Washington State Department of
Labor & Industries
Workers' Compensation Services

Construction Industry Classification Guide

A photo essay guide for the woodframe industry in Washington

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This manual was compiled by the Classification Development section, Insurance Services Division, Washington State Department of Labor & Industries (L&I), to assist contractors in the proper classification of work being performed by their employees on new woodframe building construction projects.

The intent of this manual is to serve as a guide only, and is not meant to supersede Chapters 296-17 and 296-17A of the Washington Administrative Code. Please contact your account manager to confirm classification choices and have them added to your account. Your account manager will also give you the rate per hour at that time. If you don't have your account manager information handy, contact Employer Services at **360-902-4817**.

Introduction

This manual deals with operations associated with new woodframe building construction. A woodframe building is defined as a building whose support structure is constructed from wood or wood products. The support structure includes floor joists, subfloors, exterior walls, interior bearing walls, and roof trusses or rafters.

Woodframe buildings are constructed for either residential or commercial purposes. The end use of a building is not a contributing factor in determining the proper classification assignment. No distinction is made between the size of a building, number of stories, or whether it is a single or multiple unit building, provided the structural support is of 100% wood or wood products.

A non-woodframe building's primary structural support would be constructed from iron, steel, concrete, masonry, or similar materials. Even though the floors, wall, and ceiling may include wood or wood products as part of the building, it does not meet the definition as described above for woodframe building construction projects which is the primary intent of this manual.

This manual is formatted in a chronological order to illustrate the various phases associated with woodframe construction operations. The main phases are:

- **Site Preparation**
- **Foundation and Flatwork**
- **Framing the Structure**
- **Utility Construction**
- **Enclosing the Structure**
- **Interior Finish Work**
- **Finishing the Site**
- **Miscellaneous Operations**

In addition, special sections are included in the appendices of this manual. Provided are the "Special Construction Industry Rule", Safety Precautions, Risk Management Services, Toll-Free Telephone Numbers, and Statewide Service Locations (addresses and phone numbers).

Single Family

Four-Plex

Apartment Complex

Overview

Classifying the Construction Industry

The general classification policy for all businesses is to assign a basic classification that covers an employer's entire business operation and the various occupations used by the employer within the business. Examples of such exceptions which may be excluded from a businesses' basic classification(s) could involve employees who have no other duties and perform work exclusively as clerical, outside sales, pre-occcupancy cleanup, after the completion of a new building, duties in a permanent yard or shop, and security guards at a construction site.

In some cases, employers are assigned several classifications because they are involved in multiple business operations which are independent of each other and have different degrees of risks. A single classification would discriminate unfairly against these businesses and place them at a disadvantage with competing businesses. The classification policy within construction industries is consistent with nonconstruction businesses.

For contractors engaged in a single operation at a job site or location, such as plumbing or electrical work, a single classification for the entire business operation applies. For construction contractors engaged in multiple operations of several phases of construction at a job site or location, several classifications may apply to work being performed. A copy of the rule covering this policy can be found under Appendix I, "Building Construction" rule.

As part of this rule, the department may, upon written request by a contractor prior to the start of a construction project, authorize the use of a single basic classification in which to report a contractor's entire construction crew(s) as part of a specific building project. Requests for such classification should be sent to our Employer Services section in Olympia or call your account manager for more details.

Selection of the basic classification will be determined by estimating the work hours for each construction operation at the site or location, and calculating the premiums due for each. Total estimated premiums will then be divided by the total estimated hours to produce an average rate. The basic classification assigned to the employer that carries the rate nearest to the estimated average rate will be selected. If the estimated average rate is equally between two potential classifications, the lower of the two rates will be selected.

Separate classifications may also be assigned, depending on which type of contractor, whether general or specialty, performs the work. These differences will be discussed under the appropriate construction operation text. Briefly, the department defines a "general contractor" as a contractor who is engaged in more than one trade on a project, whereas a "specialty contractor" is limited to a single trade on a project.

As multiple classifications may be assigned to a construction contractor, extra care must be taken in recording the worker hours for the various phases of the project. Failure to maintain complete and accurate records can result in higher premium costs to the contractor, as the work may be assigned to the highest-rated classification which applies to the project. Record-keeping requirements are provided in the next section (see page 6).

In the construction industry, it is essential that accurate records be kept showing the hours of each worker in each phase of the construction project. Without detailed time records, all of a worker's hours must be reported in the classification with the highest level of hazard and cost.

Record-Keeping Requirements

To comply with Industrial Insurance laws, the following records should be retained for 3 years and 3 months from the start of each construction phase your business performs as part of a project (also see Appendix I, "Coverage Requirements"):

1. **Ownership records**
   Your firm should have documents to verify the structure of your company. These records include items such as: partnership agreements, articles of incorporation, bylaws and minutes of board meetings, shareholder certificates, Business Licence Application, Contractors Registration, Certificate of Industrial Insurance coverage, and IRS income tax returns.
2. **Payroll records**
   a. Original time cards or books identifying the name of the worker, each worker's social security number, date of work performed, type of work performed, and the number of hours worked by phase of construction.
   b. Individual earnings records for each worker which includes name and address of worker, rate of pay, dates work performed, hours worked and totaled by quarter, gross wages earned, payroll deductions, date of payment, check number, and net amount paid.
3. **Check register or cash disbursements journal**
   This record should show name of payee, reason for payment, date of payment, amount paid, check number, bank statements, and canceled checks, if returned to you from your bank.
4. **Contracts and invoices**
   a. Contracts made between your firm and general contractors, sub-contractors or owners performing work on a project.
   b. Invoices in support of your cash disbursements which includes name of payee, date of service, and a brief explanation of type of service performed.
5. **Quarterly and annual governmental reports**
   a. Labor & Industries payroll reports
   b. Employment Security payroll reports
   c. Department of Revenue reports
   d. IRS quarterly reports
   e. IRS annual tax returns with schedules
   f. W-2s and 1099s
6. **Subcontractor information**
   a. Name and address of each subcontractor
   b. Type of work performed
   c. Date of work performed and amount paid
   d. Subcontractor's Labor & Industries contractors registration or license number and expiration date.
   e. Subcontractor's UBI or Labor & Industries account number.

Site Preparation

Site preparation encompasses the various operations necessary to transform the land into a suitable building site. Activities include logging, blasting, building demolition and grading operations.

I. Logging
The primary purpose of logging is to remove timber products from the potential building site. This includes the falling of trees, limbing and removing the branches, bucking and sawing the tree into shorter lengths for transportation, yarding or skidding and bringing the logs to a central landing or loading site, and loading of the logs onto a log truck.

OPERATION	CLASS
Logging by logging contractor	5001
Logging by construction contractor	5001
Logging machine operator by logging or construction contractor	5005
Log truck drivers	5003

Logging for site preparation

II. Blasting
This is applicable only to blasting in connection with land-clearing operations. See building demolition for blasting activities related to the removal of existing structures.

OPERATION	CLASS
Blasting by excavation contractor	0101
Blasting by specialty contractor	0103

III. Building Demolition
The classification for this operation covers all employments associated with the tearing down or demolition of an existing building regardless of the type of contractor or method used, such as explosives, mechanical demolition using heavy equipment, or by hand tools. Included is the burning or hauling away of the debris.

Back fill

Grading land

OPERATION	CLASS
Building demolition	0518

IV. Land Clearing/Grading
Land clearing includes stripping and removing all vegetation from the potential building site, and grading includes changing and contouring the land to meet the construction requirements and/or esthetic purposes. The operations of land clearing and grading usually occur after the timber products or logs are removed from the potential building site by a logging contractor. These are also distinguished from a landscaping operation which is normally performed after the building has been constructed, and does not alter the contour of the land.

OPERATION	CLASS
Land clearing/Grading	0101
Removal of excavated material:	
by excavation contractor	0101
by hauling contractor	1102

Foundation and Flatwork

This section deals with the locating and setting of foundations; constructing sidewalks, driveways, and culverts; and waterproofing activities.

I. Locating Foundation
The classification assigned to this activity is dependent upon the contractor who performs this work. On occasion, this activity is performed by a land surveying company in which a nonconstruction classification is assigned, because the business will perform other surveying activities other than locating a foundation site.

OPERATION	CLASS
Locating the foundation by excavation contractor	0101
Locating the foundation by general contractor for residential construction	0510
Locating the foundation by foundation contractor	0217

II. Excavation
This classification is used to cover excavation operations by contractors and includes such activities as: stripping topsoil and back filling, blasting to remove large rocks, removal of brush and general cleaning of the site, and digging the hole for the building foundation.

OPERATION	CLASS
Excavation*	0101
Removal of excavated material:	
by excavation contractor	0101
by hauling contractor	1102

*(Note: Classification 0101 also applies to digging holes or trenches for drainage systems, water mains, sewer lines, septic tanks, etc., when performed as part of the land excavation project.)

Staking out the foundation

Clearing and stripping

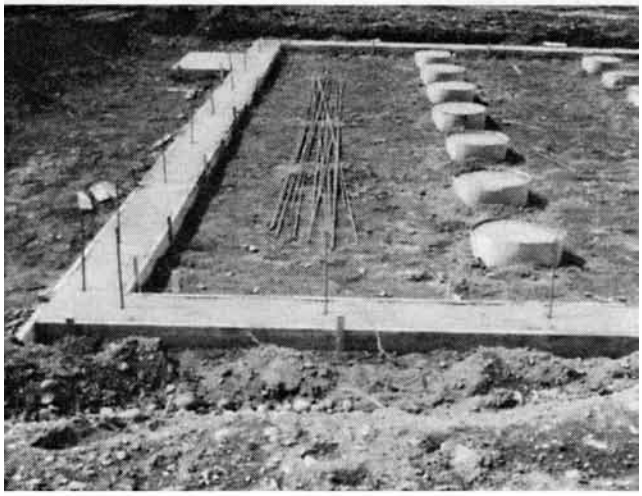
Digging for foundation

Foundation site

III. Setting Foundation

The foundation work will normally involve carpentry activities such as the placement and stripping of concrete forms which is considered an integral part of the concrete construction operation. In addition, the pouring of the concrete footings and walks, as well as the placement of rebar when necessary, are all included within the concrete construction classification when performed by either the general contractor or concrete subcontractor.

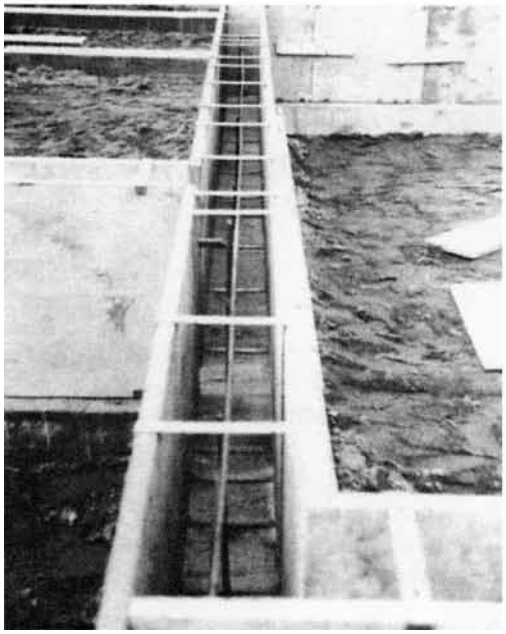
OPERATION	CLASS
Concrete foundation work that includes form construction, placement and stripping, footing and wall construction, and placement of rebar and finishing work.	
by general contractor	0217
by concrete subcontractor	0217
Brick or natural stone foundation work	0302
Reinforced steel installation by specialty contractor	0217
Masonry work or any cosmetic masonry work	0302



Footing with stemwall rebar (safety violation)

WAC 296-155-680-7a for reinforcing steel requires rebar to be capped with a protective covering or bent horizontal to eliminate the potential for injury.

Completed foundation



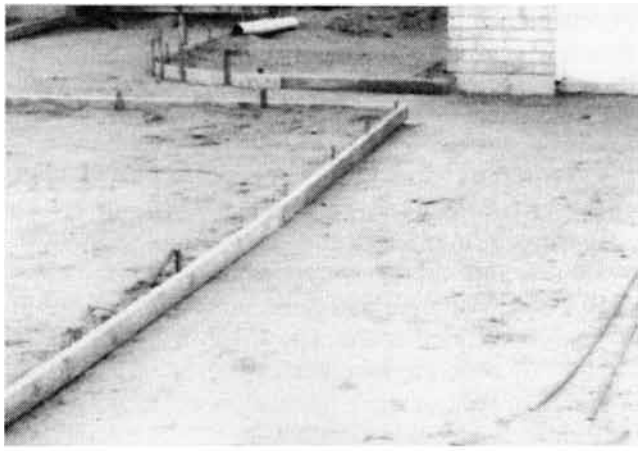
Stemwall forms

IV. Flatwork
This phase of the project includes the construction of concrete driveways, sidewalks, curbs, street gutters, and ground supported concrete floors.

OPERATION	CLASS
Flatwork by general contractor	0217
Flatwork by specialty contractor	0217
Masonry flatwork	0302

Note: Classification 0214 would apply to the construction of concrete driveways, sidewalks, curbs, and gutters when performed as part of a street or road construction project.

Finished driveway



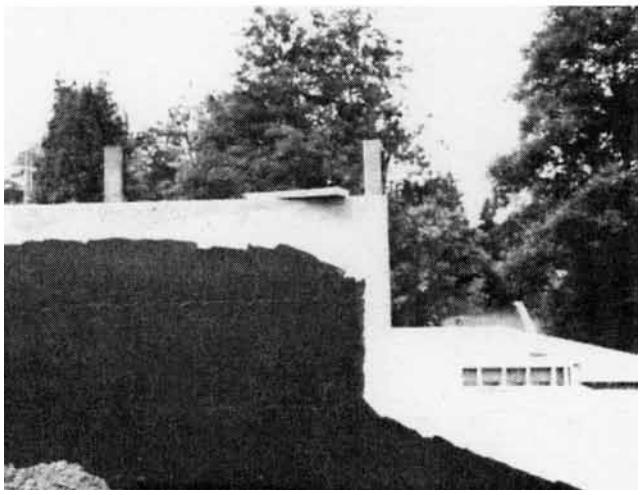
Forms for driveway

Mason work

V. Foundation Waterproofing
There are several application processes used in foundation waterproofing, including brush, roller, spray coating, membrane and epoxy or pressure injection. The classification assigned is the same irrespective to the contractor performing the work.

OPERATION	CLASS
Excavation	0101
Application of waterproof material	0504

Note: Classification 0101 would apply to a contractor when a back hoe is used to remove dirt away from the foundation wall or to push it against the wall after material is applied Classification 0101 is to apply only to this excavation part of the activity.



Application of waterproofing to foundation

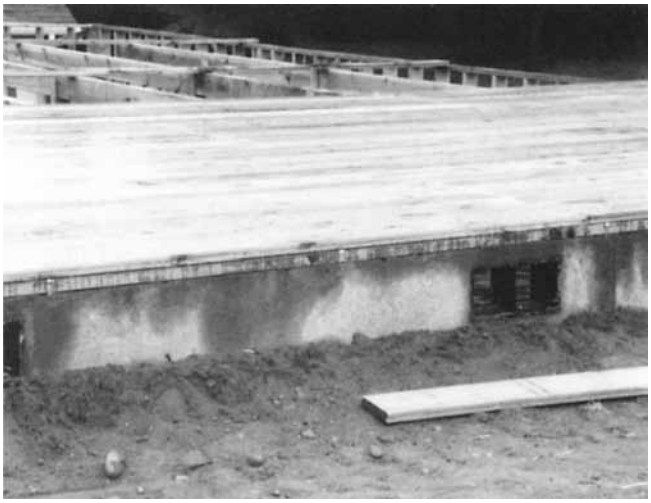
Framing the Structure

This section deals with the construction of the support structure which distinguishes woodframe buildings from nonwoodframe buildings.

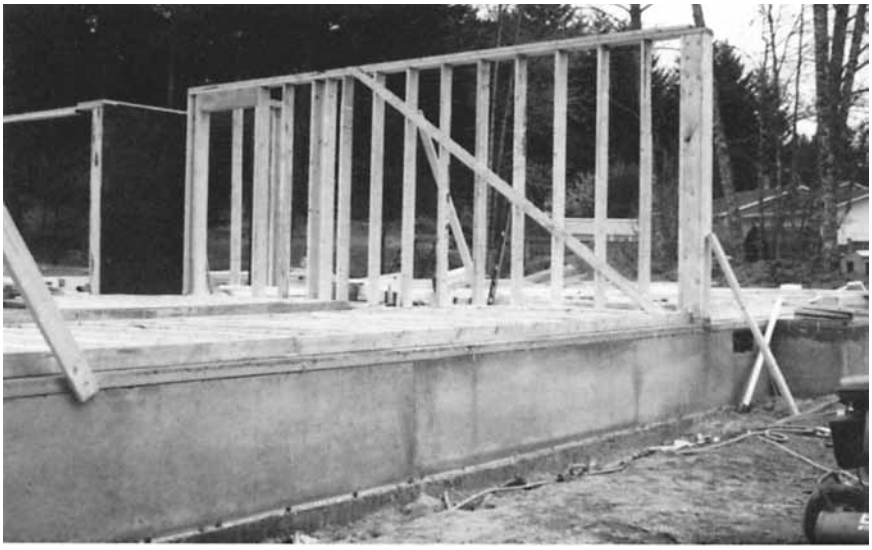
Classification 0510 applies to all framing operations associated with wood-frame building construction, regardless of whether the work is performed by the general or specialty contractor.

Framing includes the construction and installation of floor joists, subflooring, exterior walls, interior support wall frames and stairs, exterior door frames and doors, roof rafters, trusses, and sheathing the roof. Included is the installation of windows, window frames, and skylights when installed by employees of the general or framing contractor.

OPERATION	CLASS
Framing by general contractor	0510
Framing by specialty contractor	0510
Window/Window frame/Skylight installation	
by general or framing contractor	0510
by window specialty contractor	0511

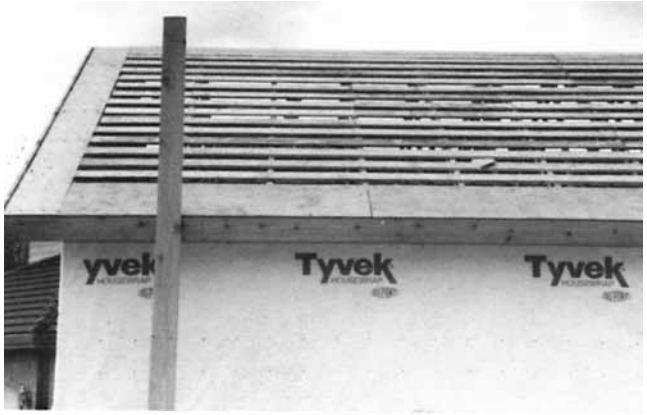


Subfloor installation



Framing exterior walls

Application of moisture barrier



Trusses and sheathing

Installing door frame

Framing interior walls (safety violation)

See WAC 296-155-477(3) for safety requirements for stairrails and handrails on stairways.

Installation of skylight

OPERATION	CLASS
By framing contractor	0510
By window contractor	0511

Utility Construction

The installation of utilities is generally performed by specialty contractors. The classifications assigned are determined by the type of utility.

I. To the Structure — Exterior Work
Classifications in this area vary depending on which operation is being performed. These include: installation of outside gas pipelines, water lines, side sewer lines, septic tanks, or drilling the well. In addition, power lines are distinguished between overhead and underground.

OPERATION	CLASS
Overhead power lines by general or specialty contractor	0509
Underground power lines by general or specialty contractor	0107
Gas pipeline installation (street to building hook-up)	0107
Water line installation (street to building hook-up)	0107
Well drilling	0103
Side sewer installation that is the pipe extending from the building to the public sanitary system	
(when performed by plumbing contractor)	0306
(street to building hook-up)	0306
Septic tank installation (including tank to building hook-up)	0108

Note: Classification 0101 would apply to an excavation contractor when digging holes or trenches for underground utilities and refilling them, provided a separate contractor places its pipe or wire in the trench or hole.

Laying utility lines

Installation of multi-utility lines

Installation of water and gas lines

Trenching

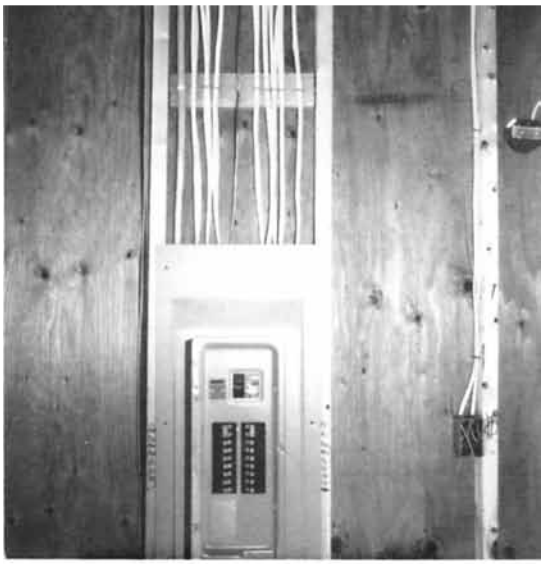
II. Within the Structure — Interior Work

Classifications in this area also vary depending on the type of operation being performed. Included is electrical wiring that is part of the building, installation of heating and ventilation systems, and all plumbing work.

Electrical Wiring:

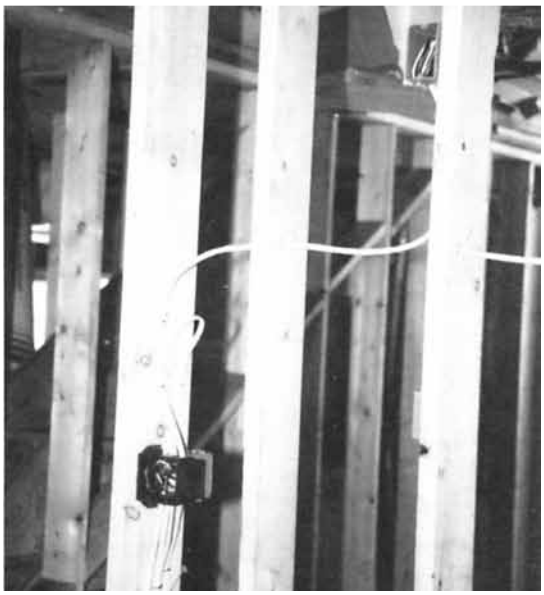
OPERATION	CLASS
Building wiring	0601
Alarm/Intercom systems	0608
Telephone service pre-wire	0608
Cable/Television pre-wire	0601
Ceiling fans, built-in microwaves and dishwashers, interior light fixtures, installation	0601

Installation of light fixtures



Setting panel

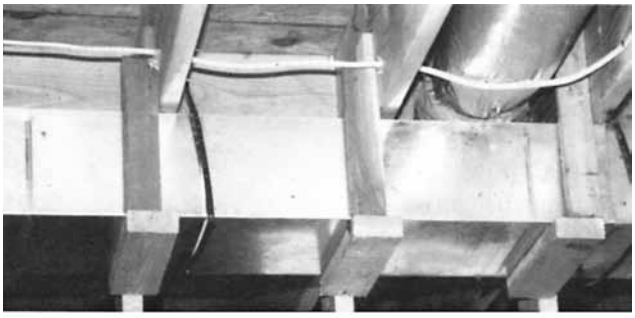
Installation of electrical appliances and outlets



Rough wiring

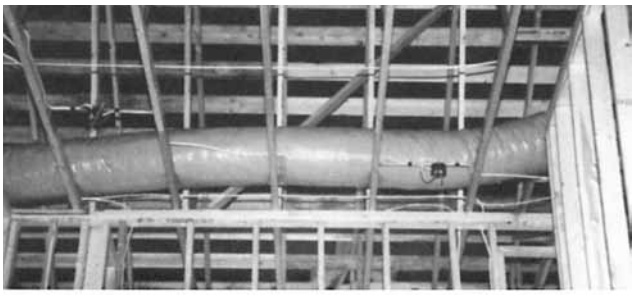
Heating/Ventilation:

OPERATION	CLASS
Central air conditioning	0307
Furnace installation and duct work	0307
Central vacuum systems (built-in)	0307



Installing duct work

Furnace installation

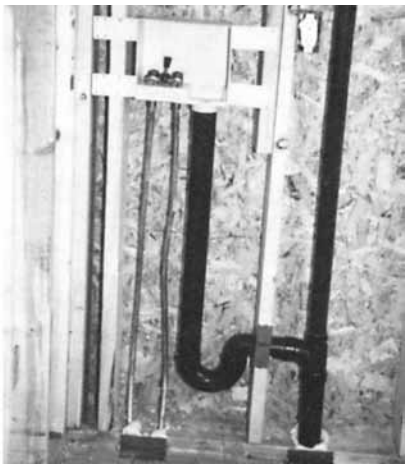


Wrapping duct work

Plumbing:

The plumbing classification includes all rough-in plumbing work, as well as the installation of water heaters, bathtubs, shower units, toilets, sinks, and faucet assemblies.

OPERATION	CLASS
Rough-in plumbing	0306
Water heater installation	0306
Water/Sewer pipe installation (within structure)	0306
Bathtubs and shower units, toilets, sinks, faucet assemblies, installation	0306



Rough-in

Plumbing installation

Bath/Shower units

Toilets

Enclosing the Structure

Stocking roof tile

Stocking composition shingles

This section covers the activities associated with enclosing the exterior building structure after the framing operation is complete.

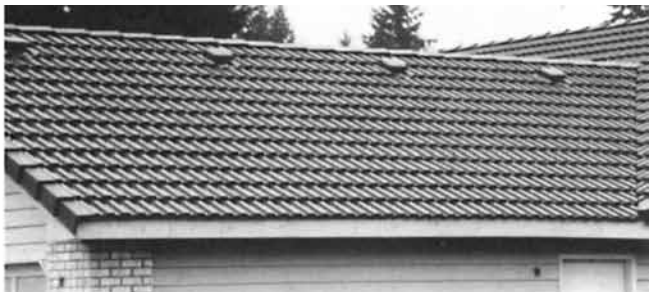
I. Roofing
Classification 0507 covers the installation of all the various types of roofing material including roofing paper, rolled roofing, wood, fiberglass or composition, shakes, shingles, aluminum, sheet metal, masonry tile, tars, polyurethane foam, and landscape roofing.

The placement of rafters, trusses, or sheathing on the building structure is considered part of the framing operation and can be reported under classification 0510.

OPERATION	CLASS
Roofing material installation by general or specialty contractor	0507
Roof rafters, trusses, or sheathing installation by general or specialty contractor	0510
Solar panels	
to generate electricity	0601
to directly heat water	0306
if the water is used to produce radiant heat in flooring	0307
if to both directly heat water and to create radiant heat flooring, the higher cost class will apply	0306 or 0307
Skylight installation	0511

Applying composition

Finishing shake roof



Finishing tile roof

Gutter

Downspout

II. Gutter and Downspouts
Classification 0519 covers the installation of gutters and downspouts when performed by the general or specialty contractor.

OPERATION	CLASS
Gutter/Downspout installation — all types by general or specialty contractor	0519

III. Siding/Exterior Covering
The classification applicable to this phase of the operation is determined by the type of siding used regardless whether performed by the general or specialty contractor.

OPERATION	CLASS
Wood or vinyl	0510
Metal/Aluminum	0519
Brick	0302
Plaster or stucco	0303

NOTE: Painting wood siding prior to its installation is considered part of the external siding installation operation and can be reported under classification 0510.

Placement of prepainted wood siding

Brick work

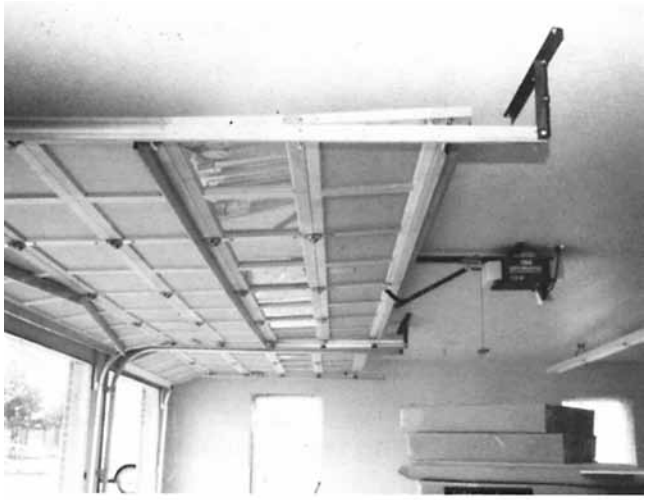
Cedar shake siding

IV. Exterior Painting
Classification 0504 applies to all painting activities regardless of the process used or type of contractor performing the work.

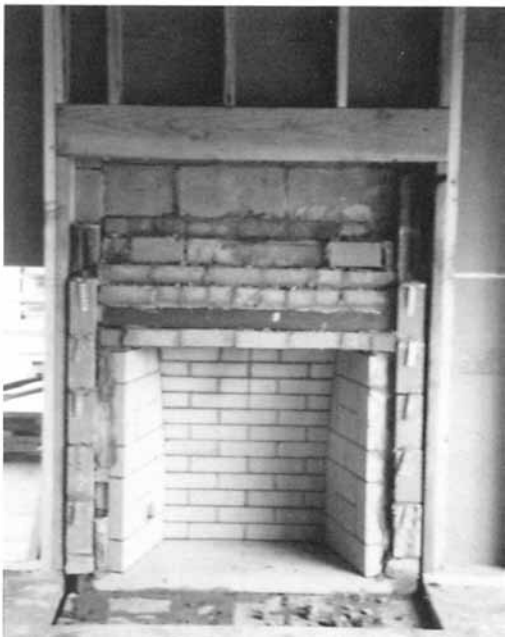
OPERATION	CLASS
Exterior painting by general or specialty contractor	0504

V. Garage Doors
Classification 0514 covers the installation of overhead and garage doors. The installation of automatic door openers is also included in this classification.

OPERATION	CLASS
Garage or overhead door installation for residential construction	0514

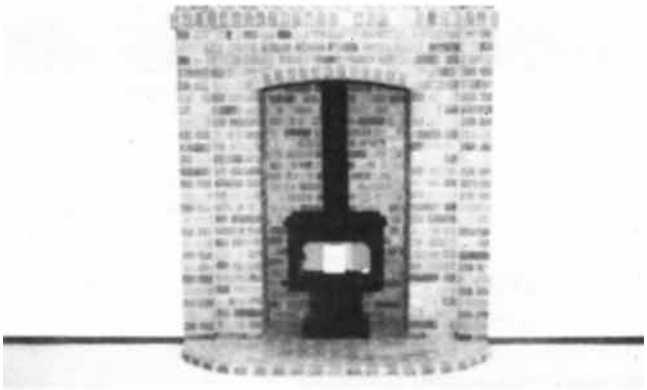


Installation of automatic door opener



Fireplace construction

Installation of overhead garage door



Woodstove installation

VI. Chimneys/Fireplaces
Chimneys and fireplaces, whether constructed of stone or brick, are reportable under classification 0302.

OPERATION	CLASS
Chimney construction	0302
Fireplace construction	0302
Woodstove installation (not including ornamental brick work)	0307
Ornamental brick work	0302

Interior Finish Work

This section covers a number of activities in the completion of the woodframe building interior.

I. Insulation
Classification 0512 covers the installation of all types of insulation including rolls, blankets, loose fill, foam, and rigid or semirigid panels. Incidental carpentry work including the installation of roof ventilators or vents, installation of energy-efficient interior doors, and the placement of weather stripping around windows and doors, are included when conducted as a necessary part of an insulation project.

OPERATION	CLASS
Insulation installation-all types	0512
Storm window installation	0511
Weatherstripping by insulation contractor	0512

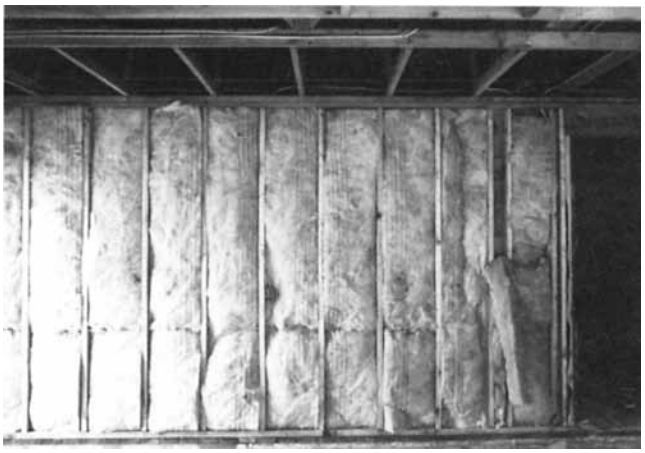
II. Walls and Ceilings
Classifications in this area vary depending on the type of interior wall and covering operation being performed.

OPERATION	CLASS
Wallboard installation, including scrapping (discounted rate)*	0540
Wallboard installation, including scrapping (non-discounted rate)*	0550
Wallboard taping, including texturing and priming (discounted rate)*	0541
Wallboard taping, including texturing and priming (non-discounted rate)*	0551
Plastering/stuccoing – interior	0303
Painting – interior	0521
Wallpaper installation	0521
Metal stud framing	0516
Metal – wall (nonstructural installation)	0519
Wood paneling installation	0513
Tile installation	0502
Suspended grid ceiling installation	0512
Blinds, shades, draperies installation	0607

*NOTE: The basis of premium for the drywall discounted classifications of 0540, 0541, 0550 and 0551 is material purchased to conduct project (square feet).

Setting ceramic tile

Transparent plastic covering



Installing wall insulation

Hanging sheetrock

Finished interior wall

Railing and molding installation

Interior door installation

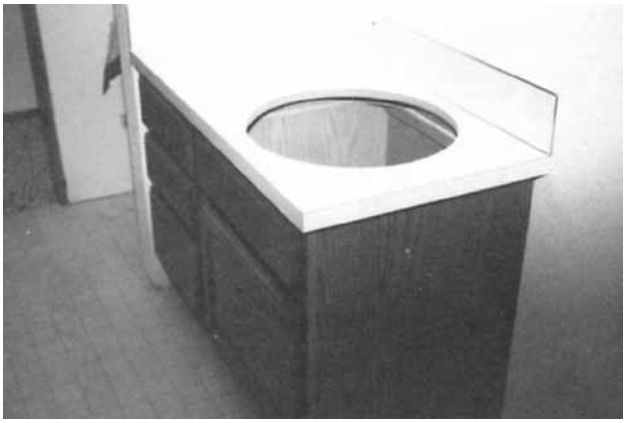
III. Interior Trim

Interior trim involves a variety of carpentry related tasks. These may range from installing interior doors and frames to bathroom fixtures, such as towel bars and paper holders. The classification applicable to this portion of the construction job is classification 0513 regardless of whether the work is performed by the general or specialty contractor.

Exceptions to this classification are the installation of some counter tops, blinds and draperies, structural framing of metal or wood stairs, and other miscellaneous carpentry functions which are considered outside the scope of interior trim work.

OPERATION	CLASS
Cabinet installation	0513
Interior door and frames	0513
Wood molding installation	0513
Wood stair railings	0513
Counter top installation:	
poured concrete counter tops	0217
hardwood counter tops	0513
tile counter tops	0502
granite/slab/marble counter tops	0302

Cabinet installation



Countertop installation

Kitchen countertop installation

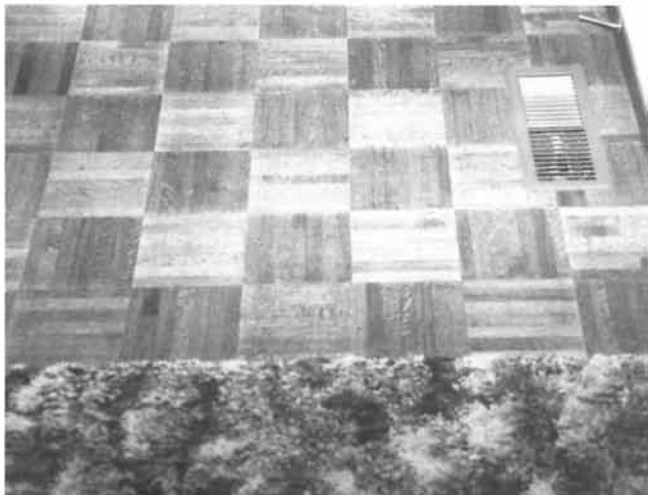
IV. Floors

The classification treatment for the installation of floors is determined by the type of material.

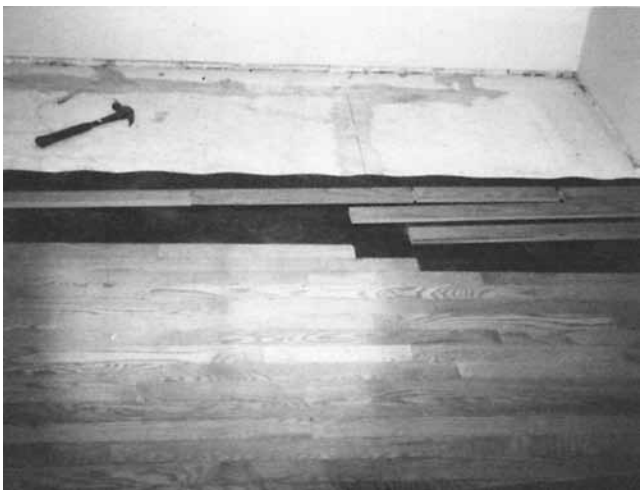
OPERATION	CLASS
Floors: hardwood	0513
Floors: stone, brick or granite	0302
Floor coverings (which includes carpet, linoleum or vinyl, tile, parquet, mosaic or terrazzo laminate)	0502

Ceramic tile

Linoleum or vinyl



Parquet



Hardwood

Finishing the Site

Finishing the site may include such operations as landscaping, erection of fences, exterior lighting, and debris removal.

I. Landscaping

Landscaping operations, as mentioned in the site preparation section on page 6, are distinguished from grading work in that landscaping is usually performed after completion of the construction project, does not alter the contour of the land, and is normally performed without the use of earth-moving equipment. Activities include the planting of trees, shrubs, and lawns; the installation of outdoor sprinkler systems; and the erection of rock gardens, walks and concrete borders.

OPERATION	CLASS
New landscape work	0301
Sprinkler installation – outdoor	0301
Patio construction by masonry contractor	0302
Grading or backfilling by excavation or general contract	0101
The installation of paver and other masonry work that includes retaining walls, walkways, garden planters	
as part of a landscaping project	0301
when no landscaping occurs	0302

Rockery

Installation of sod

Fill dirt

II. Fences
Classification 0105 applies to the erection of most types of fences including the concrete footings for posts or anchor brackets. Exceptions to this classification include fences erected from brick, stone, or concrete.

OPERATION	CLASS
Fence construction – wood/metal	0105
Fence construction – brick/stone	0302
Fence construction – concrete	0217
Fence construction by landscape contractor	0301

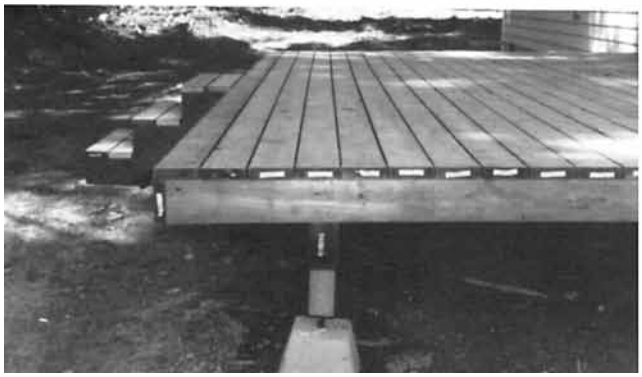
Wood

Setting fence

Brick

III. Decks and Patios, Swimming Pools, Exterior Lighting
The classifications in this area vary depending on the type of operation being performed.

OPERATION	CLASS
Decks and patios – wood constructed on a new frame building project	0510
Decks and patios – concrete	0217
Decks and patios – brick, stone, and pavers	0302
Swimming pool – concrete (excluding excavation – classification 0101)	0217
Swimming pool – plastic liner (no cement)	0101
Hot tub/Sauna installation	0306
Exterior lighting installation	0601



Deck construction

Exterior light installation

IV. Debris Removal and Preoccupancy Cleanup
The removal of construction material, equipment, debris, and scrap is assigned to the classification applicable to the phase of construction being supported by the debris cleanup crew. For example, if performed by the general contractor's construction crew, the classification would be 0510; if by an excavation contractor, the classification would be 0101.

Preoccupancy cleanup includes only activities such as dusting, window washing, cleaning fireplaces, and mopping floors, which are janitorial in nature. If done by the general or specialist contractor which were not involved in any construction operation or activities of debris removal, this work is reportable in classification 6602. Employees having duties that fall within a construction classification and who are also engaged in preoccupancy cleanup are to be reported in the applicable construction classification.

Debris

OPERATION	CLASS
Preoccupancy cleanup by janitorial service or employees of the construction company (who are not involved in any construction operation or debris removal activity).	6602
Debris hauling only to the garbage dump or landfill by an outside company.	4305
Debris removal by general or specialty contractor.	Phase of construction occurring.

Miscellaneous Operations

This section covers a number of activities that do not fit into one of the previous sections and may or may not be a part of the woodframe construction project.

I. Temporary Barriers, Facilities, Scaffolding, and Hoists

The construction of barriers includes sidewalk bridges or tunnels to protect the public. Facilities can be for use as equipment or material storage, and temporary offices.

OPERATION	CLASS
Temporary barriers, facilities, scaffolding, and hoists construction by a general contractor in connection with wood frame construction.	0510

Temporary barriers, facilities, scaffolding, and hoists construction by the specialty contractor using them to support their trade is included in the class applicable to that trade.

II. Draining (Dewatering)

Occasionally a heavy rain can leave a trench or excavation site in a flooded state. The operation to remove this water is classified based upon the type of contractor performing the operation.

OPERATION	CLASS
Draining by foundation contractor	0217
Draining by other specialty contractor	0306

III. Permanent Yard Operations

When a contractor sets up a shop area away from the construction site for storage or repair of equipment and materials, classification 5206 should be assigned if the yard and shop employees perform no other duties subject to another classification during any work shift.

OPERATION	CLASS
Permanent shop or yard employees	5206

IV. Security Guards

Security guards employed by a construction contractor should be assigned classification 6601 if the guards have no other duties and are employed at the construction site only during hours in which no construction operations are being conducted.

Appendix I

WAC 296-17-31004 Coverage requirements
WAC 296-17-31013 Building construction

WAC 296-17-31004
Coverage requirements.

(1) **I own a business. Am I required to have workers' compensation insurance coverage for my employees?** Nearly every employer doing business in the state of Washington is required to have workers' compensation insurance for his/her employees. Washington law (*RCW 51.12.020*) does exempt certain types of employment from coverage. A copy of this law can be found in **Appendix A** of the workers' compensation manual. If you employ only individuals who are excluded from mandatory workers' compensation insurance coverage, you are not required to have workers' compensation insurance coverage.

(2) **I hire contractors to perform work for me. Do I need to be concerned about premiums on their work?** Yes. There are two ways you may be liable for premiums on the work they do.

First, they may be "workers" for whom you are required to report and pay premiums. The law defines worker to include both your employees and independent contractors you hire, when the essence of the contract is personal labor. See RCW 51.08.070, 51.08.180 and 51.08.195 for more guidance about when independent contractors will be considered workers.

Second, the Industrial Insurance Act imposes premium liability on anyone who contracts with another to have work performed. Even if the contractor you hire is not your worker (for example, if the contractor uses one or more workers on the job), you could be liable for their premiums if they fail to pay.

(3) **Is there any way for me to protect myself from being held liable for premiums owed by construction contractors I hire?** Yes, if you are a registered construction contractor or licensed electrical contractor, and you hire a registered construction contractor or a licensed electrical contractor to do construction work that requires licensing or registration, you can protect yourself from being found liable for the premiums on the work that contractor does for you if:

(a) They have a principal place of business eligible for IRS deduction;

(b) They keep books and records that reflect all items of income and all expenses of the business; and

(c) You have verified that they have an industrial insurance account in good standing, or are a self-insured employer approved by the department.

(4) **What does "in good standing" mean?** For someone's account to be in good standing, they must:

(a) Be registered with the department of Labor & Industries for industrial insurance coverage with the state fund;

(b) Have a certificate of coverage, also known as a liability certificate, that has not been revoked or canceled;

(c) Have submitted all reports and supplements required by the department within the past year; and

(d) Be current with all payments due to the state fund, or are current with an approved written payment agreement with the department regarding all unpaid amounts due the state fund.

(5) **How do I know that someone's account is considered to be "in good standing"?** Review the company status at **www.Lni.wa.gov** or call your account manager.

(6) **I use the same subcontractors over and over. Do I have to verify that they have an industrial insurance account in good standing every time I use them?** No. In RCW 51.12.070 protection for construction contractors only requires that you have confirmed a subcontractor's account within a year prior to letting a contract. Check out your subcontractors on the department's website at **www.Lni.wa.gov**.

If you are notified by the department of Labor & Industries that a subcontractor's account is no longer in good standing, you may be liable for their industrial insurance premiums from the date of notification forward.

(7) **Can I, as a construction contractor, be held liable if I verify that the accounts of construction contractors I hire are in good standing, but they fail to confirm the accounts of the construction subcontractors they hire?** No. If you make sure you and your construction subcontractors meet the requirements of RCW 51.12.070, you cannot be held liable if they fail to make sure their construction subcontractors meet the requirements.

WAC 296-17-31013 Building construction. [Sections 10 through 14 are not included here. Their content is addressed elsewhere in this guide.]

(1) **Does this same classification approach apply to building and construction contractors?**
Yes, but it may not appear that way without further explanation. We classify contractors by phase and type of construction since it is common for each contract to vary in scope.

Example: *A contractor who builds and remodels private residences may frame the structure and work on no other phases of the project. On another job the same contractor may do only the interior finish carpentry. On still another job the contractor may install a wood deck or build a garden arbor. Each of these carpentry activities is covered by a different classification code. To ensure that contractor businesses receive the same treatment as other businesses, we assign classifications according to the phases and types of construction they contract to perform. Since some contractors specialize in one area of construction, such as plumbing, roofing, insulation, or electrical services, this classification approach mirrors that of nonbuilding contractor businesses. The policy of assigning several basic classifications to contractors engaged in multiple phases of construction may seem to be in conflict with the classification approach used for nonbuilding contractor businesses, but we have simply used the* ***multiple business*** *classification approach.*

If we have assigned multiple classifications to your construction business you should take special care in maintaining the records required in the auditing and recordkeeping section of this manual. If we discover that you have failed to keep the required records we will assign all worker hours for which the records were not maintained to the highest rated classification applicable to the work that was performed.

(2) **Who does this rule apply to?**
If you are a building, construction or erection contractor and we have assigned one or more of the following classifications to your business, this rule applies to you: 0101, 0103, 0104, 0105, 0107, 0108, 0112, 0201, 0202, 0210, 0212, 0214, 0217, 0219, 0301, 0302, 0303, 0306, 0307, 0403, 0502, 0504, 0507, 0508, 0509, 0510, 0511, 0512, 0513, 0514, 0516, 0517, 0518, 0519, 0521, 0540, 0541, 0550, 0551, 0601, 0602, 0603, 0607, 0608, and 0701.

(3) **Can I have a single classification assigned to my business to cover a specific construction project?**
Yes, to simplify recordkeeping and reporting requirements we will assign a single classification to cover an entire project.

(4) **How do I request the single classification for one of my construction projects?**
You should send your request to the attention of your policy manager at the address below:

Department of Labor & Industries
P.O. Box 44144
Olympia, Washington 98504-4144

(5) **If I have asked for a single classification on one of my construction projects, how do you determine which classification will apply?**
You must supply us with a description of the project and a break down of the total number of hours of exposure by phase of construction that you are responsible for.

Example: *You notify us that your company will be responsible for all plumbing and iron erection work on a commercial building site. You have requested a single classification for this project. In your request you tell us that you estimate that it will take one thousand work hours to perform all the plumbing work and five hundred work hours to do the steel erection work.*

With this information we will estimate the premiums by classification.

Example: *We determine that the plumbing work is covered under classification 0306 and the steel erection work is covered under classification 0518. Assume that classification 0306 has an hourly premium rate of $1.50 and classification 0518 has an hourly premium rate of $2.55. We estimate the total premium on this job to be $2,775 (1,000 hours x $1.50 .= $1,500 .+ 500 hours x $2.55 .= $1,275).*

Our next step in this process is to develop an average hourly rate for the project. We will use this information to select the single classification which will apply to this project.

Example: *We will take the estimated premium ($2,775) and divide this number by the estimated hours (1,500) and arrive at an average hourly rate of $1.85.*

To select the single classification that will apply to a construction project, we will compare the average hourly rate that we have computed to the rates of the classifications applicable to the project. We will select the classification whose hourly rate is the closest to the average hourly rate that we computed from the information you supplied us with.

Example: *From the information you supplied, we have determined that the average hourly rate for this project is $1.85. We also know that the rate for the plumbing classification (0306) is $1.50 per hour and the rate for steel erection is $2.55 per hour. We would assign classification 0306 as the single classification applicable to this project.*

(6) **How will I know what classification will apply to my construction project?**
We will send you a written notice which will specify the basic classification and premium rate that will apply to this project.

(7) **If I have asked for a single classification to cover one of my construction projects, am I required to use the single classification which you gave me?**
No, but you should call your policy manager to verify what other classifications would apply to the project. The name and phone number of your policy manager can be found on your quarterly premium report or your annual rate notice. For your convenience you can call us at (360) 902-4817 and we will put you in contact with your assigned policy manager.

(8) **I am a general construction or erection contractor, I subcontract all my work and have no employees of my own. Do I have to report to the department of Labor & Industries?**
No, since you do not have employees, you do not need to report to the department of Labor & Industries. You should be aware that the workers' compensation insurance laws of Washington include certain independent contractors as workers. If we determine that an independent contractor that you used qualifies as a covered worker, you will be responsible for the premium due for their work time. You can also be held responsible for premiums due to Labor & Industries if you subcontract with an unregistered contractor and they fail to pay premiums on behalf of their employees. It is in your best interest to make sure that your subcontractors are registered contractors in good standing by confirming their status on the department's Web site or contacting your account manager.

(9) **Am I required to keep any special records of subcontractors that I use?**
Yes, you are required to keep certain information about the subcontractors that you use. The information required is:

- Subcontractor's legal name;
- Contractor registration number and expiration date;
- UBI number (or Labor & Industries account ID number).

If you supply materials to a subcontractor, also keep a record of the:

- Amount of material supplied;
- Project name or location;
- Date material was supplied; and
- Completion date of contracted work.

Failure to maintain these records may result in the subcontractor being considered a covered worker for whom you must report hours.

Appendix II : L&I Resources

Division of Occupational Safety and Health (DOSH)

Workplace Safety and Health Rules

The following list provides the WAC (Washington Administrative Code) reference for safety and health rules of specific interest to the wood-frame industry. These rules cover some of the most commonly cited serious hazards in the wood-frame industry.

Failure to follow these rules accounts for many of the violations frequently cited in the wood-frame industry, and they can result in citations and fines. More importantly, injuries are more likely to occur when employers and their workers do not follow these rules. You – the employer — may wish to review these rules and ensure that necessary precautions are taken. You can access the rules and other useful information on worksite safety by visiting the L&I Web site – **www.Lni.wa.gov** and click on safety.

Remember, accident prevention is the best way to control your workers' compensation premium costs.

296-155	**Part A**	**General Safety & Health Provisions** Housekeeping (155-020)
296-155	**Part B-1**	**Occupational Health and Environmental Control** Accident Prevention Program (155-110) Management's Responsibility (155-100) First Aid Training (155-120)
296-155	**Part B-2**	**Hazardous Communication** (155-180) (References WAC 296-800-170, Chemical Hazard Communication)
296-155	**Part C**	**Personal Protective & Life Saving Equipment** Eye and Face Protection (155-215) Head Protection (155-205)
296-155	**Part C-1**	**Fall Restraint and Fall Arrest** (155-245—24525)
296-155	**Part E**	**Signaling and Flaggers** Signaling and Flaggers (155-305) Barricades (155-310) Definitions (155-315)
296-155	**Part F**	**Material Handling, Storage, Use and Disposal** General Requirements for Storage (155-325) Qualified Person – Rigging (155-329) Rigging Equipment for Material Handling (155-330) Disposal of Waste Material (155-335) Tables F-1 to F-20 (155-34901 --- 34920)
296-155	**Part G**	**Tools, Hand and Power** (155-350—380)
296-155	**Part I**	**Electrical** General Requirements (155-444) Wiring Design & Protection (155-447) Wiring Methods & Components & Equipment for General Use (155-449)

296-155	**Part J**	**Stairways** (155-475, 476, 477)
296-155	**Part K**	**Floor Openings, Wall Openings, & Stairways** (155-500—515)
296-155	**Part L**	**Cranes, Derricks, Hoists, Elevators, & Conveyors** (155-525—570)
296-155	**Part M**	**Motor Vehicles, Mechanized Equipment & Marine Operations** Material Handling Equipment (155-615)
296-155	**Part N**	**Excavation, Trenching, and Shoring** (155-650—66411)
296-155	**Part O**	**Concrete, Concrete Forms, Shoring and Masonry Construction** (155-675—699)
296-155 Part S		**Demolition** (155-775—830)
296-62	**Part I-1**	**Asbestos** Communication of Hazards to Employees (62-07721)
296-874		**Scaffolds** (874-100—500)
296-876		**Ladders, Portable and Fixed** (876-100—900)

Workplace Safety and Health Consultations

The Department of Labor & Industries' Division of Occupational Safety and Health (DOSH) can provide your company with a free, confidential safety and health consultation. It is specifically designed to help you increase safety awareness, prevent accidents and manage workers' compensation costs.

Here's how it works: At your request, a safety and health consultant will come to your job site to help you identify any safety or health hazards or deficiencies you may have and to review your written safety and health program for compliance with the Washington Industrial Safety and Health Act (WISHA) and workplace safety and health regulations.

For more information, call the L&I office nearest you and ask to speak to the consultation supervisor or visit **www.SafetyConsultants.Lni.wa.gov**.

Risk Management Services

Risk Management Specialists from L&I will help individual employers or business/trade associations establish loss-control programs. These programs, tailored to specific industry needs, help employers prevent work-related injuries and occupational diseases and minimize industrial insurance claims costs. Risk Management staff also work with L&I's Employer Services section to help employers assess the appropriateness of their industrial insurance risk classifications. If you're interested in Risk Management Services, call 360-902-5790.

Note: L&I's Division of Occupational Safety and Health (DOSH) is the state equivalent of OSHA. In Washington State, DOSH – not OSHA – is responsible for workplace safety and health regulations.

Toll-Free Telephone Numbers

1-800-547-8367 — Info on claims and medical providers

Our hotline operators are available to answer general questions about claims or your industrial insurance account or visit **www.Lni.wa.gov**.

1-800-647-0982 — Specialty Compliance information

Operators on the contractor registration information line can tell you if a contractor is currently registered, how long the contractor has been in business, whether there is pending action against a contractor's bond, and any previous actions visit **www.Lni.wa.gov**.

1-800-423-7233 — To report an on-the-job fatality

Use this information line when you have questions about safety and health issues, such as safety regulations, the workers' "right to know" hazardous materials requirements, or our voluntary safety consultation services or visit **www.Lni.wa.gov**.

1-800-831-5227 — Claim information only

This number is our automated information system line accessible from touch-tone telephones. Listen for the category you wish to access.

To access claim information, you will need the claimant's claim number and Social Security number or contact the Claim and Account Center at **www.Lni.wa.gov**.

Department of Labor & Industries Field Service Locations

Labor & Industries operates local offices to serve your needs. If you have questions, call the office nearest you by checking under **Washington, State of**, in the government or white pages of your telephone directory or by checking **www.Offices.Lni.wa.gov**.

Region 1, Northwest Washington

Bellingham
Everett
Mount Vernon

Region 2, King County

Bellevue
Seattle
Tukwila

Region 3, Pierce County/ Peninsula

Bremerton
Port Angeles
Tacoma

Region 4, Southwest Washington

Aberdeen
Kelso
Tumwater
Vancouver

Region 5, Central Washington

East Wenatchee
Kennewick
Moses Lake
Yakima

Region 6, Eastern Washington

Pullman
Spokane

Other formats for persons with disabilities are available on request.
Call 1-800-547-8367. TDD users, call 360-902-5797.
L&I is an equal opportunity employer.

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