

September 2, 2014

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance
Basic Manual Classification

The North Carolina Rate Bureau has adopted and the North Carolina Commissioner of Insurance has approved revisions to Classifications in the Basic Manual for Trucking, Storage Warehouse and Warehousing. The changes will clarify in NCCI's **Basic Manual for Workers Compensation and Employers Liability Insurance** how switcher operations are to be classified in North Carolina. The date of approval by the Commissioner is August 28, 2014. The effective date of this change is August 28, 2014, and is applicable to all new and renewal, voluntary and assigned risk business written on or after this date. Copies of the revised Classifications have been included with this circular.

If you have questions, contact the NCRB Information Center at 919-582-1056 or via email at wcinfo@ncrb.org.

Sincerely,

Sue Taylor

Chief Operating Officer

ST:dms

Attachment

C-14-9

Basic Manual – 2001 Edition

Part Two - Classifications

North Carolina Special Classification

TRUCKING

Truckers engaged in hauling under contract, whether for one or more individuals or concerns, shall under no circumstances be classified and rated except in accordance with appropriate "Trucking" classification.

Exception: When trucking operations are a secondary business and conducted as a separate undertaking or enterprise, the payroll of an individual employee may be divided and allocated to other than a "Trucking" classification. Refer to Rule 1-E.

Each classification includes miscellaneous employees such as terminal employees, garage employees and repairers.

Switcher operations in connection with a trucking operation are to be considered miscellaneous employees and assigned to the appropriate trucking classification. Employers that provide switcher operations to others thus not properly assigned to a trucking operation and not in support of their own business, are to be assigned to Code 8292.

7228 Hauling Explosives or Ammunition – Local Hauling Only – All Employees & Drivers

7229 Hauling Explosives or Ammunition – Long Distance Hauling – All Employees & Drivers

7228 Local Hauling Only – All Employees and Drivers

The term "local hauling" as used in this classification means hauling within a radius of two hundred (200) miles from the point of principal garaging. The term "principal garaging" as used above means base terminal. When a base terminal is not utilized, principal garaging means a permanent maintenance garage where vehicles are serviced or stored on a regular basis. When a permanent maintenance garage is not utilized, principal garaging means the residence of the employee. Storage warehouse employees to be separately rated.

7229 Long Distance Hauling – All Employees and Drivers

The term "long distance hauling" as used in this classification means hauling outside a radius of two hundred (200) miles from the point of principal garaging. The term "principal garaging" as used above means base terminal. When a base terminal is not utilized, principal garaging means a permanent maintenance garage where vehicles are serviced or stored on a regular basis. When a permanent maintenance garage is not

utilized, principal garaging means the residence of the employee. Storage warehouse employees to be separately rated.

7232 Mail, Parcel or Package Delivery – Under Contract to the U.S. Postal Service – All Employees & Drivers.

Applies to risks engaged under contract to the U.S. Postal Service for delivery of mail involving letters, parcels, packages, sacks, pallets, and rolling containers. Includes both U.S. Postal Service contract mail delivery performed on a bulk basis as well as on an individual letter, parcel, or package basis.

7222 Oil Field Equipment – All Employees & Drivers

7230 Parcel or Package Delivery – All Employees & Drivers

Applies to risk engaged exclusively in delivery from retail stores under term contracts.

Basic Manual – 2001 Edition

Part Two - Classifications

North Carolina Special Classification

STORAGE WAREHOUSE

Employers that provide switcher operations to others, not in support of their own business, are to be assigned to Code 8292. Switcher operations in support of an employers' own business operation are to be considered miscellaneous employees and assigned to the governing classification. Those qualifying as an additional operation according to Basic Manual Rules are to be separately rated to Code 8292.

8291 Cold

8293 Furniture & Drivers.

Includes packing or handling household goods away from insured's premises.

8292 NOC

Applies to general merchandise. Drivers to be separately rated as Code 7228 and 7229 -
Trucking

Basic Manual – 2001 Edition

Part Two - Classifications

North Carolina Special Classification

WAREHOUSING

Employers that provide switcher operations to others, not in support of their own business, are to be assigned to Code 8292. Switcher operations in support of an employers' own business operation are to be considered miscellaneous employees and assigned to the governing classification. Those qualifying as an additional operation according to Basic Manual Rules are to be separately rated to Code 8292.

8291 Cold Storage

8293 Furniture & Drivers.

Includes packing or handling household goods away from the insured's premises.

8292 NOC.

Applies to general merchandise. Drivers to be separately rated as Code 7228 and 7229 -
Trucking