



Wisconsin Compensation Rating Bureau

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CIRCULAR LETTER 3141—MAY 31, 2016

TO: Members of the Bureau

FROM: Donna Knepper

RE: Proceedings of the WCRB Governing Board
Class Code 8037 Superstores and Warehouse Clubs

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

The WI Class Code Exception subgroup met on April 25, 2016 and discussed several NCCI class codes that have not been adopted in WI. By e-mail vote, the Rating Committee and Governing Board adopted the recommendations of the subgroup to adopt NCCI code 8037 for superstores and to amend the payroll threshold for code 8039 – Store – Department – Retail from \$400,000 to \$650,000.

8037 - STORE—SUPERSTORES AND WAREHOUSE CLUBS

Superstores and warehouse clubs are large retail establishments with multiple departments, with each department selling a specific type of merchandise. Warehouse clubs may have a large percentage of business memberships. This does not preclude them from assignment to this classification. Due to the nature of these operations, the principal type of merchandise sold (i.e., more than 50% of gross receipts) may vary from year to year; therefore, superstores and warehouse clubs will not be classified based on the principal type of merchandise sold. A key distinction between superstores and department stores, discount department stores, or other retail operations is that superstores sell groceries such as milk, juices, cereals, crackers, cookies, frozen dinners, frozen desserts, etc., in addition to clothing and their other types of merchandise. Many superstores have full grocery operations with fresh produce, meat, seafood, and baked goods in addition to clothing and their other types of merchandise.

The rate, hazard group, ballast, etc., will mirror code 8039 Store Department – Retail until such time as code 8037 develops sufficient data to be credible on its own.

The subgroup also looked at code 8039 and proposed that the payroll threshold for code 8039 be increased from \$400,000 to \$650,000, which now aligns with NCCI's language for this classification:

8039 - STORE DEPARTMENT-RETAIL (Includes installation of house furnishings and shall apply to each location of a risk at which all of the following conditions exist: 1. The payroll subject to this classification is at least \$650,000 per annum. 2. The merchandise handled must include: (a) wearing apparel (b)

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linens/domestics (c) house furnishings (other than furniture) (d) two or more of the following: cosmetics; furniture; giftware; hardware; jewelry; luggage; sporting goods; stationery/greeting cards; toys. 3. The total annual sales of Items (a), (b) and (c) above must exceed 50% of the total annual sales of all merchandise sold. Also, the total annual sales of wearing apparel, jewelry and cosmetics must not exceed 80% of the total annual sales.)

These changes are effective October 1, 2016 applicable to new and renewal business.