

**State:** Missouri **Filing Company:** NCCI  
**TOI/Sub-TOI:** 16.0 Workers Compensation/16.0004 Standard WC  
**Product Name:** B-1433 Revisions to Basic Manual Rule 1 - Classification Assignment and Rule 2 - Premium Basis and Payroll Allocation  
**Project Name/Number:** /

## Filing at a Glance

Company: NCCI  
Product Name: B-1433 Revisions to Basic Manual Rule 1 - Classification Assignment and Rule 2 - Premium Basis and Payroll Allocation  
State: Missouri  
TOI: 16.0 Workers Compensation  
Sub-TOI: 16.0004 Standard WC  
Filing Type: Rule  
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Effective Date: 10/01/2017  
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Author(s): Lesley O'Brien, Alison Herwig, Frank Gnolfo, Carolyn Pearl, Robert Dalton, Karen Jones, Miguel Joubert, Jessica Epley  
Reviewer(s): Patrick Lennon (primary)  
Disposition Date: 11/15/2016  
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State Filing Description:

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## General Information

Project Name: Status of Filing in Domicile:  
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 Filing Status Changed: 11/15/2016  
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 Created By: Frank Gnolfo Submitted By: Frank Gnolfo  
 Corresponding Filing Tracking Number:  
 State TOI: 16.0 Workers Compensation State Sub-TOI: 16.0004 Standard WC

**Filing Description:**  
 This item clarifies and enhances NCCI's Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual) Rule —Classification Assignment and Rule 2—Premium Basis and Payroll Allocation.

No exhibit 6 for CO.

## Company and Contact

### Filing Contact Information

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### Filing Company Information

NCCI CoCode: State of Domicile: Florida  
 901 Peninsula Corporate Circle Group Code: Company Type:  
 Boca Raton, FL 33487 Group Name: State ID Number: 9999-85000  
 (561) 893-3186 ext. [Phone] FEIN Number: 65-0439698

## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
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 Per Company: Yes

Company	Amount	Date Processed	Transaction #
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## State Specific

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 Have you reviewed the General Instructions document? (yes/no)(General Instructions updated 11/14/14): Yes  
 If this is a rate filing, was rate data added on the rate/rule schedule? (yes/no): NA  
 Are you paying the \$50 per company per submission filing fee electronically using EFT or would you like to be billed in

**State:** Missouri

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arrears? All companies and filing entities are strongly encouraged to take advantage of the EFT payment option. The utilization of SERFF and EFT for the payment of filing fees in other states has resulted in a more efficient filing review process and has provided a significant administrative cost savings for the industry.: EFT

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
APPROVED	Patrick Lennon	11/15/2016	11/15/2016

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## Disposition

Disposition Date: 11/15/2016

Effective Date (New): 10/01/2017

Effective Date (Renewal): 10/01/2017

Status: APPROVED

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
<b>Supporting Document</b>	Filing Memorandum	APPROVED	Yes
<b>Rate</b>	Exhibit 1	APPROVED	Yes
<b>Rate</b>	Exhibit 2	APPROVED	Yes
<b>Rate</b>	Exhibit 3	APPROVED	Yes
<b>Rate</b>	Exhibit 4	APPROVED	Yes
<b>Rate</b>	Exhibit 5	APPROVED	Yes
<b>Rate</b>	Exhibit 7	APPROVED	Yes
<b>Rate</b>	Exhibit 8	APPROVED	Yes
<b>Rate</b>	Exhibit 9	APPROVED	Yes
<b>Rate</b>	Exhibit 10	APPROVED	Yes

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## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1	APPROVED 11/15/2016	Exhibit 1	Rule 1	Replacement	B-1369	B-1433 Exhibit 1.pdf
2	APPROVED 11/15/2016	Exhibit 2	Rule 1	Replacement	B-1399	B-1433 Exhibit 2.pdf
3	APPROVED 11/15/2016	Exhibit 3	Rule 1	Replacement	B-1369	B-1433 Exhibit 3.pdf
4	APPROVED 11/15/2016	Exhibit 4	Rule 1	Replacement	B-1415	B-1433 Exhibit 4.pdf
5	APPROVED 11/15/2016	Exhibit 5	Rule 1	Replacement	B-1369	B-1433 Exhibit 5.pdf
6	APPROVED 11/15/2016	Exhibit 7	Rule 2	Replacement	B-1369	B-1433 Exhibit 7.pdf
7	APPROVED 11/15/2016	Exhibit 8	Rule 2	Replacement	B-1420	B-1433 Exhibit 8.pdf
8	APPROVED 11/15/2016	Exhibit 9	Rule 1	Replacement	03-MO-2007	B-1433 Exhibit 9 MO.pdf
9	APPROVED 11/15/2016	Exhibit 10	Rule 2	Replacement	01-MO-2009	B-1433 Exhibit 10 MO.pdf

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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**EXHIBIT 1  
BASIC MANUAL—2001 EDITION  
RULE 1—CLASSIFICATION ASSIGNMENT  
B. EXPLANATION OF CLASSIFICATIONS**

**2. Standard Exception Classifications**

**(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)**

**(Exhibit comment: All current state exceptions will continue to apply unless otherwise noted in the state-specific exhibits)**

**c. Salespersons or Collectors—Outside (Code 8742)**

(1) This classification is assigned to employees who perform these duties away from the employer's premises.

(2) This ~~code excludes~~ classification is not assigned to employees who:

(a) - Deliver merchandise.

(b) - Use vehicles to deliver or pick up goods, even if they collect or sell. These employees must be assigned to the classification applicable to the business for drivers.

(c) - Use public transportation or walk to deliver goods even if they collect or sell. These employees must be assigned to the governing classification applicable to the business.

(d) Travel between locations of the employer as district or regional managers to perform various duties not involving outside sales or collection. Refer to Rule 2-G—Interchange of Labor.

(3) Code 8742 does not apply when the basic classification wording includes outside salespersons and/or collectors.

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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**EXHIBIT 2  
BASIC MANUAL—2001 EDITION  
RULE 1—CLASSIFICATION ASSIGNMENT  
B. EXPLANATION OF CLASSIFICATIONS**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

**3. General Inclusions**

a. Some operations appear to be separate businesses but are included within all basic classifications. These are called general inclusions. These operations are not separately classified. They include the following:

- (1) - Restaurants or cafeterias, stores, or day care services operated by the ~~insured~~ employer for employee use

**Exception:**

If these operations are conducted in connection with construction, erection, lumbering or mining operations, they must be separately classified.

- (2) - Manufacture of containers by the ~~insured~~ employer, such as bags, barrels, bottles, boxes, cans, cartons or packing cases for sole use in the operations insured by the policy
- (3) - Hospitals or medical facilities operated by the ~~insured~~ employer for its employees
- (4) - Maintenance or repair of the ~~insured's~~ employer's buildings or equipment by the ~~insured's~~ employer's employees
- (5) - Printing or lithographing by the ~~insured~~ employer on its own products, packaging, brochures, or promotional materials

b. Some employees may perform general inclusion duties for more than one basic classification. In such cases, refer to Rule 2-G for classification treatment.

**Exceptions:**

c. A general inclusion operation must be separately classified if any of the following conditions apply:

- (1) - The operation is conducted as a separate and distinct business of the ~~insured~~ employer (refer to Rule 1-D-3)-
- (2) - The operation is specifically excluded in the wording of the basic classification-
- (3) - The principal business is described by a standard exception classification-

Refer to NCCI's User's Guide for an example.

**4. General Exclusions**

Some operations in a business are so unusual for the type of business described by the applicable basic classification, that they are separately classified even though the operations are not conducted as a secondary business. These are called general exclusions. They are:

- a. - Aviation—all operations of the flying and ground crews
- b. - New construction or alterations
- c. - Stevedoring
- d. - Sawmill operations
- Employer-operated day care service

Refer to NCCI's User's Guide for an example.



**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

**EXHIBIT 2 (CONT'D)  
BASIC MANUAL—2001 EDITION  
RULE 1—CLASSIFICATION ASSIGNMENT  
B. EXPLANATION OF CLASSIFICATIONS**

**(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)**

**5. Governing Classification**

- a. The governing classification at a specific job or location is the basic classification, other than a standard exception classification, that produces the greatest amount of payroll.  
The governing classification is determined in accordance with the Governing Classification Determination Table.

**Governing Classification Determination Table**

<b>If . . .</b>	<b>Then the governing classification is the . . .</b>
A basic classification produces the greatest amount of payroll	Basic classification
A basic classification is applicable but no payroll is assigned	
Multiple basic classifications apply	Basic classification that is assigned the greatest amount of payroll
Multiple basic classifications apply but no payroll is assigned to any of the basic classifications	Basic classification that is the highest rated classification
A basic classification is not applicable	Standard exception classification that is assigned the greatest amount of payroll

~~If a basic classification is not applicable, the governing classification is the standard exception classification that produces the greatest amount of payroll.~~

- b. The governing classification is used to determine the classification treatment of:
- Miscellaneous employees
  - Local managers
  - Executive officers who regularly engage in duties that are ordinarily performed by a superintendent, foreperson or worker

ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION

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EXHIBIT 3  
BASIC MANUAL—2001 EDITION  
RULE 1—CLASSIFICATION ASSIGNMENT  
C. CLASSIFICATION WORDING

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

**1. Classification Captions and Notes**

The *caption* is the heading or title of that precedes the classification itself and is part of the classification wording.

The *note* is the phrase that follows the caption classification and is part of the classification wording.

The classification wording as a whole, including the captions and notes, controls, restricts, or explains the classification usage. This wording is also referred to as the "phraseology."

Refer to NCCI's User's Guide for an example.

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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**EXHIBIT 4  
BASIC MANUAL—2001 EDITION  
RULE 1—CLASSIFICATION ASSIGNMENT  
C. CLASSIFICATION WORDING**

**2. Words and Phrases**

**(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)**

**b. Clerical**

Clerical means ~~clerical office employees and telecommuters and drafting employees~~ as defined in Rule 1-B-2-a.

~~Clerical includes clerical telecommuters as defined in Rule 1-B-2-a.~~

**j. Stories in Height**

Certain classification wording refers to “stories in height.” A story is defined as ~~fifteen (15)~~ feet in height. It is measured from the lowest point above ground level to the highest point above ground level. ~~Some of these classifications are:~~

- ~~Code 5037—Painting: Metal Structures—Over Two Stories~~
- ~~Code 5059—Iron or Steel—Erection—Frame Structures Not Over Two Stories~~
- ~~Code 5645—Carpentry—Construction of Residential Dwellings Not Exceeding Three Stories in Height~~
- ~~Code 5403—Carpentry—Construction of Residential Dwellings Exceeding Three Stories in Height or Commercial Buildings and Structures~~

**I. Separate and Distinct Business**

Separate and distinct business means an additional operation of the employer that is not included in the basic classification on the policy. Refer to the following:

- Rule 1-D-3 for the assignment of more than one basic classification
- Rule 3-A-5 for the combination of legal entities, locations, and operations on a single policy

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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**EXHIBIT 5  
BASIC MANUAL—2001 EDITION  
RULE 1—CLASSIFICATION ASSIGNMENT  
D. CLASSIFICATION PROCEDURES**

**(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)**

**3. Assignment of More Than One Basic Classification**

More than one basic classification may be assigned to an ~~insured who~~ employer that meets conditions a, b, or c below. Operation means activities, enterprises, processes, secondary businesses or undertakings.

**f. Employee Leasing Firms, Labor Contractors, Professional Employer Organizations, and Temporary Labor Services**

(1) Workers assigned to clients must be classified the same as direct employees of the client performing the same or similar duties.

(2) If the client has no direct employees performing the same or similar duties, leased employees are classified as if they were direct employees of the client entity.

*Refer to NCCI's User's Guide for an example.*

**5. Businesses Described by a Standard Exception Classification**

If the principal business is described by a ~~S~~standard E~~exception C~~lassification, the operations of all employees not included in the definition of ~~S~~standard E~~exception C~~lassification must be assigned to the separate basic classification that most closely describes their operation.

This rule applies to both an employer's business within a state and to individual jobs or locations where the governing classification is described by a standard exception classification.

*Refer to NCCI's User's Guide for an example.*

**6. Classifications Limited to Separate and Distinct Businesses**

The assignment of certain classifications is limited by their classification notes to separate and distinct businesses. ~~because~~ †The notes may describe an operation that frequently is an integral part of a business described by another classification.

*Refer to NCCI's User's Guide for an example.*

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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**EXHIBIT 7**

**BASIC MANUAL—2001 EDITION**

**RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

(Exhibit comment: All current state exceptions will continue to apply unless otherwise noted in the state-specific exhibits)

**A. PREMIUM BASIS**

Premium is calculated on the basis of the total payroll paid or payable by the ~~insured~~ employer for services of ~~individuals~~ employees who could receive workers compensation benefits for work-related injuries as provided by the policy. Some classifications may have a different premium basis; *refer to NCCI's User's Guide for examples.*

**Exceptions:**

Premium for domestic worker classifications is calculated on a per capita basis ~~instead of payroll.~~ Domestic workers are employees who perform household duties. *Refer to Rule 3-C.*

A per capita classification uses the number of workers rather than payroll to measure exposure.

**B. PAYROLL**

For purposes of this manual, the terms "payroll" and "remuneration" means money or substitutes for money.

**1. Includes:**

- a. Wages or salaries (including retroactive wages or salaries). *Refer to NCCI's User's Guide for examples.*
- b. Total ~~cash~~ pay received by an employee for commissions and draws against commissions.
- c. Bonuses including stock bonus plans. ~~(Refer to Rule 2-D for payroll limitation rules.)~~
- d. Extra pay for overtime work except as provided in Rule 2-C-2.
- e. Pay for holidays, vacations, or periods of sickness. ~~(Refer to Rule 2-G-3 for allocation of payroll for employees subject to more than one classification code.)~~
- f. Payment by an employer of amounts that would have been withheld from employees to meet statutory obligations for insurance or pension plans such as the Federal Social Security Act or Medicare.
- g. Payment to employees on any basis other than time worked, such as piecework, profit sharing or incentive plans.
- h. ~~Payment or allowances for hand tools or hand-held power tools used by employees in their work or operations for the insured. These tools may be supplied directly by the employee or to the employee through a third party. (RESERVED FOR FUTURE USE.)~~
- i. The rental value of an apartment or house provided to an employee based on comparable accommodations.
- j. The value of lodging, other than an apartment or house received by an employee as part of their pay to the extent shown in the ~~insured's~~ employer's records.
- k. The value of meals received by employees as part of their pay to the extent shown in the ~~insured's~~ employer's records.
- l. The value of store certificates, merchandise, credits or any other substitute for money received by employees as part of their pay.

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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**EXHIBIT 7 (CONT'D)  
BASIC MANUAL—2001 EDITION**

**RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

(Exhibit comment: All current state exceptions will continue to apply unless otherwise noted in the state-specific exhibits)

- m. Payments for salary reduction, employee savings plans, retirement or cafeteria plans (IRC 125), health savings accounts, and flexible spending accounts that are made through employee-authorized salary reductions from the employee's gross pay. Refer to NCCI's *User's Guide* for an example.
- n. Davis-Bacon wages or wages from a similar prevailing wage law. Refer to NCCI's *User's Guide* for an example.
- o. Annuity plans.
- p. Expense reimbursements to employees ~~to the extent that an~~ if the employer's records do not confirm that the expense was incurred as a valid business expense. Refer to Rule 2-B-2-h for contractual allowable travel expenses.

**Exception:**

When it can be verified that the employee was away from home overnight on the business of the employer, but the employer did not maintain verifiable receipts for incurred expenses, a reasonable expense allowance is permitted to be excluded. The allowance is limited to a maximum of ~~\$30~~ \$75 per day, ~~is permitted~~. The remaining non-verifiable expenses are included as payroll.

Refer to Rule 2-B-2-h for additional information about exclusion of expense reimbursements.

- q. Payment for filming of commercials excluding subsequent residuals that are earned by the commercial's participant(s) each time the commercial appears in ~~print or is broadcast~~ any type of media.
- r. Adjustments made by the employer to raise employees' wages to federal, state, or local minimum wage, whichever is applicable.

**2. Excludes:**

- a. Tips or other gratuities received by employees.
- b. Payments by an employer to group insurance or group pension plans for employees, other than those covered by Rule 2-B-1-f and Rule 2-B-1-m.
- c. Payments by an employer into third-party trusts for the Davis-Bacon Act or a similar prevailing wage law provided the pension trust is qualified under IRC Sections 401(a) and 501(a).
- d. The value of special rewards for individual invention or discovery.
- e. Dismissal or severance payments except for time worked or vacation accrued.
- f. Payments for active military duty.
- g. Employee discounts on goods purchased from the employee's employer.
- h. Expense reimbursements to employees ~~to the extent that an~~ if the employer's records confirm that the expense was incurred as a valid business expense.

Reimbursed expenses and flat expense allowances ~~(except for hand or hand-held power tools)~~ paid to employees may be excluded from the audit only if all three of the following conditions are met:

- (1) The expenses or allowances are incurred for the business of the employer

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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**EXHIBIT 7 (CONT'D)  
BASIC MANUAL—2001 EDITION**

**RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

(Exhibit comment: All current state exceptions will continue to apply unless otherwise noted in the state-specific exhibits)

(2) The amount of each employee's expense payments or allowances are is shown separately in the records of the employer

(3) The amount of ~~each employee's~~ the expense reimbursement or allowance approximates ~~is~~ a fair estimate of the actual expenses incurred by the employee in the conduct of ~~his/her~~ their work

*Refer to NCCI's User's Guide for an example.*

**Note:** ~~When it can be verified that the employee was away from home overnight on the business of the employer, but the employer did not maintain verifiable receipts for incurred expenses, a reasonable expense allowance, limited to a maximum of \$30 per day, is permitted.~~ If an employer did not maintain verifiable receipts for incurred expenses for an employee that was away from home overnight on the business of an employer a maximum expense allowance is permitted to be excluded. Refer to Rule 2-B-1-p Exception for the maximum employee expense allowance.

Allowable travel expenses permitted by any contract with a federal, state, or local government entity, including, but not limited to, a city, borough, or village, are excluded from payroll. In lieu of verifiable receipts for incurred expenses, the employer must produce a copy of the contract provision permitting the travel expenses at audit. The allowable travel expenses must be in addition to the current wage of the employee.

- i. ~~Supper~~ Meal money for late work.
- j. Work uniform allowances.
- k. Sick pay paid to an employee by a third party such as an ~~insured's~~ employer's group insurance carrier that is paying disability income benefits to a disabled employee.
- l. Employer-provided perks such as:
  - Use of company-provided automobiles
  - Airplane flights
  - Incentive vacations (e.g., contest winners)
  - Discounts on property or services
  - Club memberships
  - Tickets to entertainment events
  - Educational assistance
  - Relocation and moving expenses
- m. Employer contributions to employee benefit plans such as:
  - Employee savings plans
  - Retirement plans
  - Cafeteria plans (IRC 125)
  - Health savings accounts
  - Flexible spending accounts

These include contributions made by the employer, at the employer's expense, which are determined by the amount contributed by the employee.

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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**EXHIBIT 7 (CONT'D)  
BASIC MANUAL—2001 EDITION  
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**  
(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,  
MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)  
(Exhibit comment: All current state exceptions will continue to apply unless otherwise  
noted in the state-specific exhibits)

**D. PAYROLL LIMITATIONS**

1. Payroll limitation applies after any deductions of extra pay for overtime. Partial weeks are considered full weeks when determining average weekly pay. Total time of any worker employed during the policy period is the sum of the portions of all verbal or written agreements with that employee that fall within the policy period.
2. Specific limitations may apply to:
  - a. Payroll for Executive Officers, members of limited liability companies, partners, and sole proprietors and to
  - b. Classifications with notes that indicate payroll limitations

Refer to:

  - National and state special Classifications sections for details
  - Refer to State pages for specific limitations
  - Rule 2-E-1-b for additional information regarding executive officer payroll limitations
2. Payroll limitations apply after any exclusions of extra pay for overtime; refer to Rule 2-C-2-a.
3. Payroll used to calculate premium must exclude that part of the employee's average weekly pay that exceeds the applicable weekly limitation, provided:
  - a. Books and records are maintained to show separately that the total payroll earned by each employee is in excess of the weekly payroll limitation for the total time employed during the policy period, and
  - b. Separate records are maintained, in summary, by classification for such employees

For more information on payroll, refer to Rule 2-B.
4. Partial weeks are considered full weeks when determining average weekly pay. Total time of any worker employed during the policy period is the sum of the portions of all verbal or written agreements with that employee that fall within the policy period.
5. Bonuses—For purposes of applying the payroll limitation rule, bonuses paid during the policy term must be earned during the policy term. They are prorated for the period of employment during the policy term to determine the average weekly bonus to be added to the average weekly pay. For additional information on bonuses, refer to Rule 2-B-1-c regarding Executive Officer payroll limitations, refer to Rule 2-E-1-b.  
Refer to NCCI's User's Guide for an example.



**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION****EXHIBIT 8  
BASIC MANUAL—2001 EDITION  
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION  
E. EXECUTIVE OFFICERS, MEMBERS OF LIMITED LIABILITY COMPANIES, PARTNERS,  
AND SOLE PROPRIETORS****1. Executive Officers**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

(Exhibit comment: All current state exceptions will continue to apply unless otherwise noted in the state-specific exhibits)

**b. Premium Determination**

Premium for executive officers is based on their total payroll, subject to the following limitations and the requirements of Rule 2-D:

- (1) The minimum individual payroll for an executive officer is shown on the individual state pages in the **Basic Manual**.
- (2) The maximum individual payroll for an executive officer is shown on the individual state pages in the **Basic Manual**.
- (3) The payroll limitations in b(1) and b(2) apply to the average weekly payroll of each executive officer for the number of weeks the officer was employed during the policy period.  
When an individual is not an executive officer for the entire policy period, the payroll limitation is prorated based on the number of weeks that the individual was an executive officer.
- (4) Payroll is subject to minimum and maximum limitations and *included* when one of the following apply: --
  - (a) -The executive officer does not perform any duties but frequently visits the premises.
  - (b) -The executive officer frequently visits the premises of the ~~risk~~ employer for business conferences, directors' meetings, or similar duties, even if the officer is an employee or officer of another ~~risk~~ employer in the operations of which he/she takes an active interest.
  - (c) -The officer receives no salary; however, a regular salary is credited to him or her on the books. In this instance the amount credited must be included in payroll.
  - (d) -The officer receives no salary, either drawn or credited, or the audit records fail to disclose the salary. In this instance the amount to be included in the payroll is the applicable minimum per Rule 2-D.
- (5) Payroll is *excluded* when: -- --
  - (a) -The executive officer is elected for the value of his/her name or because of stock holdings, has no duties, and does not visit the premises, except perhaps to attend directors' meetings, or --
  - (b) -The executive officer ceases to perform any duties and does not visit the premises, except perhaps to attend directors' meetings.

For the applicable state weekly minimum and maximum individual payroll limitation formula, *refer to Appendix F*.

**c. Executive Officers Performing Flight Duties**

Payroll of an executive officer who is a pilot or member of the flying crew of an aircraft used in the ~~insured's~~ employer's business must be assigned as follows:

- (1) For each week that the executive officer did not perform flight duties, assign the executive officer's payroll to the classification that applies to the principal operations in which the executive officer is engaged.

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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**EXHIBIT 8 (CONT'D)  
BASIC MANUAL—2001 EDITION  
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION  
E. EXECUTIVE OFFICERS, MEMBERS OF LIMITED LIABILITY COMPANIES, PARTNERS,  
AND SOLE PROPRIETORS**

**1. Executive Officers**

**(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO,  
MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)**

**(Exhibit comment: All current state exceptions will continue to apply unless otherwise  
noted in the state-specific exhibits)**

(2) For each week that the executive officer performed flight duties, assign the officer's payroll for that week to Code 7421— the appropriate Aviation—Flying Crew classification. However, if the executive officer's nonflying duties in that week are subject to a higher rated classification, assign that higher rated classification for that week.

**Note:** The above rules apply on the basis of the pilot's logbook, which is required under federal regulations, or on the basis of verifiable records.

(3) If an Code 7421—Aviation—Flying Crew classification applies and verifiable records are not kept to indicate those weeks during which flying is performed by the executive officer, assign the executive officer's payroll to the highest rated classification that applies to any of their duties.

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

**EXHIBIT 9  
BASIC MANUAL—2001 EDITION  
MISSOURI RULE EXCEPTIONS  
RULE 1—CLASSIFICATION ASSIGNMENT**

**F. CHANGES OR CORRECTIONS IN CLASSIFICATIONS**

Change Rule 1-F as follows:

1. Changes in classification due to changes in an ~~insured's~~ employer's operations will be applied on the date that the change occurred.
2. Corrections in classifications that result in a *decrease* in premium, whether determined during the policy period or at audit, must be applied retroactively to the inception of the policy.
3. Corrections in classifications that result in an *increase* in premium must be applied as follows:

<b>If the correction in classification is effective . . .</b>	<b>Then the correction is applied . . .</b>
During the first 120 days of the policy term . . .	Retroactively to the inception of the policy.
After the first 120 days of the policy term, but before the final 120 days . . .	As of the date the carrier notifies the <del>insured</del> <u>employer</u> of the correction.
During the last 120 days of the policy term or at audit . . .	Only to a renewal policy, if any.

**Note:** Corrections in Classifications—Occurs when an employee or group of employees have consistently performed the same job functions; however, the classification is subsequently determined to be inappropriate or incorrect by the carrier (the duties of the individual employee or group of employees have not changed—the carrier has discovered that the exposure is incorrectly classified). Any corrections in classifications require the experience rating modification factor to be recalculated. The effective date of change, for purposes of the time periods noted in the table above, is the date a carrier applies a classification change or the date the carrier notifies the ~~insured~~ employer of the correction.

**Exceptions to the table above:**

- a. If the correction in classification is the result of a misrepresentation or omission by the ~~insured~~ employer, its agents, employees, officers or directors, then the correction must be applied from the date on which the change would have applied if such misrepresentation or omission had not been made.
- b. The above rules do not apply to the following types of operations; therefore, classifications are assigned and applied at any time during the term of the policy or at audit:
  - Employee leasing ~~firms~~
  - Labor ~~contractors~~ contracting
  - Temporary labor services
  - Professional employer organizations (PEOs)
  - Operations assigned to standard exception classifications
  - General exclusions

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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**EXHIBIT 9 (CONT'D)  
BASIC MANUAL—2001 EDITION  
MISSOURI RULE EXCEPTIONS  
RULE 1—CLASSIFICATION ASSIGNMENT**

- c. For construction or erection ~~risks~~, classifications ~~codes~~ that reflect new operations for the ~~insured employer~~ can be added and will apply as of the date the change in operations occurred.
4. For purposes of Rule 1-F, the reallocation of payroll among classifications listed on a policy will only be applied as of the date the change in employees' duties occurred.

**Note:** Reallocation—Occurs when an employee or group of employees have a change in their normal job duties or functions. As a result of this change in duties, the payroll for the affected employees may be “reallocated” to another classification ~~code~~ already listed on the policy under Rule 1-F. To be “reallocated,” however, there first must be an “allocation” of payroll to that classification ~~code~~ in the current policy term. A reallocation will *not* apply to random ~~codes~~ classifications simply added to a policy on an “if any” basis, unless there has been documented misrepresentation or omission by the ~~insured employer~~, its agents, employees, officers, or directors at any time. No recalculation of the experience rating modification factor is required for reallocations.

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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**EXHIBIT 10  
BASIC MANUAL—2001 EDITION  
MISSOURI RULE EXCEPTIONS  
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION  
E. EXECUTIVE OFFICERS, MEMBERS OF LIMITED LIABILITY COMPANIES, PARTNERS,  
AND SOLE PROPRIETORS  
1. Executive Officers**

**b. Premium Determination**

(1) Change Rule 2-E-1-b(1) as follows:

Premium for each executive officer is based on the payroll amount shown under Miscellaneous Values in the Missouri state pages.

(2) Change Rule 2-E-1-b(2) as follows:

This rule does not apply in Missouri.

(3) Change Rule 2-E-1-b(3) as follows:

This rule does not apply in Missouri.

(4) Change Rule 2-E-1-b(4) as follows:

Payroll is included when one of the following apply:- - -

- (a) -The executive officer does not perform any duties but frequently visits the premises.
- (b) -The executive officer frequently visits the premises of the ~~risk employer~~ for business conferences, directors' meetings or similar duties, even if the officer is an employee or officer of another ~~risk employer~~ in the operations of which he/she takes an active interest.
- (c) -The officer receives no salary; however, a regular salary is credited to him or her on the books. In this instance the amount credited must be included in payroll.
- (d) -The officer receives no salary, either drawn or credited, or the audit records fail to disclose the salary. In this instance the amount to be included in the payroll is the applicable minimum per Rule 2-D.

**c. Executive Officers Performing Flight Duties**

Change Rule 2-E-1-c(2) as follows:

(2) For each week that the executive officer performed flight duties, assign the officer's payroll for that week to Code ~~7421—Aviation—Flying Crew or other~~ the appropriate aircraft operation aviation flying crew classification.

State: Missouri Filing Company: NCCI  
TOI/Sub-TOI: 16.0 Workers Compensation/16.0004 Standard WC  
Product Name: B-1433 Revisions to Basic Manual Rule 1 - Classification Assignment and Rule 2 - Premium Basis and Payroll Allocation  
Project Name/Number: /

## Supporting Document Schedules

Satisfied - Item:	Filing Memorandum
Comments:	
Attachment(s):	B-1433 Filing Memorandum.pdf
Item Status:	APPROVED
Status Date:	11/15/2016

## FILING MEMORANDUM

### ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION

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#### PURPOSE

This item clarifies and enhances NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)* Rule 1—Classification Assignment and Rule 2—Premium Basis and Payroll Allocation.

#### BACKGROUND

NCCI has an ongoing process dedicated to the systematic research, analysis, and maintenance of NCCI's manuals. This process ensures that NCCI products continue to add value to the various industry stakeholders. As a result of this research, NCCI is proposing certain changes to *Basic Manual* Rules 1 and 2.

#### PROPOSAL

The following is a summary of the key changes proposed to *Basic Manual* Rules 1 and 2:

- **Rule 1-B-2-c—Salespersons or Collectors—Outside (Code 8742)**

This item clarifies that district or regional managers who travel between locations of the employer to perform various duties not involving outside sales or collection are not assigned to Code 8742. They must be assigned to the classification that best describes their duties.

- **Rule 1-B-3—General Inclusions**

General inclusions are operations that appear to be separate businesses but are included within all basic classifications. These operations are not separately classified. The following operations are to be added to, or updated in, the list of general inclusions:

- Add stores and day care services operated by the employer for employee use. These operations have become common to many businesses.
- Update the description of an employer printing on its own products or of its own materials for advertising or packaging.

- **Rule 1-B-4—General Exclusions**

General exclusions are operations in a business so unusual for the type of business described by the applicable basic classification that they are separately classified even though the operations are not conducted as a secondary business. This item proposes to eliminate employer-operated day care service from the list of general exclusions. This type of operation has become common to many businesses and is proposed to be added as a general inclusion.

- **Rule 1-B-5—Governing Classification**

Generally, a governing classification at a specific job or location is the classification, other than a standard exception classification, that produces the greatest amount of payroll. This item clarifies how to determine the governing classification when:

- A basic classification produces the greatest amount of payroll
- A basic classification is applicable but no payroll is assigned

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## FILING MEMORANDUM

### **ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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- Multiple basic classifications apply
- Multiple classifications apply but no payroll is assigned to any of the basic classifications
- A basic classification is not applicable
- **Rule 1-C-1—Classification Captions and Notes**

This item clarifies the definitions for caption and note. It also adds the term “phraseology” as a common alternative to “classification wording.”

- **Rule 1-C-2—Words and Phrases**
  - The definition of “Clerical” will be updated to remove an obsolete reference to drafting.
  - The classification examples referenced under Stories in Height will be eliminated because they are unnecessary and do not provide value to the definition.
  - A rule will be added to define “Separate and Distinct Business.” This rule will provide guidance on what qualifies as a separate and distinct business or operation.
- **Rule 1-D-3-f—Employee Leasing, Labor Contractors and Temporary Labor Services**

The term “Professional Employer Organizations” will be added because it is commonly used in the industry and in NCCI’s manuals. Also “employee leasing” will be changed to “employee leasing firms.”

- **Rule 1-D-5—Businesses Described by a Standard Exception Classification**

This item clarifies that the rule applies to individual locations as well as to the overall business.

- **Rule 1-D-6—Classifications Limited to Separate Businesses**

This rule will be simplified but also updated with the addition of “and Distinct” to the title. This is for consistency with the proposed addition of Rule 1-C-2-I, which defines a separate and distinct business.

- **Rule 1-F—Changes or Corrections in Classifications**

The following will be added to the list of operations that are exempt from the rule:

- “Professional employer organization” is a common alternative term for an employee leasing firm. The policies for these entities often have numerous classifications for different operations that are added or deleted during a policy term.
- Operations assigned to standard exception classifications can be added to a policy at any time.
- General exclusions are operations so unusual for a business that they are classified separately even though they are not conducted as a secondary business. These operations could be added at any time during a policy term and should be classified appropriately.

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## FILING MEMORANDUM

### **ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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- **Rule 2-A—Premium Basis**

This item revises the exception to the rule to accommodate classifications using a premium basis other than per capita.

- **Rule 2-B—Payroll**

The following changes will be made to Rule 2-B:

- Clarify the rule to indicate that “payroll” and “remuneration” mean money or substitutes for money. The terms mean the same in all rule, classification, and endorsement references.
- Eliminate the inclusion of payments or allowances for hand tools or hand-held power tools used by employees in their work. This is an outdated concept because there are numerous items that employees purchase and are reimbursed for by their employer. These are allowed to be excluded from audit.
- Add employee-authorized salary reductions for health savings accounts and flexible spending accounts to the list of payroll inclusions. This is similar to employee savings plans and retirement or cafeteria plans.
- Increase the maximum amount for expense reimbursements without verifiable receipts from \$30 to \$75 per day. This revision provides a more current and reasonable expense allowance.
- Add a rule to address that reimbursements for allowable travel expenses permitted by a governmental contract are excluded from payroll. The employer must produce a copy of the contract, and the allowable travel expenses must be in addition to the current wage of the employee.
- Add a rule to include payroll adjustments by the employer to raise employees’ wages to federal, state, or local minimum wage, whichever is higher.
- Replace the term “supper money” with “meal money” for a more accurate description.
- Add educational assistance and relocation and moving expenses to the list of employer-provided perks that are excluded from payroll. These are common perks provided by employers to their employees.
- Add health savings accounts and flexible spending accounts to the list of employer contributions to employee benefit plans that are excluded from payroll.

- **Rule 2-D—Payroll Limitations**

The following changes will be made to Rule 2-D:

- Clarify the rule applies to executive officers, members of LLCs, partners, and sole proprietors, and to classifications with notes that indicate payroll limitations.
- Address how payroll limitations are impacted by overtime pay, partial weeks worked, and bonuses earned. This is part of NCCI’s continuing effort to clarify and modernize the rules.

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FILING MEMORANDUM

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

• **Rule 2-E—Executive Officers, Members of Limited Liability Companies, Partners, and Sole Proprietors**

This rule will be updated to address the treatment of an employee who is not an executive officer during the entire policy period. The payroll limitation will be prorated based on the number of weeks that such persons were executive officers during the policy period.

This item includes state-specific updates to address the national changes and/or to better organize the state rules exceptions.

This item also includes various formatting and grammatical changes.

**IMPACT**

The impact to overall statewide premium will vary as a result of the changes proposed in this item. Also, for some employers, a negligible premium change may result based on the revised rules. This item proposes changes to NCCI's *Basic Manual* that will modernize and clarify rules relevant to current market conditions. As part of NCCI's continuing effort to simplify and clarify manual rules, we anticipate that these changes will enhance the understanding of NCCI's *Basic Manual*.

**EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY**

To implement this item, the attached exhibits detail the changes required in NCCI's *Basic Manual*.

Exhibit	Exhibit Comments	Implementation Summary
<b>National Exhibits</b>		
1	<ul style="list-style-type: none"> <li>• Details the revisions to Rule 1-B-2-c</li> <li>• Refer to state exhibit for TX</li> <li>• All state exceptions will continue to apply unless otherwise noted in the state-specific exhibits</li> </ul>	To become effective for new and renewal policies effective on and after 12:01 a.m. on October 1, 2017.
2	<ul style="list-style-type: none"> <li>• Details the revisions to Rules 1-B-3, 1-B-4, and 1-B-5</li> <li>• The revisions to Rules 1-B-4 and 1-B-5-b do not apply in TX</li> <li>• Refer to state exhibits for FL, OR, and TX</li> </ul>	
3	<ul style="list-style-type: none"> <li>• Details the revisions to Rule 1-C-1</li> </ul>	
4	<ul style="list-style-type: none"> <li>• Details the revisions to Rules 1-C-2-b and 1-C-2-j, and the establishment of Rule 1-C-2-l</li> <li>• The revisions to Rule 1-C-2-b do not apply in TX</li> <li>• Refer to state exhibits for FL, TX, and VA</li> </ul>	

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ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
 AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION

Exhibit	Exhibit Comments	Implementation Summary
5	<ul style="list-style-type: none"> <li>• Details the revisions to Rules 1-D-3-f, 1-D-5, and 1-D-6</li> <li>• The revisions to Rules 1-D-3-f and 1-D-5 do not apply in TX</li> <li>• Refer to state exhibits for CO, MT, TN, and TX</li> </ul>	
6	<ul style="list-style-type: none"> <li>• Details the revisions to Rule 1-F</li> <li>• The revisions to Rules 1-F-1 and 1-F-3-a do not apply in VA</li> <li>• The revisions to Rule 1-F-3-a and 1-F-3-b do not apply in FL and MO</li> <li>• Refer to state exhibits for FL, MO, TX, and VA</li> <li>• All state exceptions will continue to apply unless otherwise noted in the state-specific exhibits</li> </ul>	
7	<ul style="list-style-type: none"> <li>• Details the revisions to Rules 2-A, 2-B, and 2-D</li> <li>• The revisions to Rule 2-A do not apply in FL, NV, and TN</li> <li>• The revision to Rule 2-B-1-a does not apply in MT</li> <li>• The revision to Rule 2-B-1-b does not apply in AK</li> <li>• The revision to Rule 2-B-1-c does not apply in OR and TN</li> <li>• The revisions to Rule 2-B-1-e do not apply in AR, IL, IN, KS, KY, MD, NM, OK, OR, SD, TN, and UT</li> <li>• The revision to Rule 2-B-1-j does not apply in AZ, MT, and NV</li> <li>• The revision to Rule 2-B-1-k does not apply in AZ, MT, and NV</li> <li>• The revision to Rule 2-B-1-m does not apply in OK</li> <li>• The revision to Rule 2-B-1-n does not apply in AK, CO, OR, and VA</li> <li>• The revisions to Rule 2-B-1-p do not apply in AZ, MS, NV, and OR</li> <li>• The revision to the Rule 2-B-1-p exception does not apply in MT and TX</li> <li>• The revisions to Rule 2-B-2-h does not apply in OR</li> <li>• The revisions to Rule 2-B-2-l do not apply in NV</li> <li>• The revisions to Rule 2-B-2-m do not apply in VA</li> <li>• The revisions to Rule 2-D do not apply in MT</li> <li>• The revision to Rule 2-D-4 does not apply in NV</li> <li>• Refer to state exhibits for AK, AR, AZ, CO, FL, IL, IN, KS, KY, MD, ME, MS, MT, NM, NV, OK, OR, SD, TN, TX, UT, and VA</li> </ul>	

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FILING MEMORANDUM

ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
 AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION

Exhibit	Exhibit Comments	Implementation Summary
	<ul style="list-style-type: none"> <li>All state exceptions will continue to apply unless otherwise noted in the state-specific exhibits</li> </ul>	
8	<ul style="list-style-type: none"> <li>Details the revisions to Rules 2-E-1-b and 2-E-1-c</li> <li>The revision to Rule 2-E-1-b(3) does not apply in IA and MO</li> <li>The revisions to Rule 2-E-1-b(4) do not apply in IA</li> <li>The revisions to Rule 2-E-1-c do not apply in TX</li> <li>The revision to Rule 2-E-1-c(2) does not apply in MO</li> <li>Refer to state exhibits for FL, IA, MO, RI, and TX</li> <li>All state exceptions will continue to apply unless otherwise noted in the state-specific exhibits</li> </ul>	
<b>State Exhibits</b>		
9	Details the revisions to Alaska's exception to Rule 2-B-1.	
10	Details the elimination of Alaska's exception to Rule 2-B-2.	
9	Details the revisions to Arkansas' exception to Rule 2-B-1-e.	
9	Details the revisions to Arizona's exception to Rule 2-B-1.	
9	Details the revisions to Colorado's exception to Rule 1-D-9.	
10	Details the revision to Colorado's exception to Rule 2-B-1-n.	
9	Details the elimination of Florida's exception to Rule 1-B-3.	
10	Details the elimination of Florida's exception to Rule 1-C-2-j.	
11	Details the revisions to Florida's exception to Rule 1-F.	
12	Details the revisions to Florida's exception to Rule 2-A.	
13	Details the revisions to Florida's exception to Rule 2-E-1-b.	
9	Details the revision to Iowa's exception to Rule 2-E-1-b.	
9	Details the elimination of Illinois' exception to Rule 2-A and the revisions to Illinois' exception to Rule 2-B.	
9	Details the revisions to Indiana's exceptions to Rule 2-B.	
9	Details the revisions to Kansas's exception to Rule 2-B-1-e.	
9	Details the revisions to Kentucky's exception to Rule 2-B.	
9	Details the revisions to Maryland's exceptions to Rule 2-B.	

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ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
 AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION

Exhibit	Exhibit Comments	Implementation Summary
9	Details the revision to Maine's exception to Rule 2-B-1-r.	
9	Details the revisions to Missouri's exception to Rule 1-F.	
10	Details the revisions to Missouri's exceptions to Rules 2-E-1-b and 2-E-1-c(2).	
9	Details the revision to Mississippi's exception to Rules 2-B-1-p and the elimination of Mississippi's exception to Rule 2-B-2-h.	
9	Details the revision to Montana's exception to Rule 1-D-9.	
10	Details the revisions to Montana's exceptions to Rules 2-B-1 and 2-B-2.	
9	Details the revisions to New Mexico's exceptions to Rule 2-B.	
9	Details the revisions to Nevada's exception to Rule 2-A.	
10	Details the revisions to Nevada's exception to Rule 2-B-1.	
11	Details the revisions to Nevada's exception to Rule 2-B-2.	
12	Details the revisions to Nevada's exceptions to Rule 2-D.	
9	Details the revisions to Oklahoma's exceptions to Rule 2-B.	
9	Details the elimination of Oregon's exception to Rule 1-B-4.	
10	Details the revisions to Oregon's exception to Rule 2-B-1.	
11	Details the revisions to Oregon's exception to Rule 2-B-2.	
9	Details the revisions to Rhode Island's exception to Rule 2-E-1-b.	
9	Details the revision to South Dakota's exception to Rule 2-B-2.	
9	Details the revisions to Tennessee's exception to Rule 1-D-3-f.	
10	Details the revisions to Tennessee's exception to Rule 2-A.	
11	Details the revisions to Tennessee's exceptions to Rule 2-B.	
9	Details the revisions to Texas's exception to Rule 1-B-2-c.	
10	Details the revisions to Texas's exceptions to Rules 1-B-3, 1-B-4, and 1-B-5.	
11	Details the elimination of Texas's exception to Rule 1-C-2-j.	
12	Details the revision to Texas's exception to Rules 1-D-5 and the elimination of Texas's exception to Rule 1-D-9.	

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FILING MEMORANDUM

**ITEM B-1433—REVISIONS TO BASIC MANUAL RULE 1—CLASSIFICATION ASSIGNMENT  
 AND RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION**

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Exhibit	Exhibit Comments	Implementation Summary
13	Details the revisions to Texas's exception to Rule 1-F-3-b.	
14	Details the elimination of Texas's exception to Rule 2-A.	
15	Details the revision to Texas's exception to Rule 2-B-1 and the elimination of Texas's exception to Rule 2-B-2-h.	
16	Details the revisions to Texas's exception to Rule 2-D.	
17	Details the revisions to Texas's exception to Rule 2-E-1-c.	
9	Details the revisions to Utah's exception to Rule 2-B.	
9	Details the elimination of Virginia's exception to Rule 1-C-2-j.	
10	Details the revisions to Virginia's exception to Rule 1-F.	
11	Details the revisions to Virginia's exception to Rule 2-A.	
12	Details the revisions to Virginia's exception to Rule 2-B.	

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