July 25, 2007
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R.C. 2135

To the Members of the Board

RE: New York Workers Compensation
    Subway Construction – Classification Procedure

The Rates Committee has adopted, and the New York State Insurance Department has approved, effective October 1, 2007, for new and renewal business, the elimination of Code 6254 and Code 6259 “Subway Construction – all sub-surface operations except steel erection & Drivers” and the New York Subway Rating Plan. Currently, the same phraseology applies to both Codes 6254 and 6259, however, Code 6259 applies only if 75% or more of the total bid price on the job is for tunneling operations.

Code 6254 and Code 6259 have been a-rated classifications since 1925 and a Subway Rating Plan describing the procedures to be followed in developing the rate was also implemented at that time. To develop the rate for either one of these codes, blueprints of the actual job are obtained from the transit company. In addition, the existing code for the nature of work performed along with the labor cost per cubic yard for each type of work performed is used to develop the rate. Differing criteria is also applied depending on whether the job includes any tunneling.

Code 6254 is a New York and California special classification and Code 6259 is a New York special. A review of the classification procedures in other jurisdictions for this type of work revealed that existing contracting classifications are used for subway construction which is a more practical way of rating these operations. Based on this review, the New York Subway Rating Plan, Code 6254 and Code 6259 have been eliminated. Subway construction is now subject to the appropriate classification code(s) applicable to the work being performed.


Printed manual pages will be distributed as soon as they become available.

Very truly yours,

Monte Almer

President

CD:tg
Encl.
STREET or ROAD CONSTRUCTION: (continued)

**SUB-SURFACE WORK & Drivers**  
 Applies to clearing of right of way, earth excavation, filling or grading. Separately rate: rock excavation, tunneling, bridge or culvert building where clearance is more than 10 feet at any point or where the entire distance between terminal abutments exceeds 20 feet, quarrying and stone crushing.

Logging and lumbering shall be assigned to Code 2702 unless the contract also calls for earth excavation, filling or grading.

**STREET or Road MAKING MACHINERY MFG.**  

**STUCCO or Plastering WORK—on outside of buildings**  

**SUBWAY CONSTRUCTION**  
 Use appropriate construction or erection classifications.

**SUGAR REFINING**  
 Not glucose or beet sugar mfg.

**SURGICAL or Pharmaceutical GOODS MFG. NOC**  

**SURVEYOR**  
 Applies to land surveying. Does not apply when engaged in actual construction. May be used only upon specific assignment by the Rating Board. Shall not be assigned to a risk engaged in operations described by another classification unless the operations subject to Code 8601 are conducted as a separate and distinct business.

**SUSPENDER MFG.**  
 Buckle, webbing or leather parts mfg. to be separately rated.

**SWIMMING POOL CONSTRUCTION—not iron or steel—& Drivers**  
 Not available for division of payroll with Code 5213 "Concrete Construction NOC" at the same job or location.

Excavation to be separately rated as Code 6217 "Excavation NOC & Drivers." Construction of iron or steel pools to be separately rated as Code 5069 "Iron or Steel Erection." Maintenance work to be separately rated as Code 9030 "Building Service Contractors," provided the operations described by Code 5223 and Code 9030 are conducted by separate crews with no interchange of labor and separate payroll records are maintained.
J. UNITED STATES LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT COVERAGE

a. Experience modifications containing classifications where the rates include coverage under the USL&HW Act, are calculated using the formula described in Rule-2-D-1 of this Plan.

b. Classifications subject to the USL&HW Act, but not followed by the letter "F" in the Table of Manual Rates, Expected Loss Rates and Discount Ratios, have their expected losses determined by applying the USL&HW Act percentage in that table to the classifications’ expected loss rates. The formula described in Rule-2-D-1 of this Plan will then apply.