

Woodframe Construction Classification Guide

A photo essay guide for the woodframe industry in Washington



Washington State Department of
Labor & Industries

Workers' Compensation Services

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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

What is a woodframe building? It 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 risk classification assigned by L&I doesn't change with the end use of the building, the size of the building, the number of stories, or whether it is a single or multiple unit building.

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 for woodframe building construction projects. Non-woodframe building's risk classifications won't be covered in this guide.

This manual is formatted to illustrate the various phases associated with wood-frame construction operations in chronological order. 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**

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 risk classification that covers an employer's entire business operation and the various types of work used by the employer within the business. There are exceptions which may be excluded from a businesses' basic risk classification(s), such as employees who have no other duties and perform work exclusively as clerical, outside sales, pre-occupancy cleanup after the completion of a new building, duties in a permanent yard or shop, and security guards at a construction site.

Note: risk classifications are also sometimes known as classifications, classes, and risk classes. In some cases, businesses are assigned several risk classifications because they are involved in multiple operations which are independent of each other and have different degrees of risks. Classifying these businesses with a single risk classification would discriminate against these businesses and place them at a disadvantage with competing businesses. The classification policy within construction industries is consistent with non-construction businesses.

For contractors engaged in a single operation at the project site or location (such as plumbing or electrical work) a single risk classification for the entire business applies. For construction contractors engaged in multiple phases of construction at a job site or location, several risk classifications may apply to the 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 risk classification for a contractor to use to report an entire construction crew(s) as part of a specific building project. Requests

should be sent to our Employer Services section in Tumwater or call your account manager for more details. If you don't know who your account manager is you may contact Employer Services Help line at 360-902-4817.

Selection of the basic risk 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 risk classification rate nearest to the estimated average rate will be assigned to the employer.

Separate risk 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. Note: 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 risk 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.

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.

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 3).

Record-Keeping Requirements

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 to comply with Industrial Insurance laws (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

- 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. 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 quarterly 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 includes the various operations necessary to transform the land into a suitable building site. Activities include logging, blasting, building demolition and grading operations.

1. Logging

Logging for new woodframe construction is removing 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

2. Blasting

This is only when blasting is 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

3. Building Demolition

The risk 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.

Operation	Class
Building demolition	0518

4. 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 aesthetic purposes. Land clearing by a logging contractor and grading operations usually occur after the timber products or logs are removed from the potential building site. 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
Removal of excavated material by hauling contractor	1102



Logging for site preparation



Back fill



Grading land

Foundation and Flatwork

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

1. Locating Foundation

The risk classification assigned to this activity depends on the operations of the contractor who performs this work. When this activity is performed by a land surveying company a non-construction risk classification is assigned, because the business will perform other surveying activities along with 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



Staking out the foundation



Digging for foundation

2. Excavation

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
Removal of excavated material by hauling contractor	1102

Note: Risk 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.



Clearing and stripping

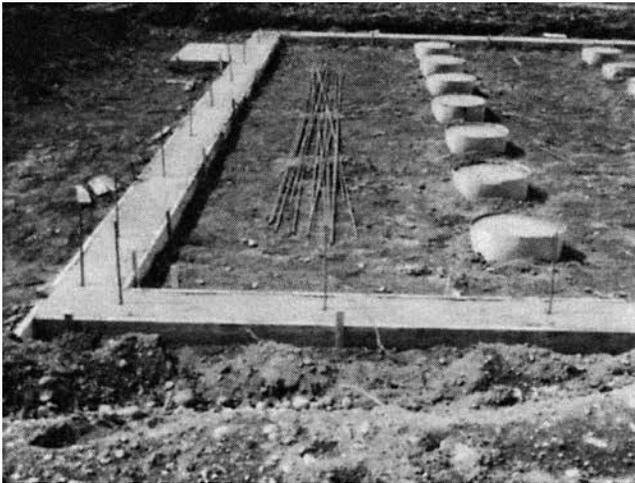


Foundation site

3. Setting Foundation

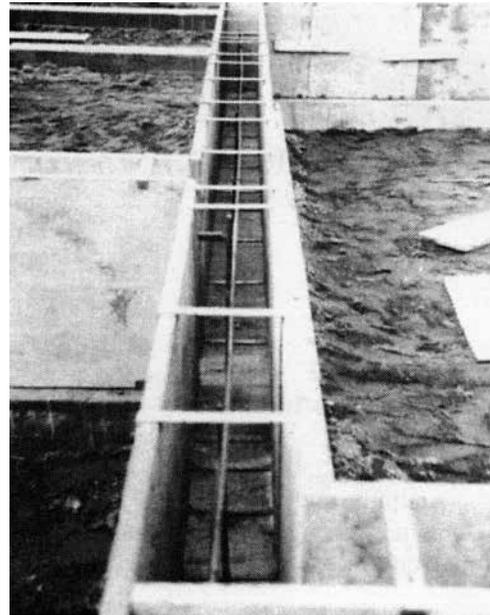
The foundation work will normally involve carpentry activities such as the placement and stripping of concrete forms which is considered an integral part of the concrete construction operation. In addition, the pouring of the concrete footings and walls, as well as the placement of rebar when necessary, are all included within the concrete construction risk 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 or 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 296-155-680-10a for reinforcing steel requires rebar to be capped with a protective covering or bent horizontal to eliminate the potential for injury.



Stemwall forms



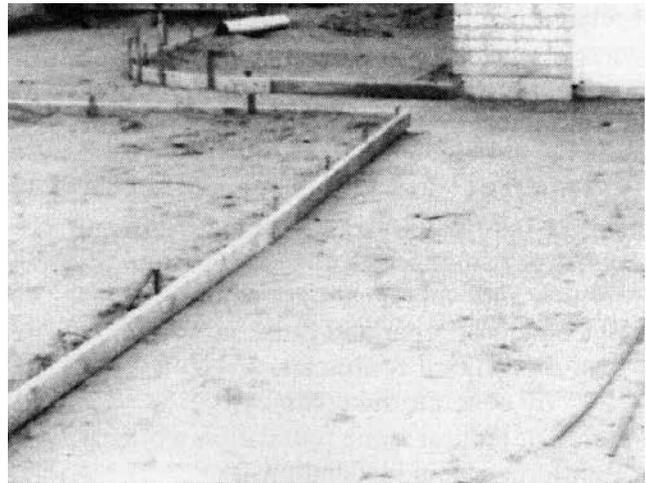
Completed foundation

4. 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: Risk 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.



Forms for driveway



Finished driveway



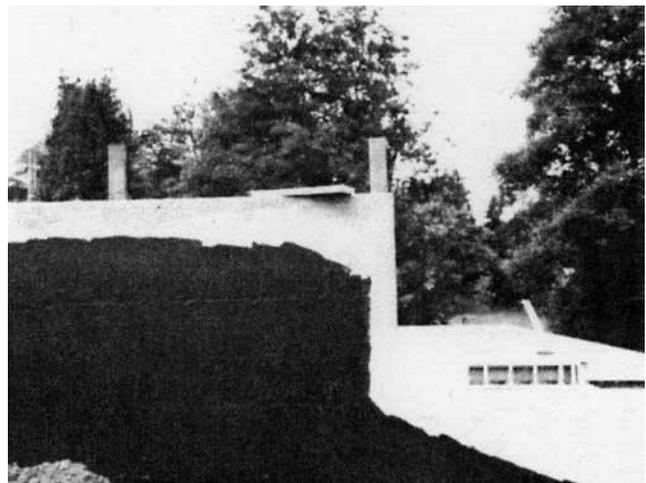
Mason work

5. Foundation Waterproofing

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

Operation	Class
Excavation	0101
Application of waterproof material	0504

Note: Risk 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. Risk 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.

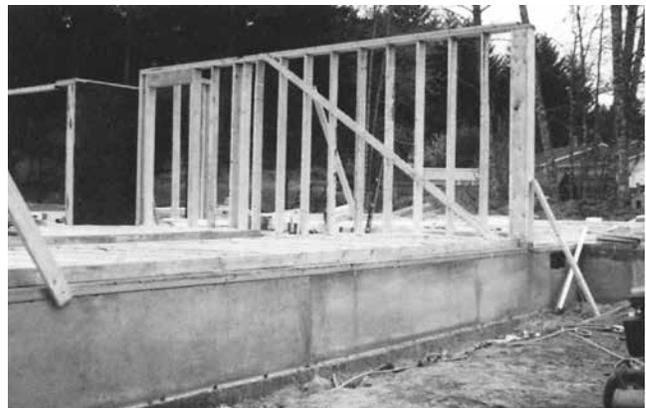
Risk classification 0510 applies to all framing operations associated with wood-frame building construction, regardless of whether the work is performed by the general or specialty contractor.

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
Window/window frame/skylight installation by window specialty contractor	0511



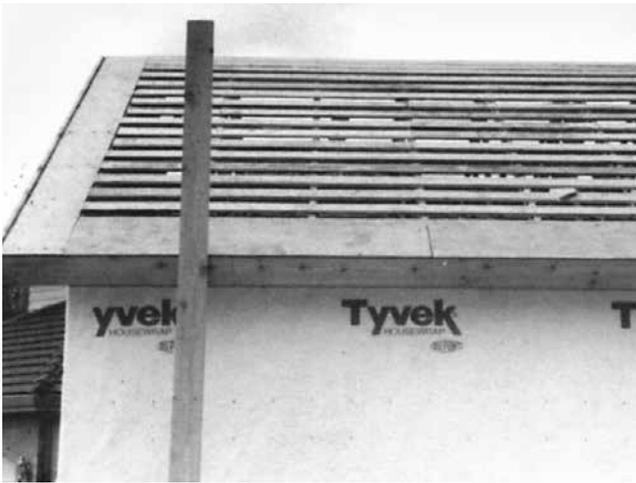
Subfloor installation



Framing exterior walls



Application of moisture barrier



Trusses and sheathing



Framing interior walls (safety violation)

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



Installing door frame



Installation of skylight

Operation	Class
Installation of skylight by framing contractor	0510
Installation of skylight by window contractor	0511

Utility Construction

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

1. To the Structure — Exterior Work

Risk 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
Side sewer installation (street to building hook-up)	0306
Septic tank installation (including tank to building hook-up)	0108

Note: Risk 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



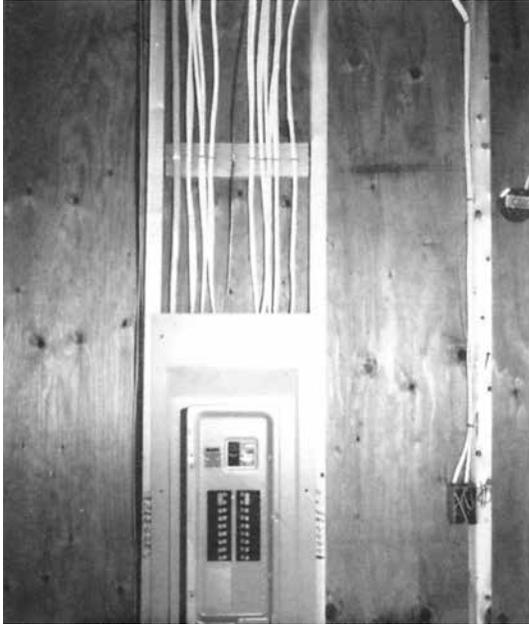
Trenching

2. Within the Structure — Interior Work

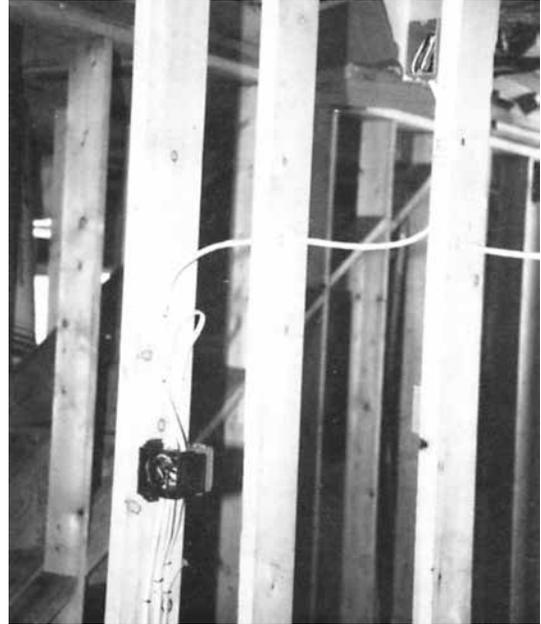
Risk classifications in this area also vary depending on the type of operation being performed. Included is electrical wiring that is part of the building, installation of heating and ventilation systems, and all plumbing work.

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



Setting panel



Rough wiring



Installation of light fixtures



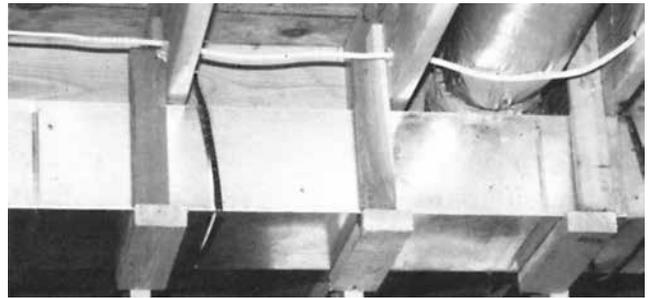
Installation of electrical appliances and outlets

Heating/Ventilation:

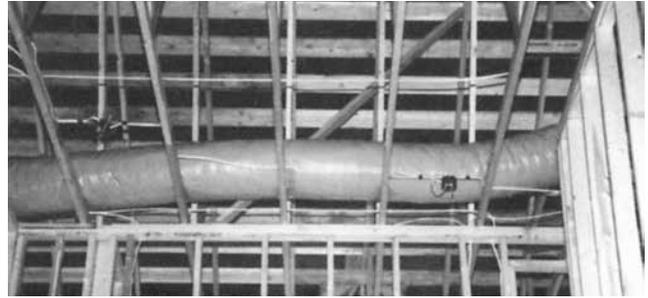
Operation	Class
Central air conditioning	0307
Furnace installation and duct work	0307
Central vacuum systems (built-in)	0307



Furnace installation



Installing duct work

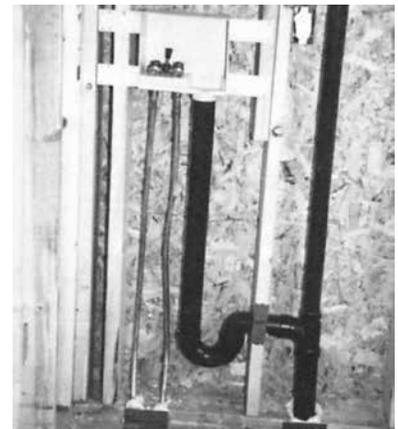


Wrapping duct work

Plumbing:

The plumbing risk 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

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

1. Roofing

Risk 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 risk 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
Solar panels to directly heat water	0306
Solar panels to directly heat water, if the water is used to produce radiant heat in flooring	0307
Solar panels — if both to directly heat water and to create radiant heat flooring, the higher cost class will apply	0306 or 0307
Skylight installation	0511

Note: Any remodeling or replacement of sheathing, rafter, or trusses in connection with roof repair or replacement is reported in risk classification 0507-05.



Stocking roof tile



Stocking composition shingles



Applying composition



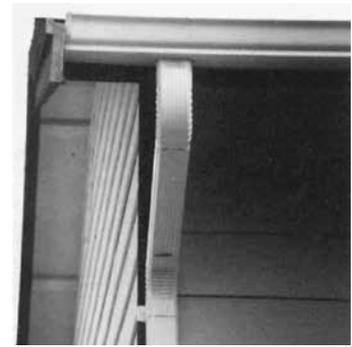
Finishing shake roof



Finishing tile roof



Gutter



Downspout

2. Gutter and Downspouts

Risk 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

3. Siding/Exterior Covering

The risk classification used for this phase of construction is determined by the type of siding installed 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 risk classification 0510.

4. Exterior Painting

Risk 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



Placement of pre-painted wood siding



Cedar shake siding



Brick work

5. Garage Doors

Risk classification 0514 includes the installation of overhead and garage doors. The installation of automatic door openers is also included in this risk classification.

Operation	Class
Garage or overhead door installation for residential construction	0514

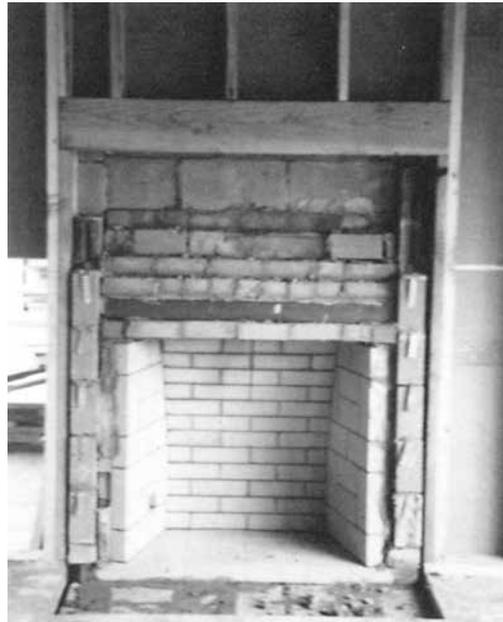


Installation of overhead garage door

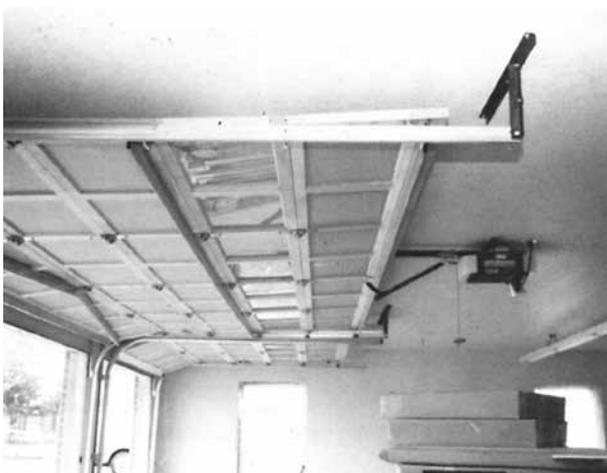
6. Chimneys/Fireplaces

Risk classification 0302 includes construction and installation of chimneys and fireplaces, whether constructed of stone or brick.

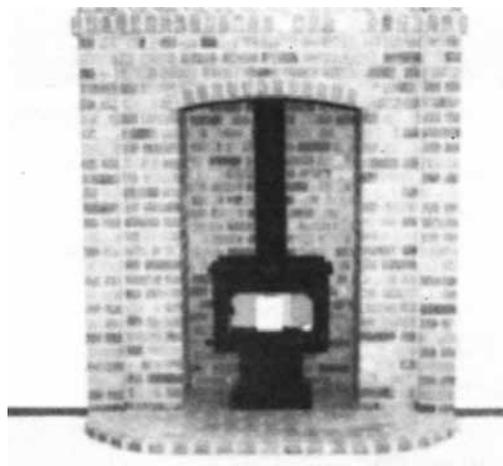
Operation	Class
Chimney construction	0302
Fireplace construction	0302
Woodstove installation (not including ornamental brick work)	0307
Ornamental brick work	0302



Fireplace construction



Installation of automatic door opener



Woodstove installation

Interior Finish Work

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

1. Insulation

Risk classification 0512 includes the installation of all types of insulation including rolls, blankets, loose fill, foam, and rigid or semi rigid 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

2. Walls and Ceilings

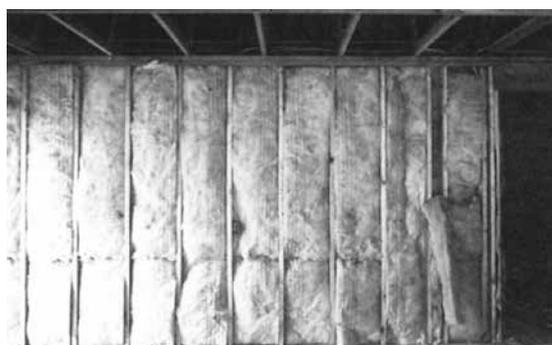
Risk classifications for walls and ceilings depend on the operation being performed.

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 material purchased to complete the project (square feet) is the basis of premium for the drywall risk classifications; 0540, 0541, 0550 and 0551.



Transparent plastic covering



Installing wall insulation



Setting ceramic tile



Hanging sheetrock



Finished interior wall

3. 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. Risk classification 0513 is used for this phase of construction regardless of whether the work is performed by the general or specialty contractor.

The installation of some counter tops, blinds and draperies, structural framing of metal or wood stairs, and other miscellaneous carpentry functions 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	0217
Counter top installation: hardwood	0513
Counter top installation: tile	0502
Counter top installation: granite/slab/marble	0302



Railing and molding installation



Cabinet installation



Countertop installation



Interior door installation

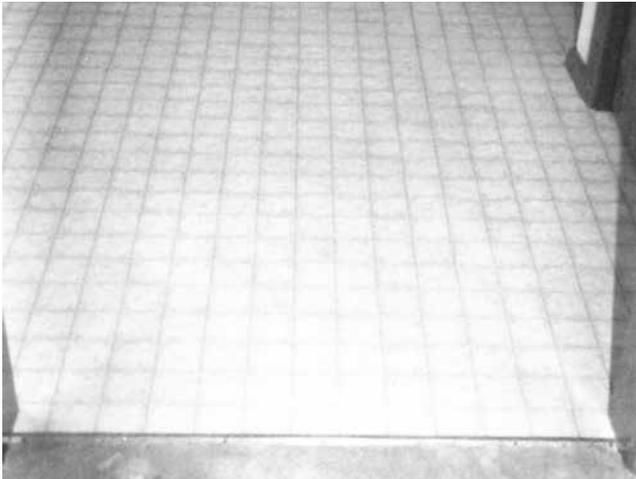


Kitchen countertop installation

4. Floors

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

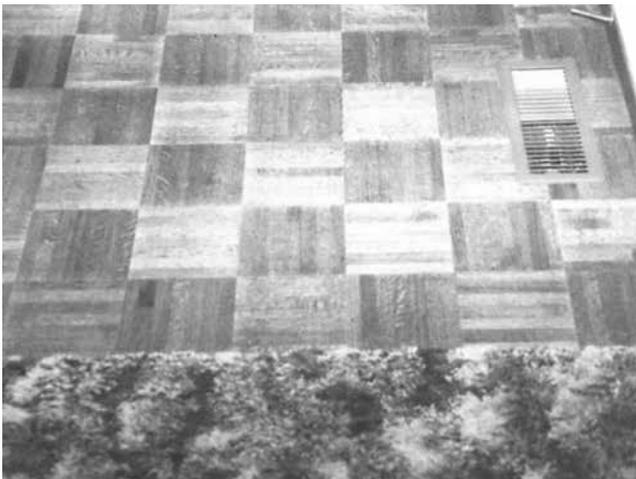
Operation	Class
Floors: hardwood	0513
Floors: stone, brick or granite	0302
Floor coverings (includes carpet, linoleum or vinyl, tile, parquet, mosaic or terrazzo laminate)	0502



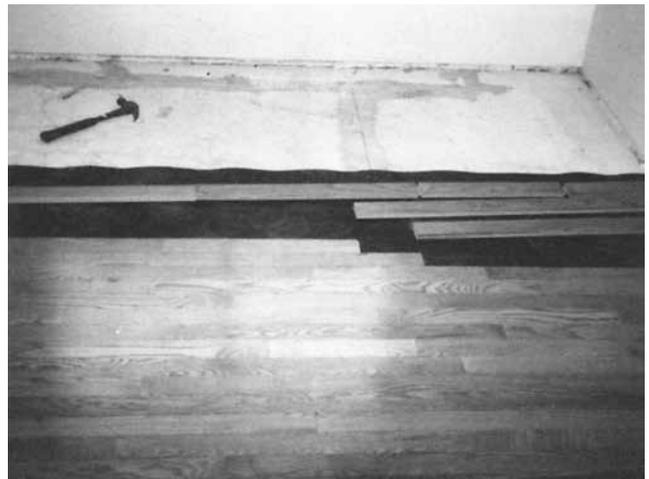
Linoleum or vinyl



Ceramic tile



Parquet



Hardwood

Finishing the Site

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

1. Landscaping

Landscaping operations, as mentioned in the site preparation section on Page 4, 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
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
Paver stone installation	0301
Masonry work	0302



Rockery



Installation of sod



Fill dirt

2. Fences

Risk classification 0105 applies to the erection of most types of fences including the concrete footings for posts or anchor brackets. Exceptions to this risk 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

3. Decks and Patios, Swimming Pools, Exterior Lighting

The risk 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 or stone	0302
Swimming pool — concrete (excluding excavation — risk class 0101)	0217
Swimming pool — plastic liner (no cement)	0101
Hot tub/sauna installation	0306
Exterior lighting installation	0601



Setting fence



Wood



Brick



Exterior light installation



Deck construction

4. Debris Removal and Preoccupancy Cleanup

For construction contractors, construction site cleanup and debris removal are included in the phase of construction describing the work. You should report the cleanup of construction debris in the same classification that applies to the work responsible for the debris. If you are not a construction contractor and your employees are collecting and/or removing any type of debris, whether it results from the construction work or not, you report in classification 4305-22.

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

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
Construction debris removal by debris removal company	4305
Debris removal by general or specialty contractor	Phase of construction occurring



Debris

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.

1. 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.

2. 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

3. 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 risk classification during any work shift.

Operation	Class
Permanent shop or yard employees	5206

4. Security Guards

Security guards employed by a construction contractor should be assigned risk 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.

5. Scaffolding

Contractors specializing in setting up scaffolding at a project, whether it's wood frame or steel frame, report in classification 0518.

Operation	Class
Scaffolding setup by specialty contractor	0518

Appendix I: Laws

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. 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, 51.08.181, 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”?

You can find out whether someone’s account is in good standing by visiting the department’s website or calling your account manager. If the account is in good standing, the website will state “account is current.”

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. When you check out your subcontractors on the department’s website or by calling your account manager, a confirmation number will be provided as proof you checked them out. This confirmation number is valid for one year from the time it is issued.

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 — Construction

1. What is the classification approach for construction contractors?

We classify contractors by phase of construction. **Phase of construction** refers to the type of construction work or the parts of a construction contract we classify and rate separately. This means contractors performing multiple types of construction generally have more than one basic classification.

Example 1: A contract for building a kitchen may include cabinet installation, tiling, and painting. These three pieces of the contract are considered separate phases of construction since each of the types of work are often performed by a separate specialty contractor. A contractor performing multiple phases reports employees’ hours by each phase of construction.

Example 2: A concrete contractor agrees to build a new concrete driveway. As part of this job, the contractor has employees assemble wood forms to pour the concrete into. Since assembling wood forms for concrete construction is not normally subcontracted out to specialty contractors, we consider this work included in the concrete work classification. The concrete contractor reports the assembly of the wood forms in the classification for the concrete work.

Example 3: A plumbing contractor must remove a section of wall, or tear up some flooring to repair a pipe. The minor tear out and repair is considered part of the pipe repair phase of construction as long as the work is performed by the plumber’s own employees. The contractor reports this work with the plumbing work. However, if the plumber contracts out the floor or wall repair, the subcontractor reports in the classification(s) that best describe the work performed.

Note: If we have assigned multiple classifications to your construction business, take special care in maintaining the records required in the auditing and recordkeeping section (WAC 296-17-35201 Recordkeeping and retention). If you fail to keep the required records, we assign all worker hours for which the records were not maintained to the highest rated classification applicable to your business or the highest rated classification a worker was exposed to.

2. Who do the construction rules apply to?

If we assign one or more of the following classifications to your business, this rule applies to you: 0101, 0103, 0104, 0105, 0106, 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. To simplify recordkeeping and reporting requirements, can I have a single classification assigned to my business to cover a specific construction project?

Yes, you can request a single classification to cover all phases of work for an entire project, by contacting your account manager. A separate request is required for each project where you want a single classification for reporting.

4. How does the department determine the single classification for a project?

We prorate based on the information you provide. You must give us a description of the project with an estimate of the total number of hours expected to be worked in each 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 1,000 work hours to perform all the plumbing work and 500 work hours to do the steel erection work.

With this information we will estimate the premiums by classification:

We determine that the plumbing work is covered under classification 0306 and the steel erection work is covered under classification 0518.

Assume for this example that classification 0306 has an hourly premium rate of \$2.50 and classification 0518 has an hourly premium rate of \$3.50. We estimate the total premium on this job to be \$4,250; (1,000 hours x \$2.50 = \$2,500) + (500 hours x \$3.50 = \$1,750).

Note: Rates in this table are for this example only.

Category	Plumbing	Steel erection
Risk classification	0306	0518
Hours	1,000	500
Rate (assume for this example)	\$2.50/hour	\$3.50/hour
Estimated premium	1,000 x \$2.50 = \$2,500	500 x \$3.50 = \$1,750
Total estimated premium	\$2,500 + \$1,750 = \$4,250	

We then develop an average hourly rate for the project, by taking the estimated premium of \$4,250 and dividing this number by the 1,500 hours estimated. This provides an average hourly rate of \$2.83.

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:

- The average hourly rate for this project is \$2.83.
- The rate for the plumbing classification (0306) is \$2.50 per hour.
- The rate for steel erection is \$3.50 per hour.

We would assign classification 0306 as the single classification applicable to this project, and send you a written notice which will specify the basic classification and premium rate that will apply to this project.

5. If I request and receive a single classification for my construction project, am I required to use the classification for reporting all of my hours?

No, but let your account manager know you decided against using the single classification and you will report the work by phase of construction. This will avoid any potential confusion if you are audited.

6. I have no employees because I either perform the work myself or I subcontract it out. Do I need a workers' compensation account with the Department of Labor & Industries?

If you do not hire workers who are covered by Washington's workers' compensation laws, you are not required to have a workers' compensation account with the Department of Labor & Industries (L&I). However, Washington state laws (RCW 51.08.180 and 51.08.181) interpret some workers, even when paid by a federal 1099 form, as covered workers who you must report to L&I and pay workers' compensation premium for, along with any employees you report to the IRS as employees.

If you do not pay premium for someone you hire as a contractor, and it is later determined he, or she, is a covered worker, you will be responsible for paying the premium you owe with interest, as well as any assessed penalties; these can include claim costs associated with an injury.

You can also be held responsible for premiums owed to L&I if you subcontract work to another contractor and they fail to pay premiums on their own workers (RCW 51.12.070).

To avoid these unexpected costs, it is in your best interest to make sure all of your subcontractors:

- Meet state law as independent contractors; RCW 51.08.180 and 51.08.181.
- If they hire workers, are registered contractors in good standing by verifying their status at www.Lni.wa.gov.

For additional information about subcontractors, see WAC 296-17-31004, visit our website, or call us at 360-902-4817.

7. What records must I keep on the subcontractors I use?

For each subcontractor, you are required to keep record of the:

- Subcontractor's legal name.
- Contractor registration number and expiration date.
- UBI number (or L&I 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.
- Completion date of contracted work.

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

Note: See WAC 296-17-35201 for recordkeeping requirements for workers and contractors under mandatory coverage and reporting requirements.

8. What classification should I use to report construction site cleanup by my employees?

For construction contractors, construction site cleanup and debris removal are included in the phase of construction describing the work. You should report the cleanup of construction debris in the same classification that applies to the work responsible for the debris.

Example: A roofing contractor with an employee picking up roofing debris off the ground reports the cleanup work in the roofing classification (0507).

However, if the debris is not specific to any one phase of construction and applies to a construction site's work overall, report the general site cleanup in the classification applicable to the type of building you are constructing:

- Nonwood buildings — Site cleanup is included in classification 0518.
- Wood frame buildings — Site cleanup is included in classification 0510.

If neither of these scenarios applies, please talk to your account manager to determine the correct classification.

9. My business is construction site cleanup. I am not a construction contractor, my employees do no construction work, and they only pick up construction debris. What classification do I report site cleanup in?

If your employees are collecting and/or removing any type of debris (household junk, yard or garden waste, furniture, appliances, construction or building materials, waste resulting from smoke or water damage, etc.), whether it results from the construction work or not, you report in classification 4305-22.

10. How is the final preoccupancy cleaning at a construction site classified?

We consider preoccupancy cleaning as limited to the final cleaning preparation after the conclusion of a construction project. Activities include washing paint and overspray from windows; vacuuming carpets; washing floors and fixtures; dusting woodwork, doors and cabinets; and other general cleaning tasks. Preoccupancy cleaning as described here is reported in classification 6602 only if both of the following conditions apply:

- The workers perform no other construction related work, such as construction debris cleanup.
- All of the construction work is completed and all construction equipment and debris have been removed prior to the cleaning.

Note: If you are not a construction contractor and you take contracts to clean up construction debris and contracts for preoccupancy cleaning, and you maintain accurate accounting records for both activities, you may divide hours between risk classifications 4305-22, Debris removal, and 6602-03, Janitorial cleaning services. (See subsection (9) of this section.)

11. In what construction classification should I report setting up of scaffolding, hoists, cranes, towers or elevators at a construction site?

Report the setup, operation, and disassembling in the same classification that applies to the work responsible for the scaffolding, hoists, cranes, towers or elevators.

Example: A roofing contractor with employees setting up scaffolding at the construction site reports these activities in the roofing classification (0507).

If the setup at the construction site is not specific to a single phase of construction, the setup work is reported in the classification applicable to the type of building:

- Nonwood buildings – Setup is reported in classification 0518
- Wood frame buildings – Setup is reported in classification 0510

If neither of these scenarios applies, please talk to your account manager to determine the correct classification.

Note: If a helicopter service assists in hoisting work, the flight crew is reported in classification 6803. (See WAC 296-17-31018(4).)

Note: Some work performed by a mobile crane at a construction site can be reported in classification 3506-02, Mobile crane and hoisting services. (See WAC 296-17A-3506.)

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.

To avoid potential citations and fines follow these rules carefully these account for many

of the violations frequently cited in the wood-frame industry. 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 website — www.Lni.wa.gov/safety-health.

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 and certification (155-120)
296-155	Part B-2	Hazard 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) Disposal of Waste Material (155-335)
296-155	Part G	Tools — Hand and Power (155-350–380)

296-155	Part I	Electrical General Requirements (155-444) Wiring design and protection (155-447) Wiring methods, components, and equipment for general use (155-449)
296-155	Part J	Stairways (155-475, 476, 477)
296-155	Part L	Cranes, Rigging, and Personal Lifting (155-529–56435)
296-155	Part M	Motor Vehicles, Mechanized Equipment, and 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 (155-774–830)
296-62	Part I-1	Asbestos Communication of Hazards (62-07721)
296-874		Scaffolds (874-099–40042)
296-876		Ladders, Portable and Fixed (876-155–91015)

Workplace Safety and Health Consultations

No-fee, confidential safety and health consultation are provided by the Department of Labor & Industries' Division of Occupational Safety and Health (DOSH). 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.Lni.wa.gov/Consultation.

Risk Management Services

No-fee consultations with 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.Lni.wa.gov/Offices.

Region 1, Northwest Washington

Bellingham
Everett
Mount Vernon

Region 2, King County

Bellevue
Seattle
Tukwila

Region 3, Pierce County/ Peninsula

Sequim
Silverdale
Tacoma

Region 4, Southwest Washington

Aberdeen
Kelso
Tumwater
Vancouver

Region 5, Central Washington

East Wenatchee
Kennewick
Moses Lake
Union Gap

Region 6, Eastern Washington

Pullman
Spokane

Upon request, foreign language support and formats for persons with disabilities are available. Call 1-800-547-8367. TDD users, call 711. L&I is an equal opportunity employer.

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