

# Commonly Misclassified NCCI Class Codes

## WORKERS' COMPENSATION

Navigating the complexities of the National Council on Compensation Insurance (NCCI) class codes can be challenging, especially when ensuring accurate classification for workers' compensation insurance. Misclassifications can lead to significant financial implications for businesses.

Many carriers, especially in this competitive workers' compensation marketplace, have not used the correct code for years, meaning the e-mod will show the incorrect code that many underwriters will follow. Some states, including Indiana, require a class code inspection before changing the class codes or governing code. They rarely, if ever, retroactively apply the correct code.

Additionally, many insureds don't keep detailed enough records to separate codes, so carriers lump all into the highest-rated code. If it's multi-state, and the insured doesn't keep payroll records by state and runs it all through the domiciled state, then it goes into the highest-rated state/code. In this situation, things can get ugly fast. Different rules apply to assigned risk and residual markets in some states.

Premium audit is one of the more difficult aspects of our job and for some carriers, it's a big enough reason to lose renewals or even lose business midterm. When premium audits go into dispute and drag out, they end up in collections, and those involved lose commission.

Here are some commonly misclassified NCCI class codes with comparisons to help clarify their proper usage:

Carpentry		
5437	5645	5606
<b>Finish Carpentry</b>	<b>Rough Carpentry</b>	<b>Executive Supervisors or Construction Superintendents</b>
<ul style="list-style-type: none"> <li>Interior carpentry</li> <li>Paneling, molding and cornices</li> <li>Parquet or finished wood flooring</li> <li>Mantels and staircases</li> <li>Cabinets and counters</li> <li>Interior doors and trim</li> <li>Wainscoting and baseboards</li> </ul>	<ul style="list-style-type: none"> <li>Rough framework and rough flooring</li> <li>Siding installation</li> <li>Interior carpentry when structural carpentry is performed by the employer</li> <li>Roof trusses and sheathing</li> <li>Exterior doors and windows</li> <li>Decks and porches</li> </ul>	<p>This code covers project managers and construction executives who supervise through superintendents or forepersons and do not have direct charge over workers. If there is no foreman overseeing subcontractors, or if the subcontractor is operating as a sole proprietor with no employees, this code does not apply.</p>
Restrictions		
This class code does not include any framing on the jobsite.	This class code is for jobsites with framing and residential dwellings not exceeding three stories.	This code is not applicable if exposure is generated under any construction classification for the same job.

Building or Property Management	
9012	9015
<b>Building or Property Management (Clerical)</b>	<b>Building or Property Management (Maintenance)</b>
<ul style="list-style-type: none"> <li>Property managers overseeing daily operations</li> <li>Leasing agents handling rental agreements and tenant relations</li> <li>Clerical staff performing administrative tasks</li> <li>Salespersons involved in property sales and leasing</li> <li>Tenant communication and service requests</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance and repair work on buildings and facilities</li> <li>Security personnel and doormen</li> <li>Elevator operators and gatekeepers</li> </ul>
<b>Restrictions</b>	
Does not apply to employees performing manual labor or maintenance work, primarily for office-based roles within property management.	Not applicable to clerical, sales, or purely administrative roles.

Automotive	
7225	8380
<b>Towing</b>	<b>Automotive Repair and Service</b>
<ul style="list-style-type: none"> <li>Roadside assistance and towing of disabled vehicles</li> <li>Recovery of vehicles from accidents or off-road situations</li> <li>Transporting vehicles to repair shops or impound lots</li> <li>Winching and hoisting operations</li> <li>Use of tow trucks, flatbeds and other specialized towing equipment</li> </ul>	<ul style="list-style-type: none"> <li>Maintenance and repair work on buildings and facilities</li> <li>Security personnel and doormen</li> <li>Elevator operators and gatekeepers</li> </ul>
<b>Restrictions</b>	
Does not apply to auto repair or maintenance work performed at a shop, primarily for operations conducted on public roads and highways.	Does not apply to towing operations or bodywork, primarily for work performed in a controlled, in-shop environment.

Landscaping	
0106	0042
<b>Tree Pruning, Repairing or Trimming</b>	<b>Landscape Gardening &amp; Drivers</b>
<ul style="list-style-type: none"> <li>Pruning, repairing or trimming trees or hedges using ladders, lifts or by climbing</li> <li>Removal of trees that retain no timber value</li> <li>Clean-up, chipping or removal of debris</li> <li>Stump grinding or removal</li> <li>Tree spraying or fumigating in connection with tree pruning</li> </ul>	<ul style="list-style-type: none"> <li>Laying out grounds and planting trees, shrubs, flowers or lawns</li> <li>Lawn mowing, shrub, bush or hedge trimming</li> <li>Planting operations</li> <li>Maintenance of landscaped areas</li> <li>Pruning, repairing or trimming trees or hedges when none of the operations require elevation</li> </ul>
<b>Restrictions</b>	
Not applicable to landscaping operations such as lawn mowing or planting.	Does not apply to tree removal or any operations requiring elevation, ground crews on tree trimming jobs can be assigned to this code only when no elevation is involved.