



May 7, 2013

DCRB CIRCULAR NO. 884

To All Members of the DCRB:

Re: **DELAWARE BASIC MANUAL REVISIONS**
DCRB FILING NO. 1302
EFFECTIVE DECEMBER 1, 2013

- 1) **Revisions to Codes 968, Sports, Recreational or Amusement Facility, Indoor, and 884, Health or Exercise Club**
- 2) **Revisions to Code 976, Y.M.C.A., Y.W.C.A. and Community Center**
- 3) **Revisions to Codes 808, Parcel Delivery Company, and 811, Trucking, N.O.C.**
- 4) **Revisions to Code 955, Engineering Consulting Firm**

The Delaware Compensation Rating Bureau, Inc. (DCRB) has filed and the Insurance Commissioner has approved Manual revisions to Codes 968, 884, 976, 808, 811 and 955, as referenced above. These revisions become **effective as of 12:01 a.m., December 1, 2013** with respect to new and renewal business only.

The various revisions, as referenced above, are discussed below.

1) REVISIONS TO CODES 968, SPORTS, RECREATIONAL OR AMUSEMENT FACILITY, INDOOR, AND 884, HEALTH OR EXERCISE CLUB

These revisions are based on a class study of Codes 968 and 884, which was undertaken with the objective of determining whether the scopes of those classes are sound and whether the Manual language describing each requires clarification. While the scopes of Codes 968 and 884 were found to be sound, new language is being added to clarify those scopes.

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

SECTION 2

ADDITIONS:

UNDERWRITING GUIDE

To 884:

Tai Chi Instruction

CHANGES:

884 HEALTH OR EXERCISE CLUB – all employees including office

OPERATIONS NOT INCLUDED:

1. No change
2. Assign Code 970 or Code 991 to [organized athletics]professional or semiprofessional sports teams as delineated in this Manual.
3. Assign a day spa not affiliated with a health or exercise club to Code 977. A day spa is a business which provides a variety of services for the purpose of improving health, beauty and relaxation through personal care treatments such as massages and facials.

UNDERWRITING GUIDE

To 884:

Fitness Instructor – By Independent Contractor – No Permanent Facility

DELETIONS:

UNDERWRITING GUIDE

To 884:

Health Spa

2) REVISIONS TO CODE 976, Y.M.C.A., Y.W.C.A. AND COMMUNITY CENTER

These revisions are the result of a study undertaken to determine whether the scope of Code 976 is sound and to explore the feasibility of classifying YMCAs and YWCAs based upon the manner in which such entities are principally engaged rather than on the basis of a YMCA or YWCA affiliation.

The language amendments shown below clarify the scope of Code 976 and emphasize that it does not apply to an employer principally engaged in some other operation (e.g., a health or exercise club, after school program or camp) simply because of a YMCA or YWCA designation. It is anticipated that these amendments will aid in alleviating potential future employer misclassification.

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

SECTION 2

ADDITIONS:

UNDERWRITING GUIDE

To 891:

After School Program

ADDITIONS continued

To 976:

Boys & Girls Club

Youth Athletic League (Including Police Athletic League)

CHANGES:

976 **[Y.M.C.A., Y.W.C.A., and Community Center, including summer camps and day care centers]COMMUNITY CENTER** – all employees including office [except home health care employees].

[Payroll developed by in this Manual.]

Applies to a YMCA, YWCA that follows the “traditional” YMCA, YWCA business model. A traditional YMCA 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, child daycare, camping, employment readiness and training programs, advice services, immigrant services and conference centers

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 (e. g., 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 senior citizens center and an adult daycare. A senior citizens center provides programs and services to a clientele that is typically ages 55 and older. The focus of such centers is to assist senior citizens in living active and engaged lives. Typical programs and services provided by a senior citizens center may include but are not necessarily limited to: arts and crafts, social functions such as dances, seminars and classes on a range of topics such as computer literacy and field trips. An adult daycare provides non-residential custodial care for individuals typically 18 years and older who can not care for themselves due to age and/or illness.

OPERATIONS ALSO INCLUDED:

1. A camp operated by a traditional YMCA, YWCA.
2. Pre-school (child care or early education) or after school program services provided by a traditional YMCA, YWCA.

OPERATIONS NOT INCLUDED:

1. Assign Code 884 to a YMCA, YWCA or Community Center that is principally engaged in the operation of a health or exercise club.
2. Assign Code 891 to a YMCA, YWCA or Community Center that is principally engaged in the operation of an after school program.

CHANGES (continued)

3. Assign Code 978 to a YMCA, YWCA that is principally engaged in the operation of a camp.
4. Assign Code 986 to a YMCA, YWCA that is principally engaged in the operation of a shelter or halfway house.
5. Assign separate staff performing home health care services to Code 942 or Code 943 as provided in this Manual.

DELETIONS:

UNDERWRITING GUIDE

From 976:

Y.M.C.A., Y.M.H.A., Y.W.C.A., Y.W.H.A., Etc.

3) REVISIONS TO CODES 808, PARCEL DELIVERY COMPANY, AND 811, TRUCKING, N.O.C.

The combined class study of Codes 808 and 811 was undertaken to review their scopes and determine their correct application. Code 811 was also studied to consider the possibility of creating a separate classification for employer engaged in the rental or leasing of cranes with operators.

This study resulted in the creation of a new classification, Code 802, Mobile Crane Rental With Operators, for employers engaged in the rental or leasing of cranes with operators pursuant to the finding of compelling differences between the historical experience of employers renting mobile cranes with operators and the remainder of Code 811. Additionally, the criteria for assignment to Codes 808 and 811 will remain intact, but the Manual language is being clarified by the addition of the types of tariff charges denoting an assignment to Code 811, i.e., haulage or transport for which charges are assessed based on distance, mileage or an hourly rate.

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

SECTION 2

ADDITIONS

802 MOBILE CRANE RENTAL WITH OPERATORS

Applicable to specialist contractors engaged in the rental and/or leasing of cranes with operators.

ADDITIONS continued

OPERATIONS NOT INCLUDED:

1. Assign Code 675 to the installation and/or service/repair of overhead cranes in an industrial setting.
2. Assign Code 657 to rigging contractors.
3. Assign Code 814 to the rental or leasing of mobile cranes without operators.

UNDERWRITING GUIDE

Crane Rental (Mobile) - With Operators By Specialist Contractor

Mobile Crane Leasing Or Rental – With Operators By Specialist Contractor

CHANGES

808 **PARCEL DELIVERY** Company – No handling of bulk merchandise or freight – all employees except office.

Appli[es]cable to [risks]businesses principally engaged in the delivery of envelopes, parcels or packages limited to 150 pounds or less. Envelopes, parcels or packages refers to those items where the delivery tariff or charge is allocable to the individual envelope, parcel or package. Also includes messenger or courier services engaged in deliveries on foot, by bicycle or motor vehicle.

[Assign Code 811 when the haulage or transport charge is based on truckload or partial truckload, the cumulative weight of the packages and/or parcels being transported or a flat contract price for the consignment.

The transport of mail under contract to the United States Postal Service is to be assigned to Code 812.]

OPERATIONS NOT INCLUDED:

1. Assign Code 811 to the hauling or transporting of materials or merchandise when the haulage or transport charge is based on truckload or partial truckload, the cumulative weight of the materials/merchandise being transported, the distance or mileage that the materials/ merchandise is being transported, an hourly rate, or a flat contract price for the consignment.
2. Assign Code 811 to the transporting or delivery and setting into place at customers' locations of furniture and/or major household appliances under contract for a manufacturer or store.
3. Assign Code 802 to specialist contractors engaged in the rental and/or leasing of cranes with operators.
4. Assign Code 805 to the hauling of unprocessed or processed milk, water or other liquid food products by tank truck.
5. Assign Code 812 to the hauling or delivery of mail involving letters, parcels, packages, sacks, pallets or rolling containers under contract to the United States Postal Service.

CHANGES (continued)

811 TRUCKING, N.O.C.

[Includes dispatchers and/or clerks on loading platforms, drivers, chauffeurs and their helpers and employees repairing vehicles.]

Applicable to hauling contractors principally engaged in hauling or [delivering] transporting materials or merchandise for unrelated concerns [or transporting or delivering and setting into place furniture and/or major household appliances at customers' locations under contract with a manufacturer or store] when the haulage or transport charge is based on truckload or partial truckload, the cumulative weight of the materials/merchandise being transported, the distance or mileage that the materials/merchandise is being transported, an hourly rate, or a flat contract price for the consignment.

[Also includes the rental of cranes with operator by a specialist contractor.]

OPERATIONS ALSO INCLUDED:

1. Dispatchers and/or clerks on loading platforms, drivers, chauffeurs and their helpers and employees repairing vehicles.
2. The transporting or delivery and setting into place at customers' locations of furniture and/or major household appliances under contract for a manufacturer or store.

OPERATIONS NOT INCLUDED:

1. Assign Code 802 to specialist contractors engaged in the rental and/or leasing of cranes with operators.
2. Assign Code 805 to the hauling of unprocessed or processed milk, water or other liquid food products by tank truck.
3. Assign Code 808 to the delivery of envelopes, parcels or packages limited to 150 pounds or less where the delivery tariff or charge is allocable to the individual envelope, parcel or package.
4. Assign Code 812 to the hauling or delivery of mail involving letters, parcels, packages, sacks, pallets or rolling containers under contract to the United States Postal Service.
5. Assign Code 995 to rubbish or garbage collection or debris box rental/service and dumpster rental/service.

UNDERWRITING GUIDE

To 802 (from 811):

Crane Rental - With Operators By Specialist Contractor

Mobile Crane Leasing Or Rental – With Operators By Specialist Contractor

4) REVISIONS TO CODE 955, ENGINEERING CONSULTING FIRM

The study of Code 955 was undertaken to review files and to identify and reclassify misclassified employers, examine the feasibility of discontinuing the payroll division between Code 955 and the standard exception classes, Codes 951, Salesperson – Outside, and 953, Clerical Office Employees, and to determine the classification applicable to interior design businesses.

The outcome of the study includes the following changes:

- Payroll division between Code 955 and the standard exception classification is being discontinued and Code 955 is being revised to be an “all-inclusive” class, retitled “Engineering Consulting Firm – All Employees Including Office.”
- Obtaining of soil and/or rock samples by any means, when such is incidental to the employer’s Code 955 operations, is being included in the scope of Code 955.
- Payroll division between Codes 955 and 607, Drilling, N.O.C., will be permitted for interchanging personnel of a Code 955 business that also performs drilling work that is conducted independently from its Code 955 operations.
- A new classification is being created, Code 905, Architectural Firm, Supervising or Consulting, All Employees Including Office, for employers operating principally as architectural or interior design firms.

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

SECTION 2

ADDITION:

905 ARCHITECTURAL CONSULTING FIRM – all employees including office.

A business that employs one or more state licensed architect(s) and is principally engaged in the professional practice of architecture (i.e., designing buildings and/or their interiors and/or landscaping).

OPERATIONS ALSO INCLUDED:

1. Interior design firms. Such businesses engage in the practice of planning and supervising the design and execution of building interiors and their furnishings.

OPERATIONS NOT INCLUDED:

1. Architects or interior designers employed by concerns whose field-of-business is actual construction, manufacturing, mining or installation operations shall be assigned in accordance with the class or classes appropriate to the business of the employer, unless the operations subject to Code 905 fulfill the multiple enterprise conditions described in Section 1, Rule IV, C. 3. a.

Hazard Group D assigned.

ADDITIONS continued

UNDERWRITING GUIDE

Interior Design Firm, Supervising Or Consulting

CHANGES:

UNDERWRITING GUIDE

To 607:

Boring Or Test Boring For Soil Samples – By Specialist Contractor

To 905 (from 955):

Architectural Firm, Supervising Or Consulting
Landscape Architectural Firm, No Construction Work

955 ENGINEERING CONSULTING FIRM, mechanical, civil, electrical or mining engineering consulting firms[, or architectural firms] – all employees including office.

OPERATIONS ALSO INCLUDED:

1. Obtaining subsurface soil and/or rock samples by drilling or alternate technologies when such is integral to the employer's Code 955 operations/services.

OPERATIONS NOT INCLUDED:

1. Assign Code 951..... consulting services.
2. Engineers [or architects] employed by concerns whose field-of-business is actual construction, manufacturing, mining or installation operations shall be assigned in accordance with the class or classes appropriate to the business of the employer, unless the operations subject to Code 955 fulfill the multiple enterprise conditions described in Section 1, Rule IV, C. 3. a.
- [3. Clerical or drafting employees of consulting architects or engineers are properly assigned to Code 953 provided they meet the conditions described in Section 1, Rule IV, B. 2. a. and b.]
3. Assign Code 905 to businesses principally engaged in architectural and/or interior design consulting.
4. [Assign]Separately rate to Code 607 [to separate staff performing test boring for soil samples]drilling that is independent of (not integral to) the employer's operations/ services assignable to Code 955. Examples of such work include but are not limited to drilling in preparation for caisson construction and the drilling of water wells.

UNDERWRITING GUIDE

To 955 (from 607):

Geophysical Exploration

These Manual revisions will be updated on our website (www.dcrb.com) at a later date.

Timothy L. Wisecarver
President

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Remember to visit our web site at www.dcrb.com for more information about this and other topics