

State Fund's Guide to Complete Submissions for Workers' Compensation Insurance

Business Operations

A complete description of business operations is critical to receiving an accurate quote for insurance. This information is necessary to determine the appropriate governing classification, endorsed classification(s), and proper industry code. This can prevent:

- Costly misclassifications.
- Time-consuming inquiries from the Workers' Compensation Insurance Rating Bureau (WCIRB).
- Erroneous final audit bills at policy expiration.
- Possible Assembly Bill (AB) 1914 issues.

When in doubt, more information is best. Proper vetting of your clients' applications prior to submission will reduce time-consuming back and forth requests for clarification and expedite the quoting process.

When determining business operations please consider:

- What is the main purpose of the business?
- Does it offer a service or a product?
- What is manufactured, purchased, sold or handled by the business?
- How, when, where, and by whom are the products or services procured?

Examples:

Manufacturing – *Description on Submission: Employer is engaged in the manufacturing of aircraft parts*

Clarification required regarding FAA certification.

- If FAA certified, the appropriate classification would be 3831(1) – Machine Shops-Aircraft Components
- If not FAA certified, the appropriate class would be 3632(1) – Machine Shops

Service/Food – *Description on Submission: Meals on Wheels*

Clarification required regarding whether the employer cooks the meals provided to the needy or whether the hot meals are prepared by a vendor.

- If hot meals are prepared by the employer, the appropriate classification would be 9079 – Restaurant
- If hot meals are prepared by a third party with no reheating, then the appropriate classification would be 8017 – Stores N.O.C.

Construction – *Description on Submission: General contractor engaged in cabinet installation*

Clarification required regarding whether the general contractor installs cabinets during remodel work or as a single job with no other trades performed.

- If installation of cabinets is part of a remodel job then classes 5403/5432 – Carpentry would apply.
- If the employer performs cabinet installation as a single job and no other trades are performed for the job, class 5146 would apply.