



**Approved Minutes**

**Oregon Workers Compensation Rating System Review & Advisory Committee**

Agenda Tracking No.: ORAC 02-2016

Prepared by: Tim Hughes

Date of Meeting: Tuesday, January 26, 2016

Minutes Release Date: February 4, 2016

Location of Meeting: Lincoln Center Office Complex, located at 10220 S.W. Greenburg Road, Portland, Oregon.

**Members:**

<b>Name</b>	<b>Representing</b>	<b>Voting? Y/N</b>	<b>Present? Y/N</b>	<b>Substitute</b>
David Waki	Dept. of Consumer & Business Services, Labor & Industries	N	Y	
Ed McKenney	Gem Equipment	Y	Y	
DeAnne Hoyt	SAIF	Y	N	Michele Summerlin
Meegan Williams	Liberty Mutual Ins.	Y	Y	
Ralph E. Wyatt	Linn County	Y	Y	
Michael Menacho	Republic Indemnity Ins.	Y	Y	
Steve O'Connell	Travelers	Y	Y	

**Others in Attendance:**

<b>Name</b>	<b>Representing</b>
David Dahl	Dept. of Consumer & Business Services, Labor & Industries
Jessica Epley	National Council on Compensation Insurance
Tim Hughes	National Council on Compensation Insurance
Alec Shebiel	Lindsay/Hart
Charles Tagland*	National Council on Compensation Insurance
Bill Dodds*	National Council on Compensation Insurance
Emily Drew	Liberty Mutual
Clyde Rapozo, Jr.	Liberty Mutual
Jaye Fraser	SAIF
Brian Murphy	SAIF
Eric Williams	SAIF
Tracy Meyer	SAIF
John Taylor	Travelers

\*Participated by telephone



**Agenda Items**

Issue	Resolution
<p><b>Election of 1<sup>st</sup> and 2<sup>nd</sup> Vice-Chairs</b>            NCCI's Jessica Epley stated that in accordance with Oregon Administrative Rules (OAR), ORAC is required to elect a 1<sup>st</sup> and 2<sup>nd</sup> Vice-Chair to assist the Chair when absent. To comply with the OAR, Ed McKenney was elected as 1<sup>st</sup> Vice-Chair and Ralph Wyatt was elected as 2<sup>nd</sup> Vice-Chair.</p> <p>ORAC also discussed carrier appointments to ORAC. At issue is whether the carrier or the individual employed by the carrier is appointed as the representative. David Waki understood that the carrier is appointed (e.g. Travelers) and that the carrier can then determine which employee will serve on ORAC. Ms. Epley and Mr. Waki will discuss this issue further.</p>	<p>A motion was made, seconded and passed by majority vote and it was</p> <p><b>RESOLVED</b>, that Ed McKenney serves as the 1<sup>st</sup> Vice-Chair and Ralph Wyatt serve as the 2<sup>nd</sup> Vice-Chair.</p>

Issue	Resolution
<p><b>ITEM B-1431—REVISIONS TO BASIC MANUAL CLASSIFICATIONS AND APPENDIX E—CLASSIFICATIONS BY HAZARD GROUP</b></p> <p>NCCI staff presented this national filing. The filing revises, establishes, and eliminates certain:</p> <ul style="list-style-type: none"> <li>• Classifications in NCCI's <i>Basic Manual</i></li> <li>• Statistical codes in NCCI's <i>Statistical Plan</i></li> <li>• Information in NCCI's <i>Assigned Carrier Performance Standards</i></li> </ul> <p>An analysis of NCCI's classification system identified certain classifications with low credibility that are recommended to be eliminated and reassigned to other national or state special classifications with similar operations and as applicable, certain statistical codes. NCCI uses the term "low credibility" to identify classifications that are too small to develop meaningful data for ratemaking purposes.</p> <p>During ORAC's review of this item, a member stated that Fact Sheet 6, Exhibit 6F and 6H, addressing the classification of scaffolding, do not apply in Oregon. The national scaffolding codes in these two exhibits (pages 144 and 146) indicate that scaffolding operations are classified to either Code 5403—Scaffolding Sidewalk Bridges Not Over One Story in Height or Code 5057-Scaffolding Installation, Repair or Removal—Build Up Form The Ground—Not Suspended or Swinging Type. In Oregon, Code 5403—Scaffolding—All Types is used for all types of scaffolding.</p> <p>NCCI will remove the state indicator OR from the list of states where these</p>	<p>After review of this item, a motion was made, seconded and passed by majority vote and it was</p> <p><b>RESOLVED</b>, that with the revision to Fact Sheet 6, Exhibit 6F and 6H, Item B-1431 is recommended for adoption.</p>



<p>exhibits apply. NCCI will update the Filing Memorandum for B-1431 to show that Exhibits 6-F and 6-H of Fact Sheet 6 do not apply in Oregon and will remove OR indicator on these exhibits.</p>	
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Issue	Resolution
<p><b>ITEM 01-OR-2016—REVISIONS TO OREGON PREMIUM ALGORITHMS TO CLARIFY THE BALANCE TO MINIMUM PREMIUM CALCULATION</b></p> <p>NCCI staff presented this item that adds a footnote to the Oregon premium algorithm to clarify the treatment of the expense constant in the balance to minimum premium calculation.</p> <p>This item was requested by staff at DCBS. An ORAC member asked DCBS's David Dahl if the proposed addition to the Oregon algorithm accomplished the requested clarification. Mr. Dahl stated the proposed change was sufficient.</p>	<p>After review of this item, a motion was made, seconded and passed by majority vote and it was</p> <p><b>RESOLVED</b>, that Item 01-OR-2016 is recommended for adoption as presented.</p>

Issue	Resolution
<p><b>ITEM 03-OR-2016—REVISION TO BASIC MANUAL CLASSIFICATIONS FOR SOLAR PANEL AND SOLAR ROOFING TILE INSTALLATION OR REPAIR</b></p> <p>NCCI staff presented this ORAC directed filing that proposes to establish the following Oregon special phraseologies in NCCI's <i>Basic Manual</i>:</p> <ul style="list-style-type: none"> <li>• Code 3724—Solar Panel Installation or Repair &amp; Drivers</li> <li>• Code 5183—Plumbing NOC &amp; Drivers</li> <li>• Code 5190—Electrical Wiring—Within Buildings &amp; Drivers</li> <li>• Code 5551—Solar Roofing Tile Installation or Repair &amp; Drivers</li> </ul> <p>During its October 20, 2015 meeting, ORAC members discussed that NCCI item filing 01-OR-2015 did not elaborate on what solar panel work fell into each classification. SAIF was of the understanding that roof mounted solar panels would fall under Code 3724 since that is where other roof mounted machinery/equipment is classified if not otherwise classified. SAIF also thought the roofing class, Code 5551, would only apply to photovoltaic solar tiles on a roof.</p> <p>ORAC directed NCCI to file Oregon special phraseologies for Codes 3724 and 5551 to clarify the treatment of solar panel installation or repair. In addition, as a result of the proposed changes for Codes 3724 and 5551, NCCI determined that</p>	<p>After review of this item, a motion was made, seconded and passed by majority vote and it was</p> <p><b>RESOLVED</b>, that Item 03-OR-2016 is recommended for adoption as submitted.</p>



Oregon special phraseologies for Code 5183—Plumbing NOC & Drivers and Code 5190—Electrical Wiring—Within Buildings & Drivers must be established to refer to Codes 3724 and 5551.

The proposed Oregon State Special language follows:

**3724 • SOLAR PANEL INSTALLATION OR REPAIR & DRIVERS**

Applies to the installation or repair of ground-supported or roof-mounted solar panels. Solar roofing tile installation and repair to be separately rated as Code 5551—Solar Roofing Tile Installation or Repair & Drivers. Solar panel plumbing and electrical work to be separately rated.

**5183• PLUMBING NOC & DRIVERS**

Applicable to gas, steam, hot water or other types of pipe fitting. Includes house connections and shop operation. Automatic sprinkler installation to be separately rated as Code 5188. The installation or repair of solar roofing tiles to be separately rated as Code 5551—Solar Roofing Tile Installation or Repair & Drivers. The installation or repair of ground-supported or roof-mounted solar panels to be separately rated as Code 3724—Solar Panel Installation or Repair & Drivers.

**5190• ELECTRICAL WIRING—WITHIN BUILDINGS & DRIVERS**

Includes installation or repair of fixtures or appliances. Installation of electrical machinery or auxiliary apparatus to be separately rated as Code 3724—Electrical Apparatus Installation. The installation or repair of solar roofing tiles to be separately rated as Code 5551—Solar Roofing Tile Installation or Repair & Drivers. The installation or repair of ground-supported or roof-mounted solar panels to be separately rated as Code 3724—Solar Panel Installation or Repair & Drivers.

**5551• SOLAR ROOFING TILE INSTALLATION OR REPAIR & DRIVERS**

Applies to the installation or repair of solar roofing tiles. Roof-mounted solar panels to be separately rated as Code 3724—Solar Panel Installation or Repair & Drivers. Solar panel plumbing and electrical work to be separately rated.

ORAC members reviewed the above language and recommended its submission to DCBS.

Distribution: Committee Members