

Class Code 5606...The Most Unique Code in the Book! Are You Taking Advantage of It?

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Classification Code 5606 – Contractors/Executive Level Supervisors is a preferred and unique classification for a construction company operating in California. It's preferred because the rate for this code is substantially less than the operational classifications that apply to the majority of a construction company's employees, and it is unique in that the classification may be used only upon specific written assignment by the Workers Compensation Insurance Rating Bureau (the Bureau).

Code 5606 is available only to executive supervisors or construction superintendents having administrative or managerial responsibility for a construction or erection project. Executive Supervisors or Construction Superintendents are defined as 'those persons exercising supervisory control through job superintendents or foremen'.

Code 5606 does not apply to any person who is directly in charge of construction work. These employees would be assigned to an operational class (like carpentry or plumbing) which better describes the type of construction or erection work over which they are exercising direct supervisory control.

In addition you can't segregate payroll with other classifications. In other words, if someone is not 100% qualified as Code 5606, they would have to take the governing or appropriate operational classification and would not be eligible for Code 5606.

There are two circumstances under which this classification may be awarded:

1. For firms whose employees perform construction operations:

- The employer must develop payroll in one or more construction classifications;
- There must be two levels of supervision (superintendents and foremen) below the executive supervisor;
- If the executive supervisor is a corporate executive officer, a partner or an individual employer, superintendents and foremen must be retained on all construction projects;
- The superintendents and foremen of subcontractors are not to be considered in determining the existence of the required three levels of supervision; and



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- An executive supervisor may exercise general supervision, but may not engage in direct supervision.
2. Firms that subcontract all work may have executive supervisors who coordinate the activities of subcontractors, check the quality of materials used, determine acceptability of completed work, serve as a liaison with owners of construction projects, or direct subcontractors in the performance of their work.

The operations of an executive supervisor performing such functions are contemplated by Code 5606, if all construction work is performed by subcontractors, and no payroll is developed under any construction classification. This will generally apply to what we call 'paper contractors.' Code 5606 recognizes that some of these 'paper contractors' may also be engaged in warranty repairs conducted subsequent to the sale of the structure constructed or basic clean-up operations. Employee of firms involved in these types of services can take Classification Code 9015(1) – 'Building Operations – NOC.'

Effective January 1, 2014, **Classification 5606, Contractors - construction or erection**, was amended for clarity to include management level employees such as safety managers, project managers and engineers, who are not in the direct chain of command over construction operations but whose duties include walking through a construction site during the construction phase, provided the insured retains two levels of supervision over the construction crew(s) or where all operations have been subcontracted to licensed subcontractors. These amendments, which are included in Classification 5606 shown below, do not represent any change to established classification procedure; rather, the amendments were for clarity only.

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PUBLISHED BY

CAVIGNAC
ASSOCIATES
INSURANCE BROKERS
LICENSE NUMBER 0A99520

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Best Practices

Class Code 5606 should be reviewed and understood. If it is conceivable that you may have employees who qualify for this classification but are not classed accordingly you should request Bureau authorization to use the class.

Discussion of Class Code 5606 underscores a bigger issue, making certain all your classifications are correct. As mentioned earlier, there are hundreds of different classifications in the Bureau Manual. If you have been in business for any length of time, the Bureau has probably already inspected your operations and assigned appropriate class codes. You should review these to make certain they are accurate. If there are gray areas which may work to your advantage you should explore those and if appropriate ask for a re-inspection. ■



CODE 5606

CONTRACTORS - construction or erection - executive level supervisors - no direct supervision - division of a single employee's payroll with any other classification is not permitted

This classification may be assigned only in connection with the construction or erection classifications listed in Appendix I, Construction and Erection Classifications, and must be confirmed by specific written approval from the WCIRB.

This classification applies to executive level supervisors as defined in Part 3, *Standard Classification System, Section IV, Special Industry Classification Procedures, Rule 2d, Executive Level Supervisors.*

This classification also applies to executive level supervisors when all construction operations are subcontracted to licensed contractors and no payroll is developed under any construction classification. In such instances, executive level supervisors exercise control exclusively through licensed subcontractors.

This classification also includes management level employees such as safety managers, project managers and engineers, who do not supervise construction operations but whose duties include walking through a construction site during the construction phase, provided the employer retains two levels of supervision over the construction crew(s) or where all operations have been subcontracted to licensed subcontractors. Otherwise, such employees are miscellaneous employees and shall be classified in accordance with Part 3, Section IV, Rule 2c, *Miscellaneous Employees (Construction or Erection).*

On jobs where all construction operations are subcontracted to licensed subcontractors, Classification 9015(1), *Building Operation - all other employees*, shall apply to job site cleanup and warranty repair conducted after construction is completed.

Also refer to Part 3, Section IV, Rule 2, *Construction or Erection Work.*



Keep Your Heart Healthy

This time of year, with Valentine's Day approaching, you might associate hearts with romance and red roses. But there are two kinds of hearts—in addition to hosting Valentine's Day, February also serves as Heart Health Month. Take some time this month to think about the blood-pumping kind of heart and what you can do to keep yours healthy.

Risk factors for heart disease include related health conditions, unhealthy behaviors and hereditary factors. Health conditions that can increase your chances of heart disease include high blood pressure, high cholesterol and diabetes. Cigarette smoking and tobacco use, poor diet, physical inactivity and excessive alcohol consumption are some behaviors that can adversely affect your heart health. Also, for some people, family health history can predict your risk of heart disease.

While you can't change bad genes or eliminate

all risks, there are a few choices you can make to lessen your susceptibility to heart disease. According to the Centers for Disease Control and Prevention (CDC), you can engage in a few simple preventive measures to help ward off heart problems.

- Eat at least five servings of fruit and vegetables every day. Whole grains and low-fat dairy are also good for you.
- Reduce your consumption of foods high in fat, cholesterol and salt.
- Maintain a healthy weight.
- Even if you're busy, try to include at least 30 minutes of moderately intense exercise, such as biking or shoveling snow, into your daily routine.
- Monitor your blood pressure and

cholesterol levels, and, if you have diabetes, manage it as recommended by your doctor.

- Don't start smoking, or, if you already smoke, consider quitting.
- Recognize the signs of a heart attack, and call 911 immediately if you think that you or someone else is suffering a heart attack. The symptoms of a heart attack typically include the following:
 - Pain or discomfort in the jaw, neck or back
 - Feeling weak, lightheaded or faint
 - Chest pain or discomfort
 - Pain or discomfort in arms or shoulder
 - Shortness of breath

When you know the risks of heart disease and the symptoms of a heart attack, you can help protect your heart for you and your loved ones.

Cellphones emit radiofrequency electromagnetic fields that extend approximately 6 inches.

Danger: Cellphones Ahead

While it's impossible to ignore the messages that point out the dangers of texting and driving, many people remain blissfully unaware of the studies that point out the possible health hazards of cellphone radiation, which may cause DNA damage, cancer, reduced fertility and cognitive impairment.

How could a little phone be responsible for all this? Cellphones work by transmitting radio waves. When it is turned on, a cellphone emits a radiofrequency electromagnetic field that extends approximately 6 inches, and these radio waves can be absorbed by body tissues. Based on evidence from 13 countries, the World Health Organization's International Agency for Research on Cancer classified these radiofrequency electromagnetic fields as "possibly carcinogenic to humans." U.S. studies vary in their findings: The Federal Communications Commission argues that there is no firm evidence to prove adverse effects, while the American Cancer Society and the U.S. Food and Drug Administration urge further research before offering a definitive answer.

If you are concerned about the possible health risks associated with cellphone radiation, here are a few tips to consider: 1) use a wired headset or speakerphone and place the phone at least 6 inches from your body; 2) reduce the amount of time you spend talking on a cellphone; and 3) don't carry your phone in a pocket—instead, stash it in a purse, bag or backpack.



One Step at a Time

Whether meandering from the couch to the refrigerator for a snack or cruising around the block as part of an exercise routine, almost everyone includes some walking into their day. Walking is a great form of exercise for achieving better health and burning calories. But do you know the recommended amount of walking to achieve optimum benefits?

Studies show that walking 10,000 steps, or about 5 miles, is an excellent daily goal for most people. But you don't have to do endless laps around the local high school track; steps throughout your day all add up to a healthier you. Try wearing a pedometer to help you monitor how close you are to reaching your goal—whether you start by aiming for 5,000, 10,000 or 20,000 steps a day. Here are some ways to incorporate more steps into your daily life:

- Climb the stairs instead of awkwardly staring down strangers in the elevator.
- Park a few spots farther from the door and stretch your legs with long strides before shuffling through a crowded store.
- If you sit at a desk all day, drink a lot of water. Your body will periodically remind you to get up for a stroll to the restroom.
- Window-shop downtown or at the mall instead of surfing online stores.
- Give in to those puppy eyes and take your dog for a walk.

Every step counts, so keep walking! Although a vigorous walk of at least 30 minutes has additional benefits, reaching 10,000 steps every day is a great start toward better health.

Protect Your Health



When you're sick, you have to deal with visits to the doctor's office or the hospital, bottles of medications and days in bed recovering. Wouldn't it be easier to just stay healthy in the first place? If you're not a fan of medication schedules and wasting days weakly lying in bed, you should consider the powerful role that prevention care can play in keeping you healthy.

The most important part of preventing disease and illness is healthy habits, including a balanced diet, sufficient sleep and enough exercise. Going to the doctor for recommended checkups and screenings is also a key factor in identifying and treating potential health problems before they develop or worsen. Recommendations vary depending on your age and gender, and sources such as the U.S. Centers for Disease Control and Prevention (CDC) offer guidelines for various preventive screenings and tests.

Due to recent health care reform, you may be able to receive many preventive services at no cost. Non-grandfathered health plans are required to cover a variety of preventive services. Check out what is covered by your insurance and take advantage of preventive care that can keep you and your family healthy.

Live Well, Work Well



Lemon Chicken

After a brisk walk in the winter air, satisfy your appetite with this deliciously healthy baked chicken. With the delightful tang of lemon, this dish is sure to impress your whole family.

- 1½ pounds chicken breast, skinned and fat removed
- ½ cup fresh lemon juice
- 2 tbsp. white wine vinegar
- ½ cup fresh sliced lemon peel
- 3 tsp. chopped fresh oregano or 1 tsp. dried oregano, crushed
- 1 medium onion, sliced
- ½ tsp. paprika
- salt and black pepper to taste

Place chicken in 13x9x2-inch glass baking dish. Mix lemon juice, vinegar, lemon peel, oregano and onions. Pour over chicken, cover and marinate in refrigerator several hours or overnight, turning occasionally. Sprinkle with salt, pepper and paprika.

Cover and bake at 325 F for 30 minutes. Uncover and bake 30 minutes more or until done.

Yield: 4 servings. Each serving provides 154 calories, 5 g total fat, 2 g saturated fat, 63 mg cholesterol and 202 mg sodium.

Source: U.S. Health and Human Services

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SPOTLIGHT ON



Cavnac & Associates is proud to support local and non-profit civic organizations, including JDRF (formerly known as the Juvenile Diabetes Research Foundation).



JDRF is the leading global organization funding type 1 diabetes (T1D) research. JDRF's goal is to progressively remove the impact of T1D from people's lives until we achieve a world without T1D. JDRF collaborates with a wide spectrum of partners and is the only organization with the scientific resources, regulatory influence, and a working plan to better treat, prevent, and eventually cure T1D.

As the largest charitable supporter of T1D research, JDRF is currently sponsoring \$530 million in scientific research in 17 countries. In 2012 alone, JDRF provided more than \$110 million to T1D research. More than 80 percent of JDRF's expenditures directly support research and research-related education. In 2012 Forbes magazine named JDRF one of its five All-Star charities, citing the organization's efficiency and effectiveness.

For more information about JDRF, visit: www.jdrf.org