



# WORKERS' COMPENSATION CLASSIFICATION PROCESS

**Builders Mutual<sup>®</sup>**  
**PREMIUM AUDIT**

We have developed this document to help you understand the typical questions that will be asked of you during your audit. Please review this document to familiarize yourself with the standard Builders Mutual Audit process.

## 1. WHAT IS YOUR LEGAL ENTITY?

Individual, Partnership, Corporation, LLC, LLP

## 2. WHO ARE THE OWNERS/OFFICERS/PARTNERS AND WHAT ARE THEIR DUTIES?

Assign to the principal operations in which the executive officers are engaged.

## 3. WHAT ARE YOUR OPERATIONS?

Assign basic classification.

## 4. STANDARD EXCEPTIONS

Classifications common to most businesses:

- Clerical 8810
- Drivers 7380
- Salesperson 8742
- Auto Salespersons 8748

## 5. GENERAL EXCLUSIONS

Operations unusual for the business described by the basic class:

- Aviation
- New Construction
- Stevedoring
- Saw Mills
- Day Care Centers



## 6. DO MULTIPLE BASIC CLASSES APPLY?

**YES:** Determine basic classifications

- General Inclusions
- Operations that appear to be separate businesses but are included in the basic class:
  - Maintenance & repair of insured's equipment/buildings
  - Manufacture of container for insured's products
  - Medical facilities for insured's employees
  - Printing by insured in its own products
- If proper records are maintained, assign to applicable class. If not, assign to highest-rated class (interchange of labor).

**NO:** Determine governing class

## 7. MISCELLANEOUS EMPLOYEES

Performs duties common for separate operations subject to more than one basic class. Assign to Governing Class—the basic class with largest payroll.

- General superintendent
- Maintenance
- Shipping/Receiving
- Yard worker

## 8. DETERMINE GOVERNING CLASSIFICATION

The basic classification with the largest payroll.

## 9. ASSIGN MISCELLANEOUS EMPLOYEES TO GOVERNING CLASSIFICATION



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