

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

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BUREAU CIRCULAR NO. 733

To All Members of the Bureau:

Re: **MANUAL REVISIONS - CODES 413, IRON WORKS - SHOP - ORNAMENTAL,
 415, FABRICATED PLATE WORK, AND 461, MACHINE SHOP
 BUREAU FILING NO. 0003
 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 further Bureau study of Codes 413, 415 and 461, which was undertaken pursuant to the Bureau's underwriting analysis that each of the three classifications was overly broad and reviewed the feasibility of separating the machinery manufacturing operations now assigned to these codes into one or more new, separate classifications, while concurrently focusing Codes 413, 415 and 461 to iron works job shops, plate fabrication job shops and machine job shops, respectively.

The study made the following recommendations:

- Machinery manufacturing operations, now assigned to Code 413, be separated therefrom and assigned to a new, separate code, 465, Conveyor or Hoisting Systems Mfg. or Reconditioning.
- Code 413 be redefined to contemplate iron works jobs shops.
- Machinery manufacturing operations, now assigned to Code 461, be separated therefrom and assigned to a new, separate code, 464, Machinery Mfg., N.O.C.
- Code 461 be redefined to contemplate machine shops and other specified products.

The rating values for Codes 413, 461, 464 and 465 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
413	\$8.57	\$10.96	\$1,900	\$3.97	\$4.45	\$4.86
461	4.92	6.29	1,175	2.28	2.55	2.79
464	4.70	6.02	1,130	2.18	2.44	2.66
465	6.93	8.86	1,575	3.21	3.60	3.93

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

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 but not necessarily limited to boiler or tank mfg. - shop only.
Plate shall be #3 U. S. Standard Gauge (1/4" thick) or thicker.
- 461 MACHINE SHOP[S] - no woodworking - no boiler making.
Also includes the manufacture of all types of internal combustion engines, all types of pumps, pneumatic drills or hammers or hydraulic devices (e.g., hydraulic jacks or lifts).
- 464 MACHINERY MFG., N.O.C.
Includes but is not necessarily limited to the manufacture of confection, food processing, paper making, printing, textile or woodworking machinery.
The manufacture of industrial equipment, such as furnaces made primarily from plate, shall be assigned to Code 415.

Hazard Group II

- 465 CONVEYOR or Hoisting Systems MFG., or Reconditioning.
Elevator, 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]
Architectural [Metal]Or Ornamental Iron Work Mfg.	413
[Channel Mfg., Furring.....	413]
[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
<u>Dumpster Or Refuse Container Mfg. - From Metal Plate.....</u>	<u>415</u>
<u>Refuse Container Or Dumpster Mfg. - From Metal Plate.....</u>	<u>415</u>

[Tank Mfg. - Metal Shop Only] Tank Mfg. - Pressurized Or Non-Pressurized, Including For Tank Trucks, From Metal Plate.....	415
Aircraft Engine Or Engine Part Mfg. Or Repair, Shop Only.....	461
Automobile Engine Mfg. Or Remanufacture.....	461
Automotive Machine Shops - No Work On Cars - e.g., Cylinder Reboring, Valve Grinding Or Turning Down Brake Drums.....	461
[Equipment Repair, Industrial - Shop Only.....	461]
Gear Mfg. Or Grinding.....	461
Hydraulic Device Mfg. - e.g., Jacks, Auto Lifts.....	461
[Industrial Equipment Repair, Shop Only.....	461]
Measuring [And]Or Dispensing Pump Mfg.	461
Piston, Piston Pin Or [Mfg.] Piston Ring Mfg.	461
[Printing Machinery Mfg.	461]
Splined Shaft Mfg.	461
Confectioners' Machinery Mfg.	[461]464
Food Product Machinery Mfg.	[461]464
Machinery Reconditioning (Excluding Conveyors) - Shop Operations Only.....	[461]464
Packaging Machinery Mfg. - Including Automatic Filling Type Machinery (Not Bottling).....	464
Paper Industry Machinery Mfg.	[461]464
Printing Trade Machinery [And]Or Equipment Mfg.	[461]464
Textile Machinery Mfg.	[461]464
Typesetting Machinery Mfg.	[461]464
Woodworking Machinery Mfg.	[461]464
Convey[e]or Mfg. - Or Reconditioning.....	[413]465
Elevator Or Elevator Door Mfg.	[413]465
Escalator Mfg.	[413]465
Hoisting Systems Mfg.	465
Overhead Crane Mfg.	[413]465

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

Timothy L. Wisecarver
President

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