

Pennsylvania Compensation Rating Bureau

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This copy has been corrected as per Bureau Circular No. 1401.

August 12, 1999

BUREAU CIRCULAR NO. 1400

To All Members of the Bureau:

Re: MANUAL REVISIONS - SECTIONS 1, 2 AND 5 EFFECTIVE DECEMBER 1, 1999

1) Code 975, Restaurant
2) Code 965, Colleges and Schools
3) Code 968, Amusement, Indoor
4) Codes 413, Iron Works - Shop - Ornamental, 415, Fabricated Plate Work,
and 461, Machine Shop
5) Employment Contractor - Temporary Staffing to Business Class
Cross-Reference Chart
6) Section 1, Rule II B. Coverage Requirement

The Bureau has filed and the Insurance Commissioner has approved Manual revisions to Sections 1, 2 and 5 pertaining to changes in classification procedure in Pennsylvania, as well as language addressing the status of Limited Liability Companies (LLC). These revisions become effective as of 12:01 a.m., December 1, 1999 with respect to new and renewal business only.

The revisions, as referenced above, are discussed below.

1) Code 975, Restaurant

The Manual revisions are a result of a study of Code 975, Restaurant, undertaken pursuant to the Bureau's underwriting analysis that had found Code 975 to be overly broad. The study found and recommended that Code 975 be redefined and four new classes be established for specified segments of the food service industry. The revisions include the following:

- Code 896, Clubs, Not Otherwise Classified (N.O.C.), is created for all social, business and fraternal organizations.
- Code 897, Fast-Food Restaurants, is created for all fast-food restaurant businesses. Also
 included within the scope of Code 897 are cafeteria-style restaurants, buffet-style restaurants and sandwich or food preparation by vending machine operators.

- Code 898, Caterer, is created for all catering businesses (e.g., social, industrial, concession or mobile).
- Code 899, Bar, Tavern, Cocktail Lounge, Nightclub and Discotheque, is created for all retail establishments principally engaged in the sale of alcoholic beverages by the drink.
- Code 975 is redefined to include traditional style restaurants (wait staff), dinner theaters and other food service operations not otherwise classified.

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

SECTION 2

896 CLUB, N.O.C. - All employees except office.

<u>Please see the Rulings and Interpretations, Section 5 for further information on the scope of this class.</u>

Hazard Group II

897 FAST-FOOD RESTAURANT - All employees except office.

<u>Please see the Rulings and Interpretations, Section 5 for further information on the</u> scope of this class.

Hazard Group II

898 CATERER - All employees except office.

<u>Please see the Rulings and Interpretations, Section 5 for further information on the scope of this class.</u>

Hazard Group II

899 BAR, Tavern, Cocktail Lounge, NIGHTCLUB or Discotheque - All employees except office.

<u>Please see the Rulings and Interpretations, Section 5 for further information on the</u> scope of this class.

Hazard Group II

969 AMUSEMENT, OUTDOOR: fairs..... office employees.

Payroll developed in the operation of a restaurant [or the sale of gifts/souvenirs] when conducted in a physically separate department and by a separate crew of employees [having no regular duty of any other nature in the service of the employer] shall be [separately rated by Code 975 and Code 928 respectively. Employees engaged in the sale of food or drink or gifts/souvenirs from vending carts or by carrying the merchandise

on their person shall remain assigned to Code 969] <u>assigned to the applicable restaurant classification</u>. Please see the Rulings and Interpretations, Section 5 of the Manual for further information.

Code 928 shall be assigned to payroll developed in the sale of gifts/souvenirs when conducted in a physically separate department and by a separate crew of employees.

Employees engaged in the sale of food or drink or gifts/souvenirs from vending carts or by carrying the merchandise on their person shall remain assigned to Code 969.

975 RESTAURANT, N.O.C. - All employees[,] except office.

<u>Please see the Rulings and Interpretations, Section 5 for further information on the</u> scope of this class.

[Clubs - country, golf or yachting to be separately classified by] Assign country or yacht clubs or golf courses to Code 944.

SECTION 5

Rulings and Interpretations

CLUB, N.O.C. - 896

Clubs are organized civic, social or fraternal associations (e.g., The Elks, VFW posts, fraternities or sororities) who provide special services for members and members' guests only. The services and/or amenities provided by a club may vary depending upon the extent of each club's facilities and membership. The amenities provided may vary considerably from one club to another and may include but are not limited to: dining rooms, bars, lounges, reading/card rooms, bowling lanes or swimming pools. The club's focus and purpose may be based on a charter. Each club is responsible for electing officers to oversee and enforce the club charter. The charter may include but is not limited to: rules and regulations for admitting members, maintaining membership and collecting dues. Periodic meetings are held at the club location to discuss upcoming events, fund raisers and/or club business.

FAST-FOOD RESTAURANT - 897

A fast-food restaurant is a retail establishment 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 establishment's premises or on a takeout 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-thru service or by telephone and are rapidly filled. Fast-food restaurants generally sell nonalcoholic beverages, but certain fast-food restaurants may also have incidental beer sales. Included within (but not necessarily limited to) this definition are retail establishments principally engaged in the preparation and sale of: hamburgers, tacos, pizza or chicken.

Also contemplated are establishments principally engaged as either buffet or cafeteriastyle restaurants. Customers may serve themselves or staff may serve food to customers in the buffet line. Staff may clear tables after customers have completed their meal. There is no wait service.

The term "principally engaged" means more than 50 percent of the establishment's gross receipts.

CATERER - 898

There are four types of catering businesses that provide food service: social, industrial or institutional, concession or mobile.

Social caterers are hired for a single event such as a wedding, party or business affair. The social caterer provides the client with a menu of food items, types of beverages, colors of linens, other available amenities and, if applicable, a listing of the types of entertainment. The client is then responsible for choosing food, beverages, color schemes and/or entertainment. Once all of the services to be provided have been determined, the social caterer may produce a contract based on the predetermined services. Alcoholic beverages may be provided at the event, but the sale of alcoholic beverages is not the principle source of revenue. This type of catering may be performed either on the caterer's premises or at the customer's premises.

Institutional or industrial caterers operate under contract to provide in-house food service for businesses, hospitals, nursing homes, schools or similar customers. These catering operations generally plan menus and perform the preparation and sale of food in a cafeteria-style environment.

Concession caterers are usually located at but are not limited to sports stadiums, amusement parks, theaters or museums. The concession caterer operates under contract with the client facility to provide prepared food and beverages to the client's patrons. Occasionally, the concession caterer may also use "walking vendors" throughout the venue.

Mobile caterers provide food and beverages from a truck with cooking equipment, parked on the sidewalk at locations such as a construction site, factory, or university with large commuting student body or travel a predetermined daily route.

OPERATIONS ALSO COVERED:

Also included within the scope of this class are caterers providing food service to unrelated airlines or railroads.

<u>"Meals on Wheels" operations (organizations who provide a service to deliver hot meals to</u> those who cannot prepare the food themselves) are further assigned to Code 898.

BAR, Tavern, Cocktail Lounge, NIGHTCLUB Or Discotheque - 899

A bar, tavern, cocktail lounge, nightclub or discotheque is a retail establishment principally engaged in the sale of alcoholic beverages by the drink that is open to the general public.

These establishments may offer some type of entertainment, such as a dance floor, disc jockey, live music or one or more televisions showing sporting events. Such businesses may or may not also prepare food and sell the prepared food to customers for immediate consumption. Where food is not prepared, the establishment may sell packaged snacks. In either scenario food preparation and service is not a majority of the employer's operations.

The term "principally engaged" means more than 50 percent of the establishment's gross receipts.

RESTAURANT, N.O.C. - 975

Code 975 contemplates retail establishments principally engaged in preparing food(s) and selling the prepared food(s) and beverages (alcoholic or nonalcoholic) to the public for immediate consumption on the establishment's premises. Alcoholic beverage sales cannot exceed 50 percent of total revenue. This is a "traditional" restaurant where customers may either select their table or be seated by a hostess or another of the establishment's employees, look over a varied menu while seated at their table and place their food order with a member of the wait staff who will then place the order with the kitchen staff. The prepared food will be served to the customer by the wait staff person who remains available to further assist the customer during the course of the meal. Where wait service is provided, it is the practice for customers to give a gratuity to the wait staff person based upon the quality of service provided.

<u>The term "principally engaged" means more than 50 percent of the establishment's gross receipts.</u>

SKI RESORTS

Employees engaged in...... to Code 953.

TRUCK STOPS

A truck stop	delineated below:
1. Code 816	motor oil sales.
2. Code 815 au	tomobiles or truck.

- [3. Code 975, Restaurant, is for payroll developed by the restaurant staff; personnel performing one or more tasks such as preparing or serving food or beverages, washing dishes, or receiving payment for meals or beverages.]
- [4]3.Code 973, Motel or Hotel, is assignable to payroll of chambermaids or related personnel engaged in the upkeep of motel rooms.
- [5]4.Code 928, Retail Shop, N.O.C., is assignable to gift shop and/or retail store personnel. The merchandise sold may include but is not necessarily limited to men's or women's clothing, CB radios, gifts, greeting cards, toilet articles, health or beauty aids, books, newspapers, or magazines.

Underwriting Guide

<u>Club</u> , N.O.C.	896
Club, Business Or Social	[975]896
Fraternal Organization (e.g., VFW Post, The Elks)	896
Fraternity/Sorority [House] House	
Sorority/Fraternity House	896
Cafeteria - Operated By Specialist Contractor	[975]897
Coffee Shop	897
Fast-Food Restaurant	897
Pizza Shop - Retail[, Pizza And Other Prepared Cold Or Hot Food Sales]	
Sandwich Or Other Food Preparation By Vending Machine Operators	897
Snack Bar - Operated By Specialist Contractor	897
Sandwich Shop	897
Caterer - All Types	[975] <u>898</u>
Industrial Caterer	898
Institutional Caterer	898
Food And Beverage Concession - By Specialist Contractor	898
Meals On Wheels	898
Mobile Catering.	898
Social Caterer	898
Bar	. [975] <u>899</u>
Cocktail Lounge	899
<u>Discotheque</u>	899
Nightclub	899
Tavern	
[Lodge	975]
Restaurant, N.O.C.	975

The following are the indicated and approved loss costs:

	APPROVED		Expected Loss Factors		
CODE	INDICATED LOSS COST	EFF. 12/1/99 LOSS COST	A-1	A-2	A-3
896	2.51	2.53	1.32	1.69	1.93
897	2.46	2.48	1.30	1.66	1.89
898	3.85	3.29	1.73	2.20	2.51
899	2.07	2.10	1.10	1.41	1.61
975	2.48	2.50	1.31	1.67	1.91

2) Code 965, Colleges and Schools

The Manual revisions are a result of a Bureau study undertaken pursuant to a Delaware Classification and Rating Committee direction that the Delaware Compensation Rating Bureau, Inc. (DCRB) determine the feasibility of establishing an alternate classification assignment for vocational or trade schools. Since the subsequent underwriting analysis led to the conclusion that the scope of Code 965 was overly broad, the PCRB also reviewed these findings. To accomplish the report recommendation that the scope of Code 965 be focused upon academic, trade or vocational institutions of learning, the following are revised:

- 1. Child daycare centers, nursery schools, Head Start Programs or kindergartens are reassigned from Code 965 to a new, separate Code 891, Pre-School (Child Care or Early Education) Services.
- 2. Early intervention for infants and toddlers (no residential affiliation) are reassigned from Code 965 to a new and separate Code 892, Early Intervention for Infants or Toddlers (No Residential Affiliation).
- 3. Intermediate unit (special education) are reassigned from Code 965 to a new and separate Code 893, Intermediate Union (Special Education).
- 4. Educational facilities for delinquent and disturbed children are reassigned from Code 965 to a new and separate Code 894, School for Disturbed (Or Delinquent) Children.

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

SECTION 2

891 Pre-School (CHILD CARE OR EARLY EDUCATION) Services - all employees including office.

Includes but is not necessarily limited to nursery schools, Head Start, kindergarten or child day care services. Providers of early intervention services for infants or toddlers shall be assigned to Code 892.

Please see the Rulings and Interpretations, Section 5 for further information on the scope of this class.

Hazard Group II.

892 EARLY INTERVENTION For Infants Or Toddlers (No Residential Affiliation) - all employees including office.

<u>Please see the Rulings and Interpretations, Section 5 for further information on the scope of this class.</u>

Hazard Group II.

893 INTERMEDIATE UNIT (Special Education) - all employees including office.

Please see the Rulings and Interpretations, Section 5 for further information on the scope of this class.

Hazard Group II.

894 SCHOOL FOR DISTURBED (Or Delinquent) CHILDREN - all employees including office.

Please see the Rulings and Interpretations, Section 5 for further information on the scope of this class.

Hazard Group II.

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

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

965 COLLEGE[S AND]<u>Or SCHOOL[S], N.O.C.</u> - all employees[,] including office, except Workfare Program Employees.

Workfare Program Employees shall be [separately classified]assigned to Code 982.

SECTION 5

Rulings and Interpretations

PRE-SCHOOL (CHILD CARE OR EARLY EDUCATION) SERVICES - ALL EMPLOYEES INCLUDING OFFICE - 891

<u>Includes but is not necessarily limited to nursery schools, Head Start, kindergarten or child</u> daycare services.

Child daycare services provide for care and custody of children for various periods of time during the day (no residential facilities), typically from 6:30 a.m. to 6:00 p.m., Monday through Friday.

Also applicable to employers principally engaged in operating nursery schools or kindergartens. Nursery schools are generally directed towards children ages 3 or 4 years, can be academically oriented and are designed to provide children with basic educational and social skills prior to the time they begin elementary school.

Kindergartens are pre-elementary school classes and are typically provided to children 5 years old. Sessions are usually held for one-half the school day (e.g., children may be enrolled in "morning" or "afternoon" classes) and will include a very basic academic curriculum.

<u>Further contemplated by this classification are Head Start Program operators. Head Start is a federally funded child development program that provides early education, health,</u>

nutritional and psychological services to 3 to 4 year old children of low-income families. Some Head Start programs will also provide for social services to low-income families and for child daycare. This program endeavors to enhance economically disadvantaged children's educational status and social skills to a level sufficient for them to enter elementary school.

OPERATIONS NOT COVERED:

- 1. A child daycare center operated by an employer principally for the use of its own employees is not subject to Code 891 and shall be included in that employer's applicable field of business classification.
- 2. Providers of early intervention services for infants or toddlers shall be assigned to Code 892.

<u>EARLY INTERVENTION FOR INFANTS AND TODDLERS (NO RESIDENTIAL AFFILIATION) -</u> ALL EMPLOYEES INCLUDING OFFICE - 892

Applicable to employers principally engaged in providing early intervention services to children, generally from birth to the age of 6, who are determined to have or to be at risk of developing a handicapping or other condition that may affect their development. Services are provided by speech or physical therapists in conjunction with special education teachers and are designed to maximize the pre-school handicapped child's attainment of age-appropriate skills in the areas of cognition, communication, socialization, self-help and/or motor development. Early intervention services may be provided in the child's home, at a provider-operated center, in an unrelated group daycare home or a combination thereof.

INTERMEDIATE UNIT (SPECIAL EDUCATION) - ALL EMPLOYEES INCLUDING OFFICE - 893

Intermediate units provide educational programs to mentally challenged, blind or emotionally disturbed children. These programs are generally provided to children the age of Grades 1 to 12 and include the standard grade and high school curriculums (presented in a manner commensurate with the child's special needs). Intermediate unit services may be provided in classrooms of unrelated schools or in mobile units positioned adjacent to such schools. Teachers working with intermediate units will have at minimum degrees in education and be state certified. Most will also have added courses in special education, and some will have training in teaching the blind.

<u>SCHOOL FOR DISTURBED (OR DELINQUENT) CHILDREN - ALL EMPLOYEES INCLUDING</u> OFFICE - 894

Applicable to employers who operate educational facilities for court adjudicated youths. Attendance in these facilities may in some cases be mandatory in lieu of prison sentences. The academic curriculum provided by these facilities is similar to that provided in public, private and parochial schools districts but is provided in a guarded environment with strict disciplinary rules. The curriculum will also include extensive counseling. Classroom activities are geared toward helping older students pass their high school equivalency test or obtain a high school diploma.

This classification also contemplates employers who operate educational facilities for disturbed children. These include dependent, neglected or abused children or children who have demonstrated social and/or emotional disturbances, have neurological impairments or who have been diagnosed as developmentally delayed and cannot cope in a standard school setting.

Underwriting Guide

[Day Care] Daycare Center For Children	Child [Day Care] <u>Daycare</u> Center	[965] <u>891</u>
Kindergarten, Not Operated In Conjunction With Grade School.89[Nursery, Day] Day Nursery - Children.[965]89Pre-School - Early Education Services - By Independent Contractor.89Early Intervention For Infants and Toddlers (No Residential Affiliation).[965]89Intermediate Unit (Special Education).89School For Disturbed Or Delinquent Children.89School For Court-Adjudicated Youths.89School For Developmentally-Delayed Children.89College[s and]Or School[s], N.O.C.96School District - Public, Private Or Parochial.96Tutoring Service By Independent Provider.96Union Trade School.96	[Day Care]Daycare Center For Children	[965] <u>891</u>
[Nursery, Day] Day Nursery - Children [965]89 Pre-School - Early Education Services - By Independent Contractor 89 Early Intervention For Infants and Toddlers (No Residential Affiliation) [965]89 Intermediate Unit (Special Education) 89 School For Disturbed Or Delinquent Children 89 School For Court-Adjudicated Youths 89 School For Developmentally-Delayed Children 89 College[s and]Or School[s], N.O.C. 96 School District - Public, Private Or Parochial 96 Tutoring Service By Independent Provider 96 Union Trade School 96	Head Start Program	891
Pre-School - Early Education Services - By Independent Contractor. 89 Early Intervention For Infants and Toddlers (No Residential Affiliation). [965]892 Intermediate Unit (Special Education). 89 School For Disturbed Or Delinquent Children. 89 School For Court-Adjudicated Youths. 89 School For Developmentally-Delayed Children. 89 College[s and]Or School[s], N.O.C. 96 School District - Public, Private Or Parochial. 96 Tutoring Service By Independent Provider. 96 Union Trade School. 96	Kindergarten, Not Operated In Conjunction With Grade School	891
Early Intervention For Infants and Toddlers (No Residential Affiliation)	[Nursery, Day]Day Nursery - Children	[965] <u>891</u>
Intermediate Unit (Special Education) 89 School For Disturbed Or Delinquent Children 89 School For Court-Adjudicated Youths 89 School For Developmentally-Delayed Children 89 College[s and]Or School[s], N.O.C. 96 School District - Public, Private Or Parochial 96 Tutoring Service By Independent Provider 96 Union Trade School 96	Pre-School - Early Education Services - By Independent Contractor	891
School For Disturbed Or Delinquent Children89-School For Court-Adjudicated Youths89-School For Developmentally-Delayed Children89-College[s and]Or School[s], N.O.C.96-School District - Public, Private Or Parochial96-Tutoring Service By Independent Provider96-Union Trade School96-	Early Intervention For Infants and Toddlers (No Residential Affiliation)	[965] <u>892</u>
School For Court-Adjudicated Youths	Intermediate Unit (Special Education)	893
School For Court-Adjudicated Youths	School For Disturbed Or Delinquent Children	894
College[s and]Or School[s], N.O.C. 96 School District - Public, Private Or Parochial. 96 Tutoring Service By Independent Provider. 96 Union Trade School. 96		
College[s and]Or School[s], N.O.C. 96 School District - Public, Private Or Parochial. 96 Tutoring Service By Independent Provider. 96 Union Trade School. 96	School For Developmentally-Delayed Children	894
Tutoring Service By Independent Provider		
Union Trade School96	School District - Public, Private Or Parochial	965
Union Trade School96	Tutoring Service By Independent Provider	965

The following are the indicated and approved loss costs:

	APPROVED INDICATED EFF. 12/1/99				
CODE	LOSS COST	LOSS COST	A-1	A-2	A-3
891	1.40	0.69	0.36	0.46	0.53
892	0.72	0.69	0.36	0.46	0.53
893	0.61	0.61	0.32	0.41	0.47
894	1.62	0.69	0.36	0.46	0.53
965	0.47	0.47	0.25	0.32	0.36

3) Code 968, Amusement, Indoor

In the course of the Code 965, Colleges and Schools, class study Bureau staff noted an overlapping between that classification and Code 968 in the assignment of gymnastics schools and sports training facilities, some employers being assigned to each classification. The study of Code 968 was, therefore, undertaken to address this overlapping and to develop a uniform classification procedure for these types of employers. Staff also reviewed the assignment of health clubs in an effort to alleviate audit disputes that occasionally arise regarding managers and front desk personnel. Based on statistical analyses and the study report recommendations the following procedures are being implemented:

- 1. Gymnastics schools or sports training facilities **misclassified** to Code 965 are reassigned to Code 968.
- 2. Health club operators remain assigned to Code 968.

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

SECTION 5

Underwriting Guide

Gymnasium	968
Gymnastics Training	968
Fitness Club	
Sports (e.g., Basketball, Ice Hockey Or Boxing) Training Facility - Not	
Organized Athletic Team	968
Racquetball Club	968
Skating Rink - Ice Or Roller - Indoor	1968

4) Codes 413, Iron Works - Shop - Ornamental, 415, Fabricated Plate Work, and 461, Machine Shop

The Manual revisions are the result of a class study undertaken pursuant to the Bureau's underwriting analysis that each of the three referenced classes was overly broad. The feasibility of separating the machinery manufacturing operations now assigned to these codes into one or more new, separate classifications and concurrently focusing Codes 413, 415 and 461 to iron shops, plate fabrication job shops and machine job shops, respectively, was reviewed and resulted in revisions to classification procedure as shown below:

- 1. Machinery manufacturing operations are separated from Code 413 and reassigned to the new Code 465, Conveyor or Hoisting Systems Mfg. Or Reconditioning.
- 2. Code 413 is redefined to contemplate iron works job shops.

The class study found that the current scopes of Codes 415 and 461 were sound and no redefinition was necessary.

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

SECTION 2

413 IRON WORKS - Shop - Ornamental, non-structural iron or steel fabricating.
Installation or erection is to be separately rated as [Class]Code 658[, except elevator, escalator and conveyor erection, which is to be rated as Class 675].

- 415 FABRICATED PLATE WORK metal, including <u>but not necessarily limited to</u> boiler or tank mfg. shop only.
 - Plate shall be #3 U. S. Standard Gauge (1/4" thick) or thicker.
- 465 CONVEYOR or Hoisting Systems MFG. or Reconditioning.

<u>Elevator</u>, escalator, conveyor or hoisting system erection, installation or repair is to be separately rated as Code 675.

Hazard Group III.

675 MACHINERY or EQUIPMENT ERECTION or REPAIR.

Applies to the erection or repair of factory machinery[, and] or to the installation, erection or repair of elevators, escalators [and], conveyors or hoisting systems.

SECTION 5

Underwriting Guide

[Acoustical Suspension System Mfg., Metal	413]
Aircraft Landing Mat Mfg.	413]
Architectural [And Miscellaneous Metal]Or Ornamental Iron Work Mfg	413
[Channel Mfg., Furring	
Expanded Mesh Mfg	413]
Fence [And]Or Fence Post Mfg., Ornamental Iron [And]Or Steel	413
Grating Mfg., Open Steel Flooring	413
Ornamental [And]Or Architectural Metal Work Mfg	413
[Ornamental Iron And Steel Products Mfg	413]
Partition Mfg., [Metal]Ornamental Iron	413
Stair[C]case [Mfg., Metal] Or Stair Railing Mfg., Metal	413
Dumpster Or Refuse Container Mfg From Metal Plate	
Refuse Container Or Dumpster Mfg From Metal Plate	
Tank Mfg [Metal Shop Only] Pressurized Or Non-Pressurized, Including [Tank	
Mfg.] For Tank Trucks, From Metal Plate	. 415
Aircraft Engine [And]Or Engine Part Mfg. [And]Or Repair, Shop Only	461
Automotive Machine Shops - No Work On Cars - e.g., Cylinder Reboring, Valve	
Grinding Or Turning Down Brake Drums	461
Gear Mfg. Or Grinding	461
Hydraulic Device Mfg Jacks, Auto Lifts	461
Measuring [And]Or Dispensing Pump Mfg	461
Piston, Piston Pin [Mfg.]Or Piston Ring Mfg	461
Splined Shaft Mfg	461
Convey[e]or Mfg Or Reconditioning	
Elevator Or Elevator Door Mfg [41	3 <u>]465</u>
Escalator Mfg	3 <u>]465</u>
Hoisting Systems Mfg	465
Overhead Crane Mfg [41	3 <u>]465</u>

Page 13

The following are the indicated and approved loss costs:

	APPROVED		Expected Loss Factors		
CODE	INDICATED LOSS COST	EFF. 12/1/99 LOSS COST	A-1	A-2	A-3
413	5.29	4.69	2.37	3.01	3.44
465	3.08	3.66	1.85	2.35	2.68

5) Employment Contractor - Temporary Staffing to Business Class Cross-Reference Chart

The Employment Contractor - Temporary Staffing Rulings and Interpretations cross-reference chart, which shows equivalent client business classifications for various temporary staffing classifications, must be concurrently amended whenever the Bureau proposes revisions to the Pennsylvania uniform classification system. Thus, the chart has been revised to bring it into alignment with the revisions to the Manual previously approved effective April 1, 1999 and later and the additional revisions noted herein approved effective December 1, 1999 and later.

The Manual revisions are shown below:

SECTION 5

Rulings and Interpretations

EMPLOYMENT CONTRACTOR - TEMPORARY STAFFING

Employers engaged inother business classification (s).

Code 544 chart additions: 309, 335, 465

Code 682 chart unchanged Code 929 chart unchanged Code 937 chart unchanged Code 946 chart unchanged

Code 947 chart additions: 891, 892, 893, 894, 896, 897, 898, 899

Code 949 chart unchanged

1. through 11. remain unchanged.

6) Section 1, Rule II B. Coverage Requirement

This rule is amended to include language that addresses treatment of Limited Liability Companies (LLC), treating them as partnerships for workers' compensation purposes.

Manual revisions are shown below with the new wording underlined:

SECTION 1

RULE II - EXPLANATION OF COVERAGES AND METHODS OF INSURING

- B. COVERAGE REQUIREMENTS
 - **1.** Compulsory as to all employments Exceptions:
 - **a.** Individual proprietors.
 - **b.** Partners of a partnership (including members of a Limited Liability Company).

Loss costs and expected loss factors consistent with these revisions are attached as Exhibit 1.

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

Timothy L. Wisecarver President

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