



Wisconsin Compensation Rating Bureau

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## CIRCULAR LETTER 3138—APRIL 18, 2016

TO: Members of the Bureau

FROM: Donna Knepper

RE: Proceedings of the WCRB Governing Board  
Class Code 2710 Sawmill & Drivers

Pursuant to ch. 626, Wis. Stat., the Office of the Commissioner of Insurance has approved the following changes adopted by the Governing Board.

At recent WCRB Rating Committee hearing, the complainant requested two changes in the classification of sawmills. One was to establish a new classification for mechanized sawmill operations.

- (1) Establish a new mechanized sawmill classification similar to that used for mechanized logging.

The Rating Committee discussed how the mechanization of the industry in general should provide savings which would be reflected in the current rate for Class Code 2710. Safer operation of the sawmill would reduce the number of losses reported and therefore decrease the overall rate for the classification. Further, the Rating Committee noted that the process of setting up a separate classification for mechanized sawmills would split payroll within the same employer. This split payroll would create significant difficulty in determining who was and who was not entitled to the mechanized sawmill classification.

The request to establish a mechanized sawmill classification was denied.

- (2) Classify the yard workers and green chain workers under Class Code 8232.

The Rating Committee determined that green chain operations in other states were included in Class Code 2710. However, dry kiln operations, or stacking and air drying operations, were handled under Class Code 8232. The NCCI and the Wisconsin Basic Manuals do allow for both Class Code 2710 and Class Code 8232 to be on the policy at the same time. Payroll for the employees engaged in the yard activities could be classified under Class Code 8232, but payroll for the sawmill operations and green chain operations would be classified under Class Code 2710 under NCCI's phraseology.

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At the conclusion of the discussions, the Rating Committee voted to adopt the phraseology used by the NCCI to distinguish between yard operations, green chain operations and sawmill operations. Therefore, the following change to code 2710 is approved effective October 1, 2016 applicable to new and renewal business only.

**SAWMILL & DRIVERS** (Includes the “Green Chain’ operations. These operations involve employees engaged in grading, removing and sorting lumber at the conveyor called the “Green Chain” as it comes from the saws or sawmill, and storage of the green lumber in the yard. The subsequent dry kiln operations or stacking and air drying operations or the handling of the processed lumber activities in the yard are assigned to Code 8232 – Lumberyards.

If an insured’s business qualifies for Codes 2710 and 8232, individual employee payrolls may be allocated between these codes Refer to WI Basic Manual Interchange of Labor rules for requirements that must be met for an insured to qualify for this payroll allocation.)

SHINGLE MFG-WOOD  
BARK MILLS  
BARK PEELING IN CONNECTION WITH SAW MILLS-CHIPS ALSO  
LATH MFG-WOOD  
PORTABLE SAW MILLS  
POST PEELING IN CONNECTION WITH SAW MILLING  
SNOW FENCE MFG—CUTTING LATH FROM LOGS  
WOOD CHIP MFG