineer – Revises class title and description to clearly show it as a field-of-business class.
- Codes 956, Attorney, and 962, Accountant or Auditor – Aligns class titles with the class descriptions to affirm that both are field-of-business classifications.
- Code 716, Marina – Adds description indicating State Act coverage only.
- Code 963, Churches – Amends inadvertent omission of kindergarten to the types of pre-school children's services assigned to Code 891, Pre-School (Child Care or Early Education) Services that became effective June 1, 2000.

Section 5:

- Clarifies class scopes by placing in the Manual class assignment practices already in use or brings entries into alignment with revisions that are part of the Sections 1 and 2 changes herein.
- Reassigns "Aircraft Propeller Mfg. – Wood" from Code 323, Furniture Mfg. – Wood, its original class, to Code 441, Tool Mfg., N.O.C., a correction omitted from Bureau Filing No. 9906 approved effective December 1, 1999.
- Reassigns "Weather Stripping Installation" to Code 647, Insulation Work, N.O.C., as all tasks of a weatherization program are a function of home insulating.

SECTION 1

RULE IV – CLASSIFICATIONS

B. CLASSIFICATIONS

2. Standard Exception Classification

Some occupations defined below:

a. CLERICAL OFFICE EMPLOYEES 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.

RULE V - PREMIUM BASIS

B. REMUNERATION - PAYROLL

2. Inclusions

Remuneration includes:

a. through p. remain unchanged

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 Delaware Prevailing Wage Act;

r. through t. remain unchanged

3. Exclusions

Remuneration excludes:

a. Payments by Rule V-B-2e;

b. Payments made by an 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 Delaware Prevailing Wage Act [Title 29, Section 6912, Section 267A or Title 40 of the U. S. Code (] or the Davis-Bacon Act[)] and amendments thereto]. For additional information please see the Rulings and Interpretations in Section 5 of this Manual.

SECTION 2

CHANGES

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 product [(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.

716 MARINA.

Applicable to all waterfront operations, including but not necessarily limited to: the operation of boat docks, storage facilities, repair shops or marine railways, the sale or repair of boats or engines, the sale of parts or accessories, dockside snack bars and all dockside employees. The operation of separately-staffed showrooms in towns or the operation of separately-staffed motels, restaurants, swimming pools, bowling lanes or other recreational facilities shall be separately classified as provided for in this Manual. Separate staff engaged in boat building are assignable to Code 718.
Coverage under State Act only.

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 Rulings and Interpretation for information on classifying such business enterprise.

955 ENGINEERING[,] CONSULTING FIRM, mechanical, civil, electrical or mining engineer[s]ing consulting firms, or architect[s]ural firms.

Engineers or Rule IV, B. 2. a. and b.

Separate staff performing [T]test boring for soil samples shall be [separately rated as]assigned to Code 607[, Drilling, N.O.C].

956 [ATTORNEY]LAW FIRM - all employees including office.

This classification employer's business.

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 independent insurance traveling auditor shall be assigned to Code 951[, Salesperson - Outside]. An insurance company traveling auditor shall be assigned to Code 984.

963 CHURCHES - 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 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 [staffed by separate employees]separately staffed.

Churches and missions..... the location of each.

6826F MARINA.

Applicable to all waterfront operations, including but not necessarily limited to: the operation of boat docks, storage facilities, repair shops or marine railways[.]. [Also applicable to] the sale or repair of boats [and]or engines, [including] the sale of parts or accessories, dockside snack bars[,] and all dockside employees[, except that]. [t]The operation of separately-staffed showrooms in towns[,] or the operation of separately-staffed motels, restaurants, swimming pools, bowling lanes [and]or other recreational facilities shall be separately [rated]classified as provided for in this Manual. [Boat building shall be separately rated as Code 6824F.]

Separate staff engaged in boat building are assignable to Code 6824F.

SECTION 5

Rulings and Interpretations

ADDITIONS

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 rowhouse 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 or enhancing the home's insulation. Assign Code 647 to payroll developed in a weatherization program.

CHANGES

EMPLOYMENT CONTRACTOR - TEMPORARY STAFFING

Temporary staffing..... business classification(s).

**TEMPORARY STAFFING
CROSS-REFERENCE CHART**

- Code 554 chart **additions:** 4771
- Code 554 chart **deletions:** [505, 533, 4773, 4774, 4775, 4776, 4779]
- Code 682 chart unchanged.
- Code 929 chart unchanged.
- Code 937 chart **deletions:** [972]
- Code 947 chart unchanged.
- Code 949 chart unchanged.

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 purposes of classifying..... 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.

Retail

For the purposes of classifying..... classification assignment.)

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].

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 [and]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]or chisels, sewing machine attachments, such as hemmers [and]or 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 percent of all machining operations performed by the [insured]employer will be held to a 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 models 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 powdered 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.

FLORIST STORE - 919

Applies to a [store]business principally engaged in the retail and/or wholesale selling of fresh cut flowers, potted plants, fresh cut floral arrangements or florist store supplies. Also includes service away from the store premises, such as floral decoration of homes, churches or other buildings for weddings, banquets or parties.

Also includes plantscaping, which is the maintenance of living (typically potted) plants inside a customer's premises. The living, potted plants may be used to decorate the interiors of malls, offices or other businesses, as well as residences. Plantscaping duties include watering, fertilizing, trimming and/or spraying of the interior living, potted plants.

Employers who grow[,] in fields or under glass[,] flowers to be marketed on a commercial basis as cut flowers or living plants are assigned to Code 0011[, Flower Growing]. Stores or outlets of such employers at the same or contiguous location may be separately classified by [this c]Code 919, provided there is no interchange of labor between the store or outlet and the growing of flowers, and the store or outlet is located in a physically separate area or department.

Where a store..... gross receipts.

[Operations Not Covered]OPERATIONS NOT COVERED:

1. A garden supply [dealer]business principally engaged in the sale of fertilizer, sod, grass seed, flower pots, birdbaths and statuary with incidental potted plants, trees, shrubs, bulbs or bedding plants shall be assigned to the N.O.C. store classification, depending on whether the sales are principally to retail customers (Code 928) or wholesale customers (Code 924).

2. A business principally engaged in the arranging, assembling and/or the wholesale selling of artificial or dried flowers shall be assigned to Code 924.

3. A business principally engaged in the planting and/or care of trees, shrubs, bushes, hedges or other outdoor living/growing plants or performing landscaping, lawncare services or other similar operations shall be assigned to Code 0013.

GROCERY - WHOLESALE- 911

Applies to dealers..... gross receipts.

[Operations Not Covered]OPERATIONS NOT COVERED:

1. Wholesale dealers principally engaged in selling fresh fruits or vegetables shall be assigned to Code 907[, Fruit or Vegetable Dealer - Wholesale].
2. Wholesale dealers [engaged] principally engaged in selling beer in bottles, cans, kegs or barrels and/or soft drinks in bottles or cans shall be assigned to Code 821[, Beverage Distributor - Wholesale].
3. Wholesale dealers [engaged] principally engaged in candling or distributing eggs shall be assigned to Code 924[, Wholesale Store, N.O.C].
4. For bakery..... and Interpretation.

CLEARING OF LAND

[Payroll developed in clearing of land or the clearing of right of ways shall be classified as indicated below:] Below find the class typically assigned to payroll developed in each of four different but common land or right-of-way clearing projects. Such class listing does not waive either the underwriting or payroll division rules delineated in Sections 1 or 2 of this Manual.

1. [Use]Assign Code 009[, Logging,] for tree removal using hand or power tools in bucking, falling or limbing of standing timber - new right-of-ways.
2. [Use]Assign Code 609[, Excavation,] for clearing or removal of brush using mechanical equipment such as bulldozers, hydroaxes, etc., including stump removal - new or existing right-of-ways except for road construction. Such work for a road job or project is subject to Code 602[, Road Construction: Subsurface Work].
3. [Use]Assign Code 005[, Tree Pruning,] for tree pruning, spraying, trimming using hand or power tools with or without aerial buckets, including [incidental] tree removal incidental thereto and all operations in connection therewith - existing right-of-ways.
4. [Use]Assign Code 0013[, Gardeners, Nurserymen,] for brush or weed control using chemicals dispensed from portable or mechanical ground spraying equipment - existing right-of-ways.

[DAVIS-BACON ACT]PREVAILING WAGE PAYMENTS¹

[This Act] Prevailing wage statutes, including but not necessarily limited to the Davis-Bacon Act or the Delaware 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.

Underwriting Guide

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¹ The Bureau also proposes to relocate this Ruling and Interpretation to the Auditing portion of the Rulings and Interpretations, Section 5.

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2) Second Small Class Study Revisions

The second small class study undertaken by the Bureau reviewed nine classifications. The following is a summary of those classes, along with the approved revision.

- **Code 505, Stone Cutting or Polishing** – Code 505 is discontinued, and the operations assigned thereto are now reassigned to Code 855, Lumber and/or Building Material Dealer.
- **Code 533, Sheet Glass Mfg.** – Code 533 is discontinued, and the operations assigned thereto are now reassigned to Code 535, which is concurrently retitled from Glassware Mfg., N.O.C., to Glass or Glassware Mfg.
- **Code 972, Janitor Contractors** - Code 972 is discontinued, and the operations assigned thereto are now reassigned to Code 971, Buildings.
- **Codes 4773, High Explosives Mfg., 4774, Smokeless Powder Mfg., 4775, Cartridge Loading or Charging, 4776, Projective, Bomb, Mine or Grenade Loading, and 4779, Cap, Primer, Fuse or Detonator Assembly** – These classifications are discontinued (along with each of their catastrophe reserve classes, 0773, 0774, 0775, 0776 and 0779, respectively), and the operations assigned thereto are now reassigned to a new class, Code 4771, Explosives or Ammunition Mfg., N.O.C., and catastrophe reserve Class 0771.
- **Code 7323F, Stevedoring – Explosives Materials** – Code 7323F is discontinued, and operations assigned thereto are now 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:

SECTION 2

ADDITION

4771 EXPLOSIVES Or Ammunition MFG., N.O.C.

Includes but is not necessarily limited to: bag loading - propellant charges, black powder mfg., cap, primer, fuse, booster or detonator assembly, cartridge charging or loading, fireworks mfg., high explosives mfg., projectile, bomb, mine or grenade loading, projectile or shell mfg., shell case loading or smokeless powder mfg. - single base.

Employees exclusively engaged in product delivery shall be classified by Code 811.

Code 0771 must be applied to Class 4771 payroll to determine the mandatory catastrophe reserve which is not subject to experience or retrospective rating.

Businesses engaged in the preparation and/or distribution of blasting agents and/or the distribution of high explosives shall be classified by Code 4777.

Hazard Group IV assigned.

CHANGES

535 GLASS OR GLASSWARE MFG.[, N.O.C.]

The manufacture of glass products from purchased glass shall be assigned to Code 536.

971 BUILDINGS - operation by owner, lessee, or management agency[ies], including care, custody and/or maintenance of premises. Also includes janitorial or window cleaning services by a specialist contractor.

EXPLOSIVES AND AMMUNITION MFG.

[The classifications described under this class group may be used as payroll divisions within a single plant in which standard distances and separation of employees are main tained. Except for Code 4777 employees exclusively engaged in delivery shall be classified by Code 811.

When noted, an explosives classification allows use of an associated classification for designation of a mandatory non-ratable catastrophe reserve.]

4777 EXPLOSIVES DISTRIBUTOR.

Includes the preparation and/or distribution of blasting agents and/or the distribu- tion of high explosives. Blasting operations conducted by a separate crew shall be [separately rated by] assigned to Code 609. No high explosives manufacturing.

DELETIONS

505 STONE CUTTING or Polishing.

533 SHEET Window GLASS MFG., including rolled and wire glass mfg. and polished plate glass mfg.

BUILDINGS/JANITOR CONTRACTORS

Contractors for building cleaning shall be classified in the manner delineated below:

- 1) Contractors for building cleaning who do no window cleaning whatever or who only clean windows from the ground shall be assigned to Code 971, Buildings.
- 2) Contractors for buildings and window cleaning shall be classified on the basis of the service mix by location. Code 971 shall apply to payroll developed at locations where only building cleaning or building cleaning with window cleaning from the ground only is performed. Code 972, Janitor Contractor, shall apply to all payroll developed at locations including window cleaning above the ground.

972 JANITOR CONTRACTORS - contractors for building cleaning, including window cleaning, not building operation.

4773 HIGH EXPLOSIVES MFG.

Includes the manufacturing of explosives recognized by the Bureau of Explosives as "high explosives" such as dinitrotoluene, double base powders, dynamite, fulminates, nitroglycerin, nitrostarch, picrates, picric acid, teryl and trinitrotoluene (TNT). Also includes black powder manufacturing.

Code 0773 must be applied to Class 4773 payroll to determine the mandatory catastrophe reserve which is not subject to experience or retrospective rating.

4774 SMOKELESS POWDER MFG. - single base.

Includes the manufacturing of pyro or nitro-cotton. High explosives manufacturing shall be separately rated as Code 4773.

Code 0774 must be applied to Class 4774 payroll to determine the mandatory catastrophe reserve which is not subject to experience or retrospective rating.

4775 CARTRIDGE LOADING OR CHARGING.

Includes all operations involving the handling of explosives or mixing of fulminate. Explosives or fulminate manufacturing shall be separately rated.

Also applies to shell case loading, propelling charge and bag loading, to 20 m.m. and over and assembling with loaded projectile. Projectile or primer loading shall be separately rated.

Code 0775 must be applied to Class 4775 payroll to determine the mandatory catastrophe reserve which is not subject to experience or retrospective rating.

4776 PROJECTILE, BOMB MINE OR GRENADE LOADING.

Cap, primer, fuse, booster or detonator assembly shall be separately rated by Code 4779.

Code 0776 must be applied to Class 4776 payroll to determine the mandatory catastrophe reserve which is not subject to experience or retrospective rating.

4779 CAP, PRIMER, FUSE OR DETONATOR ASSEMBLY.

Includes mixing of charges or loading. Explosives manufacturing shall be separately rated.

Code 0779 must be applied to Class 4779 payroll to determine the mandatory catastrophe reserve which is not subject to experience or retrospective rating.

7323 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.

Hazard Groups

<u>Class</u>	<u>Group</u>	<u>Class</u>	<u>Group</u>
533	III	4773	IV
0773	IV	4774	IV
0774	IV	4775	IV
0775	IV	4776	IV
0776	IV	4779	IV
0779	IV	7323	IV
972	IV		

SECTION 5

ADDITIONS

Explosives Or Ammunition Mfg., N.O.C. - Nonrateable Catastrophe Element.....	0771
Explosives Or Ammunition Mfg., N.O.C.....	4771

CHANGES

Flat Glass Mfg.....	[533]535
Glassware Mfg.[,N.O.C.].....	535
Plate Glass Mfg.....	[533]535
Polished Plate Glass Mfg.....	[533]535
Pressed [And] Or Blown Glass [And Glassware] Mfg.[,N.O.C.].....	535
Rolled Glass Mfg.....	[533]535
Sheet Glass Or Sheet Window Glass Mfg.....	[533]535
Window (Sheet) Glass Mfg.....	[533]535
Wire Glass Mfg.....	[533]535
Cemetery Monument Or Memorial, Cutting, Engraving And/Or Polishing.....	[505]855
Cut Stone Or Stone Products Mfg.....	[505]855
Hone Or Oilstone Mfg.....	[505]855
Monument Or Memorial (Cemetery) Cutting, Engraving And/Or Polishing.....	[505]855
Soapstone Or Soapstone Products Mfg.....	[505]855
Stone Cutting Or [Stone] Polishing - Not By A Mine or Quarry Operator.....	[505]855
Building Cleaning, No [Window Or] Exterior Wall Cleaning.....	971
Building Operation - By Owner, Lessee Or Management Agency.....	971
Building Service Contractor[, No Window Cleaning].....	971
Contractor For Building Cleaning[,No Window Cleaning].....	971
Floor Waxing Or Polishing - By Building Owner, Lessee, Management Agency Or Contractor.....	971
Fumigating - Not Agricultural - By Contractor.....	971

CHANGES (continued)

Janitor Contractor.....	[972]971
Swimming Pool Cleaning [And] Or Maintenance - By Specialty Contractor.....	971
Termite Control - <u>By Contractor</u>	971
Window Cleaning.....	[972]971
Ammunition Mfg.....	[4775]4771
Bag Loading, Explosives.....	[4775]4771
Black Powder Mfg.....	[4773]4771
Blasting Cap Mfg.....	[4779]4771
Cartridge Charging Or Loading.....	[4775]4771
Cordite Mfg.....	[4774]4771
Dynamite Mfg.....	[4773]4771
Fireworks Mfg.....	[4779]4771
Flare Mfg.....	[4775]4771
Fuse Mfg., Explosive.....	[4779]4771
High Explosives Mfg.....	[4773]4771
Nitroglycerin Mfg.....	[4773]4771
Projectile Loading.....	[4776]4771
Shell Case Loading.....	[4775]4771
Smokeless Powder Mfg.....	[4774]4771
Stevedoring - Explosives <u>Materials - Assign The Appropriate Stevedoring Class</u>	[7323F]

DELETIONS

Glassware Mfg., Cut.....	535
Stevedoring - Handling Of Explosives - Nonrateable Catastrophe Element.....	0763F
High Explosives Mfg. - Nonrateable Catastrophe Element.....	0773
Smokeless Powder Mfg. - Nonrateable Catastrophe Element.....	0774
Cartridge Loading Or charging - Nonrateable Catastrophe Element.....	0775
Projectile, Bomb, Mine Or Grenade Loading - Nonrateable Catastrophe Element.....	0776
Cap, Primer, Fuse Or Detonator Assembly - Nonrateable Catastrophe Element.....	0779
Care Of Buildings.....	971
Custody of Buildings.....	971
Janitor Contractor, Who Do No Window Cleaning.....	971
Starter.....	971
Blasting Powder Mfg.....	4773
Gunpowder Mfg.....	4773

The following are the approved residual market rates, loss costs and related rating values:

This table contains an error that has been corrected by Bureau Circular No. 744.

CODE	APPROVED	APPROVED	RESIDUAL	EXPERIENCE RATING PLAN		
	EFF. 6/1/01	EFF. 6/1/01	MARKET	<u>Expected Loss Factors Table</u>		
	RESIDUAL	LOSS	MINIMUM	A-1	A-2	A-3
	MKT. RATE	COST	PREMIUM			
855	\$ 7.03	\$ 5.62	\$ 1,370	\$ 2.65	\$ 3.06	\$ 3.35
971	5.61	4.50	1,135	3.73	4.39	4.60
4771	10.77	8.62	2,430			
0771	2.69	2.15				

3) Codes 472, Electronic Component Mfg., 473, Electrical Apparatus Mfg., and 487, Instrument Mfg.

These revisions are the result of a Bureau study of Codes 472, 473 and 487 which found the scope of each of these classifications to be overly broad and with language which does not clearly define the class' scope. Staff also found inconsistent employer assignments of similarly-situated businesses between two or all three of the existing electronic classes that required resolving. Therefore, the scope of these three classes has been modified and six new, separate electronics products classifications have been created, which both updates and brings focus to Delaware's electronics classification procedure.

The Manual revisions are shown below:

SECTION 2

ADDITIONS

471 PRINTED CIRCUIT BOARD ASSEMBLY OR ELECTRICAL WIRE HARNESS MFG. - BY CONTRACTOR.

Applies to concerns principally engaged in performing any of the services discussed below for others on a contract basis.

Includes the manufacture/assembly of printed circuit boards, the placement of components onto printed circuit boards (mounting/stuffing) or the installation of resultant boards into a chassis with the addition of wire leads.

Also contemplated by this class is the assembly of electrical wire harnesses, automotive wire harnesses or connector cable assemblies. Electrical cord assembly is to be assigned to Code 473. The manufacture of wire or cable shall be separately classified as provided for in this Manual.

474 ELECTRIC POWER OR ELECTRIC TRANSMISSION EQUIPMENT MFG.

Contemplates the manufacture of equipment for the generation, storage or transmission of electrical energy or vacuum furnaces.

Includes the manufacture of power transformers (over one horsepower), switchgear or switchboard apparatus, generators or vacuum furnaces.

476 INDUSTRIAL CONTROLS OR SYSTEMS MANUFACTURE/ASSEMBLY.

Applies to the manufacture/assembly of motor controllers, control panels and/or systems used in industrial plants for the distribution of power, control of heating or air conditioning or batch control.

Risks engaged in the manufacture of meters, counters, thermometers or other electronic analytical/measuring instrumentation not otherwise classified shall be assigned to Code 488.

Installation or repair provided at customer locations shall be separately classified as provided for in this Manual.

477 ELECTRIC MOTOR MFG. OR REPAIR.

Applies to firms principally engaged in the manufacture, shop repair or rewinding of electric motors, armatures or field coils.

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) Radio or TV broadcasting or communications equipment
- (3) Search, detection, navigation, guidance, aeronautical or nautical systems

488 ELECTRONIC MEASURING OR ANALYTICAL INSTRUMENT MFG.

Includes the manufacture of electric test equipment, totalizing fluid meters or counters, electronic test or measuring instrumentation.

Also contemplated by this class is the manufacture of medical diagnostic equipment such as CAT scanners or MRIs.

Hazard Groups

<u>Code</u>	<u>Hazard Group</u>	<u>Code</u>	<u>Hazard Group</u>
471	II	477	II
474	II	485	II
476	II	488	II

CHANGES

472 ELECTRONIC COMPONENT MFG., N.O.C.

[Includes but is not limited] Applies to the manufacture of electronic component parts used to receive, store, govern or direct the flow of current within an electrical circuit, such as resistors, capacitors, [diodes, transistors, integrated circuits and printed circuit boards] coils, transformers (less than 746 watts), filters or transducers. [Job shops engaged in subassembly of electronic parts shall also be included in this class.]

Also applies to semiconductor material refining, the manufacture of integrated circuits, quartz crystal culturing or glass to metal seals.

Not applicable to the manufacture of non-electronic parts (e.g., pushbuttons, springs or gaskets). The inclusion of such non-electronic parts in an electronic device is not to be construed as an electronic component as defined by this classification.

473 ELECTRICAL APPARATUS MFG., N.O.C.

[Foundry operations to be separately rated.]

Applies but is not limited to the manufacture or shop repair of electrical housewares, hand-held power tools, electrical fixtures or small electrical appliances.

487 SURGICAL OR OPTICAL INSTRUMENT MFG. [, Professional or Scientific.]

Applies but is not limited to the manufacturing of surgical or dental instruments, optical instruments, optical lens grinding, fiber optics or other precision metal instruments such as drafting equipment, compasses, T-squares, or triangles.

SECTION 5**ADDITIONS**

Automotive Wire Harness Assembly	471
Cable Connector Assembly	471
Electrical Wire Harness Assembly	471
Printed Circuit Board Stuffing By Contractor	471
Stuffing Printed Circuit Boards, Adding Wiring And Chassis By Contractor Per Customer Design.....	471
Coils - Less Than 1 H. P.	472
Transducer Mfg.	472
Transformer Mfg. - Less Than 1 H.P. Used In Electronic Devices	472
Automotive Alternator Or Generator Mfg. Or Repair	473
Blender Mfg. - Household	473
Blinkerlight Mfg.	473
Dimmer Switch Mfg.	473
Electric Blanket Mfg.	473
Electric Fan Mfg.	473
Floor Cleaning/Waxing Machine Mfg.	473
Hair Dryer Mfg. - Hand-Held	473
Heating Pad Mfg.	473
Humidifier Mfg.	473
Mercury Switch Mfg.	473
Switch Mfg. - Household	473
Trains, Electric - Toy Or Model Mfg.	473
Bus-bar Mfg.....	474
Vacuum Furnace, Kiln Or Drying Oven Mfg.	474
Motor Controller Assembly	476
Power Controller Assembly	476
Computer Peripheral Mfg.	483
Facsimile Equipment Mfg.	483
Modem Mfg.	483
Infrared Homing Systems Mfg.	485
Microphone Mfg.	485
Microwave Communication Equipment Mfg.	485
Missile Guidance Equipment Mfg.	485
Multiplexer Mfg.	485
Navigational Instruments Mfg.	485
Receivers - Radio Communication Mfg.	485
Sonar Equipment Mfg.	485
Telemetry Equipment Mfg.	485
Megetron Device Mfg. (Specialty Electron)	486
Binocular Mfg.	487
Dental Drill Or Dental Tools Mfg.	487
Drafting Equipment Mfg.	487
Surveying Equipment Mfg.	487
Altimeter Mfg.	488
Blood & Gas Analyzer Mfg.	488
CAT Scanner Mfg.	488

ADDITIONS (continued)

Defibrillator Mfg.	488
Fetal Monitor Mfg.	488
Heart Scan Systems Mfg.	488
Magnetic Resonance Imaging (MRI) Mfg.	488
Respirator Equipment Mfg.	488
Semiconductor Test Equipment Mfg.	488
Ultrasound Imager Mfg.	488
Vital Signs Monitoring Equipment Mfg.	488
Volt Meter Mfg.	488
Wafer Cleaning Equipment	488
Wafer (Semiconductor) Dicing Machine Mfg.	488
Wet Wafer Processing Equipment	488

CHANGES

Printed Circuit Board Mfg. - <u>By Specialist Contractor</u>	471
Ceramic Capacitor Mfg. - <u>Less Than 1 H. P.</u>	472
Resistor Mfg. - <u>Less Than 1 H. P.</u>	472
Electric Power Equipment Mfg. <u>For Utilities</u>	[473]474
Generator Mfg. Electric.....	[473]474
Switchgear [And] <u>Or</u> Switchboard Apparatus Mfg.....	[473]474
Transformer Mfg. <u>(1 H.P. Or More)</u>	[473]474
Environmental Control [Instrumentation And] Systems Mfg. [And]/Assembly.....	[487]476
Process Control [Instrumentation And] Systems Mfg. [And]/Assembly.....	[487]476
Armature Mfg.	[473]477
Electric Motor <u>Mfg. Or</u> Repair - Shop Only.....	[473]477
Aircraft Radio [And] <u>Or</u> Transmitting Equipment Mfg.....	[473]485
Amplifier Mfg.	[473]485
Antenna Mfg.	[473]485
Depth Sounding Equipment Mfg.	[473]485
Hearing Aid Mfg.	[473]485
Intercommunications Equipment Mfg.	[473]485
Radar Devices Mfg.	[473]485
Radio [And] <u>Or</u> Television Transmitting, Signaling [And] <u>Or</u> Detection Equipment [And] <u>Or</u> Apparatus Mfg.	[473]485
Recording Devices Mfg.	[473]485
Speaker Mfg.	[473]485
[Hi-fi And] Stereo Equipment Mfg.	[473]485
Tape Recorder Mfg.	[473]485
Telephone Or Telegraph Apparatus Mfg.	[473]485
Video Cassette Recorder Mfg.	[473]485
Aircraft Instrument Mfg. (Not Radio Or Radar).....	[487]488
Automatic Temperature Control Mfg.	[487]488
Electric Measuring Instrument [And] <u>Or</u> Test Equipment Mfg.	[487]488
Electrocardiograph Equipment Mfg.	[487]488
Flow Controller Mfg.	[487]488
Flowmeter Mfg.	[487]488
Gas Meter Mfg.	[487]488

CHANGES (continued)

Medical [Instrument] Equipment Mfg., Electronic - Diagnostic or Treatment	[487]488
Pyrometer Mfg.	[487]488
Speedometer Mfg.	[487]488
Steam Pressure Gauge Mfg.	[487]488
Tachometer Mfg.	[487]488
Taximeter Mfg.	[487]488
Thermocouple Mfg.	[487]488
Thermometer Mfg.	[487]488
Thermostat Mfg.	[487]488
Valve Actuator Mfg.	[487]488
Water Meter Mfg.	[487]488

DELETIONS

Electronic Subassembly, N.O.C.	472
Aircraft Flight Simulator Mfg.	473
Gyroscope Mfg.	487
Professional Instrument Mfg.	487
Scientific Instrument Mfg.	487

The following are the approved residual market rates, loss costs and related rating values:

CODE	APPROVED EFF. 6/1/01 RES. MKT. RATES	APPROVED EFF. 6/1/01 LOSS COST	RESIDUAL MARKET MINIMUM PREMIUM.	EXPERIENCE RATING PLAN <u>Expected Loss Factors Table</u>		
				A-1	A-2	A-3
471	\$ 2.16	\$ 1.73	\$ 565	\$ 0.75	\$ 0.88	\$ 0.92
472	2.16	1.73	565	0.75	0.88	0.92
473	3.03	2.43	710	1.05	1.24	1.30
474	3.22	2.57	740	1.12	1.31	1.37
476	3.02	2.42	710	1.05	1.23	1.29
477	3.22	2.57	740	1.12	1.31	1.37
485	2.14	1.71	565	0.74	0.87	0.91
487	1.51	1.21	460	0.52	0.61	0.64
488	1.21	0.96	410	0.42	0.49	0.52

Questions about these revisions can be directed to the Bureau's Classification Department at Extension 460. Manual reprints will be distributed at a later date in the usual manner.

Timothy L. Wisecarver
President

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