

Delaware Compensation Rating Bureau, Inc.



The Widener Building • 6th Floor
One South Penn Square
Philadelphia, PA 19107-3577
(302) 654-1435 (215) 568-2371
FAX (215) 564-4328
www.dcrb.com

November 8, 1999

BUREAU CIRCULAR NO. 728

To All Members of the Bureau:

Re: **MANUAL REVISIONS - CODE 965, COLLEGES AND SCHOOLS**
BUREAU FILING NO. 9911
EFFECTIVE JUNE 1, 2000

The Bureau has filed and the Insurance Commissioner has approved Manual revisions to Sections 2 and 5 to become effective as of **12:01 a.m., June 1, 2000** with respect to new and renewal business only. These revisions result from a Bureau study undertaken at the behest of the Classification and Rating Committee to determine the feasibility of establishing an alternate classification assignment for vocational or technical schools. Although the scope of the class was found to be overly broad, the study recommended that vocational and technical schools remain assigned to Code 965, based on a determination that their field of business could reasonably be viewed as the same as that of colleges or universities or school districts, i.e., the provision of education/instruction.

The study also reviewed the classification of gymnastics and other sport training facilities, indicating that these facilities were assigned to both Codes 965 and 968, Amusement, Indoor. The study concluded that operations of these facilities are not operationally analogous to academic, vocational or technical institutions of learning, and it was recommended that the scope of Code 965 be focused upon academic, trade or vocational institutions of learning only.

To accomplish this focus the following revisions will be made:

- Child daycare centers will be reassigned from Code 965 to a new, separate Code 891, Pre-School (Child Care Or Early Education) Services.
- Gymnastics and sports training facilities, previously misclassified to Code 965, will be reassigned to Code 968.

The rating values for Codes 891 and 965 are shown in the table below:

Revised Rating Values - Effective June 1, 2000

Code	Approved Voluntary Mkt. Loss Cost	Approved Residual Mkt. Rate	Residual Mkt. Minimum Premium	<u>Expected Loss Factors</u>		
				A-1	A-2	A-3
891	\$0.70	\$0.90	\$335	\$0.36	\$0.41	\$0.44
965	0.69	0.88	335	0.35	0.40	0.43

The enabling Manual revisions to Sections 2 and 5 are shown below with deleted wording bracketed and new wording underlined:

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

Hazard Group II

963 CHURCHES - 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 nursery school or [day care]daycare center or to Code 965 for an elementary and/or secondary school for children operated on the church premises from Monday through Friday, when such is staffed by separate employees.
 Churches and..... location of each.

965 COLLEGE[S AND]Or SCHOOL[S], N.O.C. - all employees including office.

SECTION 5

Rulings and Interpretations

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

Includes but is not necessarily limited to nursery schools, Head Start, kindergarten or child daycare services. Child daycare services provide for care and custody of children for various

periods of time during the day (no residential facilities), typically during normal business hours (i.e., 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 three to four 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 five-years-old. Sessions are usually held for one-half the school day (i.e., children may be enrolled in "morning" or "afternoon" classes) and will include a very basic academic curriculum.

Further contemplated by this classification are employers operating the Head Start Program. Head Start is a federally-funded child development program that provides early education, health, nutritional and psychological services to three- to four-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:

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.

Underwriting Guide

Child [Day Care]Daycare Center.....	[965]891
[Day Care]Daycare Center for Children.....	[965]891
Head Start.....	891
Kindergarten, Not Operated in Conjunction with Grade School.....	891
[Nursery, Day]Day Nursery - Children.....	[965]891
Pre-School - Early Education Services - By Independent Contractor.....	891
College[s and]Or School[s], N.O.C.	965
School District - Public, Private or Parochial.....	965
Tutoring Service By Independent Provider.....	965
Union Trade School.....	965
University.....	965

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

Timothy L. Wisecarver
President

kg
D