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February 7, 2000

BUREAU CIRCULAR NO. 732

To All Members of the Bureau:

Re: **MANUAL REVISIONS - CODE 968, AMUSEMENT - INDOOR**
BUREAU FILING NO. 0002
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 of Code 968 which was undertaken in order to review the feasibility of creating an alternate classification assignment for health and exercise clubs. The need arose from ongoing disputes between auditors, who generally assign health club managers and front desk personnel to Code 968, and the insured health club operators, who contend that such employees should be assigned to Code 953, Office. The study recommended that a new, separate class be erected for health and fitness clubs, Code 884, Health and Exercise Clubs, All Employees, Including Office.

The rating values for Codes 884 and 968 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
884	\$1.24	\$1.59	\$445	\$0.63	\$0.72	\$0.77
968	2.47	3.17	690	1.25	1.43	1.53

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

SECTION 2

884 HEALTH OR EXERCISE CLUB - all employees including office.
Organized athletics are excluded from this classification and separately rated by Code 970 or Code 991.

Hazard Group II

968 AMUSEMENT, INDOOR [and Exercise and Health Club or Institute, excluding Organized Athletics.]

Health or exercise clubs shall be assigned to Code 884.

Organized athletics are excluded from this classification and separately rated by Code 970 or Code 991.

SECTION 5

Underwriting Guide

<u>Club, Exercise.....</u>	<u>884</u>
<u>Club, Health.....</u>	<u>[968]884</u>
<u>Exercise Club.....</u>	<u>884</u>
<u>Gymnasium.....</u>	<u>884</u>
<u>Health Club.....</u>	<u>[968]884</u>
<u>Health Or Exercise Club.....</u>	<u>884</u>
<u>Health Spa.....</u>	<u>884</u>
<u>Gymnastics Training.....</u>	<u>968</u>
<u>[Health Spa Or Steam Bath, N.O.C.</u>	<u>968]</u>
<u>Ice Skating Rink - Indoor.....</u>	<u>968</u>
<u>Racquetball Club.....</u>	<u>968</u>
<u>Roller Skating Rink - Indoor.....</u>	<u>968</u>
<u>Skating Rink, Ice Or Roller - Indoor.....</u>	<u>968</u>
<u>Sports (e.g., Basketball, Ice Hockey Or Boxing) Training Facility - Not Organized</u>	
<u> Athletics.....</u>	<u>968</u>

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

Timothy L. Wisecarver
President

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