

## Countrywide—Underwriting and Classification Assignment Guidelines for Employers Impacted by Inclement Weather

Recently, many states suffered extensive flooding, high winds, and tornadoes, resulting in power failures and other damages by inclement weather. The following addresses the treatment of employees and employers directly affected by the inclement weather.

NCCI's *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)* Rule 1-F-1 addresses changes or corrections in classifications due to changes in an employer's operations. The temporary interruption or suspension of normal business activities caused by the inclement weather may qualify as a change in operations. If an employer continues to pay its employees, carriers may consider a change from the governing classification to other appropriate classifications based on the duties of the employees while normal business operations are interrupted or suspended. Once normal business operations resume, appropriate classifications should be applied.

In addition, an employer may provide financial or nonfinancial grants to employees directly affected by the inclement weather. In these instances, please reference NCCI's *Basic Manual* Rule 2-B-2-I, which allows an employer to provide perks—such as flights, tickets to events, and discounts on property or services—that are excluded from payroll. While grants are not specifically named, they may be considered an employer-provided perk.

### Common Classification Assignments

Additionally, many employers may assist in the cleanup effort both in and out of their headquarters state. Following is a representative list of classifications that are likely to apply to the cleanup efforts:

1. Code 0106—Tree Pruning and Removal—All Operations & Drivers—Natural Catastrophe
  - Applies to businesses contracting exclusively to prune limbs, clean up tree debris, and remove lodged or felled trees in the aftermath of a natural catastrophe
2. Code 6217—Excavation & Drivers
  - Includes removal of tree debris by mechanical equipment such as bulldozers and hydroaxes; and removal of earth, small boulders, and rocks by power shovels, trench diggers, or bulldozers. This material may be piled at the job site or removed by dump trucks.
3. Code 2702—Logging or Tree Removal—Nonmechanized Operations
  - Applies to the cutting down and removal of standing trees
4. Code 9402—Street Cleaning & Drivers
  - Includes beach or shoreline cleaning made necessary due to oil spills. This includes the onshore cleaning of rocks with hot water under pressure alongside banks or shores of waterways where oil spills have reached land. When oil spill cleanup is performed from a vessel in navigable waters and maritime coverage is afforded, refer to Codes 7394, 7395, and 7398. When maritime coverage is not applicable but longshore coverage has been endorsed onto the policy to provide coverage for shore personnel operating cleaning equipment from a nearby barge, then Code 9402, increased by the USL&HW loading factor, should apply.
5. Code 7394—Diving—Marine—Program I; Code 7395—Diving—Marine—Program II—State Act Benefits; Code 7398—Diving—Marine—Program II—USL Act Benefits

- Includes operations of companies engaged in cleaning oil spills, provided the cleanup activities are conducted in waters subject to admiralty jurisdiction. The operation includes encircling the oil (i.e., placing oil booms) to keep it confined and pumping it into holding tanks aboard the boat.
  - Admiralty classifications: Codes 7394, 7395, and 7398. An Admiralty Law classification is applicable when a determination is made that employees engaged in the described operations are deemed to be “crew members” covered under Admiralty Law and coverage under this law is added to a policy. The determination of whether or not Admiralty Law coverage is necessary for an insured is not made by NCCI.
6. Code 9403—Garbage, Ashes or Refuse Collection & Drivers
- Includes public or private collection of garbage, ashes, or refuse and the transporting of same to waste reduction or incinerator plants, rendering or fertilizer plants, or dumps
7. Code 7590—Garbage Works
- Applies to reduction or incineration of garbage
  - Includes mobile or on-site processing/incineration of contaminated soil, sand, etc.
8. Code 7228/7229/7219—Trucking or Hauling classifications
- These classifications apply to hauling of general merchandise for others and, in the oil-cleanup scenario, may be applicable to trucking risks hauling excavated sand
9. Code 8831—Hospital—Veterinary & Drivers
- Animal rescue or animal cleaning operations are exposed to similar hazards as animal control officers, who are properly classified to Code 8831

Employers needing assistance with classification assignments should first consult their agent and/or carrier. The carrier should evaluate the employer’s operations and determine the appropriate classification.

**Note:** Interpretation of state or federal laws pertaining to coverage issues is not within the jurisdiction of NCCI.

Refer to each state’s *Basic Manual* pages to determine whether any state exceptions apply.

## Contact Information

If you have any questions, please contact:

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