

Report on the Carnivals and Circuses Study

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Carnivals and Circuses Study

9185, *Carnivals or Circuses – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons*

Executive Summary

Objectives

Employers assigned to Classification 9185, *Carnivals or Circuses – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons*, do not develop sufficient data to produce a statistically credible advisory pure premium rate. Consistent with the WCIRB's practice of reviewing classifications with relatively low statistical credibility, the WCIRB studied business operations and the payroll and claim experience of employers currently assigned to Classification 9185 to determine if it should continue to be a stand-alone classification or if some or all of the operations in Classification 9185 should be combined with the operations in other classifications. This study addresses the following questions:

1. Are there distinct and easily identifiable subgroups of employers that are currently assigned to Classification 9185?
2. If there are distinct and easily identifiable subgroups, should they be included in other existing classifications or continue to be assigned to Classification 9185?

Findings

The key findings of this study are:

1. Within Classification 9185, there is a clear line of demarcation between the operations of traveling carnivals and those of circuses. In addition, traveling carnival operations appear significantly more hazardous than those of circuses and have significantly higher loss to payroll ratios.
2. Circus employers have similar operations, loss to payroll ratios, and typical causes of injury as employers assigned to Classifications 9154, *Theaters – not motion picture – all employees other than performers and directors of performers – including managers, stage hands, box office employees or ushers*, and 9156, *Theaters – dance, opera or theater companies – all performers and directors of performers – N.O.C.*
3. Employers operating traveling carnivals share some operational similarities with employers assigned to Classifications 9016(1), *Amusement or Recreational Facilities – N.O.C. – all employees other than those engaged in the operation or maintenance of amusement devices, restaurants or retail stores*, and 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices – including ticket collectors connected therewith*; however, the loss to payroll ratios for the traveling carnival subgroup have been significantly higher for more than a decade, and this subgroup has dissimilar typical causes of injury.
4. Removing the circus employer subgroup from Classification 9185 and amending theater Classifications 9154 and 9156 to include circus operations would have minimal impact (less than 1%) on the employers currently assigned to Classifications 9154 and 9156. Similarly, no longer including circus employers within the scope of Classification 9185 would have only a modest impact on the carnival subgroup and all other employers that remain in Classification 9185. Classification 9185 currently includes standard exception employees, while Classifications 9154 and 9156 do not. However, based on feedback from industry representatives and a review of WCIRB inspection reports, it is the WCIRB's understanding that a significant proportion of circus employees would not meet the strict guidelines needed to be classified as standard exception employees. Similarly, while the payroll of performers in Classification 9156 is subject to limitation, that of employees in Classifications 9185 and 9154 is not. However, based on feedback from industry representatives and a review of payroll information on WCIRB inspection reports, it is the

WCIRB's understanding that very little circus reported payroll would have been limited if a limitation had applied to circuses, and no adjustment to the historical experience or classification relativity for circuses is needed.

5. Circus employers currently assigned to Classification 9185 that would be reassigned to Classifications 9154 and 9156 would see a significant reduction in the selected loss to payroll ratio. This reduction is consistent with the subgroup's historical loss experience.

Recommendations

Based on the findings, the WCIRB recommends the following:

1. Amend Classification 9154, *Theaters – not motion picture – all employees other than performers and directors of performers – including managers, stage hands, box office employees or ushers*, to include circus employees who are not performers and to clarify its intended application.
2. Amend Classification 9156, *Theaters – dance, opera or theater companies – all performers and directors of performers – N.O.C.*, to include all circus employees who are performers, including musicians, and directors of performers and to clarify its intended application.
3. Amend Classification 9185, *Carnivals or Circuses*, to remove circus operations.

I. Introduction

Employers assigned to Classification 9185, *Carnivals or Circuses*, do not develop sufficient data to produce a statistically credible advisory pure premium rate, which can result in undue volatility in the pure premium rate from year-to-year. Specifically, the credibility for both medical and indemnity is around 0.4.¹ The low credibility is a result of a decreasing number of employers engaged in Carnival or Circus operations. In policy years 2006 through 2018, only 50 employers reported data in Classification 9185, and at the time of this study, only 9 employers are reporting payroll in this classification. In addition, over time, the operations of circuses and carnivals have diverged as circuses have shifted toward more theatrical and artistic performances, while carnival operations have remained largely unchanged. As an apparent result, circuses have developed different hazard experience than carnival operations.

The WCIRB studied the business operations and the payroll and claim experience of employers currently assigned to Classification 9185 to determine if Classification 9185 should continue to be a stand-alone classification or if some or all of the operations contemplated in that Classification should be combined with the operations in other classifications. In this regard, the WCIRB also evaluated the scope of several classifications that have relatively similar operations to Classification 9185. This study addresses the following questions:

1. Are there distinct and easily identifiable subgroups of employers that are currently assigned to Classification 9185?
2. If there are distinct and easily identifiable subgroups, should they be included in other existing classifications or continue to be assigned to Classification 9185?

¹ WCIRB January 1, 2021 Regulatory Filing

II. Analysis Approach

The WCIRB analyzed business operations and payroll and claim experience of employers operating circuses and carnivals using both qualitative and quantitative data from a variety of sources.

Classification Inspection Reports: The WCIRB has Classification Inspection Reports pertaining to about one-half of the employers reporting payroll in Classification 9185. The WCIRB reviewed these inspection reports to better understand the business operations of employers assigned to Classification 9185 and employee responsibilities.

Industry Outreach: The WCIRB contacted members of the industry, including employers and industry associations, to gain insight into the operational characteristics of circuses and carnivals.

Unit Statistical Reports: The WCIRB analyzed the historical Unit Statistical Report (USR) data reported for Classification 9185, including employers' payroll and loss experience and injury characteristics of claims, between policy years 1993 and 2018. Losses were limited to \$500,000 per claim to minimize large swings in the loss to payroll ratios over time often seen in small classifications.

Other Jurisdictions: The WCIRB reviewed the classification of circuses and carnivals in several other jurisdictions.²

Similar Classifications: Using the same data sources and methodology used in the review of Classification 9185, the WCIRB reviewed several classifications, including two classifications pertaining to theaters and two involving amusement parks³ that have relatively similar operations to Classification 9185.

Classification Relativity Data: Classification relativities submitted as part of the WCIRB's January 1, 2021 Regulatory Filing were used to analyze the impact of the potential reclassification of Classification 9185 operations on both the employers that are recommended to be included in other existing classifications and the employers currently assigned to the destination classifications.

III. Analysis Results

1. Two Distinct Subgroups in Classification 9185

Classification 9185, *Carnivals or Circuses*, applies to all operations of circuses as well as all operations of traveling carnivals that provide entertainment and amusement rides. Between policy years 2006 and 2018, there were 30 carnival employers accounting for 60% of the total payroll of Classification 9185 and 4 circus employers accounting for only 8% of the classification's payroll.⁴ The remainder of the payroll assigned to Classification 9185 was developed by either staffing companies or by employers for which the WCIRB has no record of their operations. The number of staffing companies dropped sharply over time, with only 1 reporting payroll in this classification during the past six years.

- **Traveling Carnival and Circus Operations**

Based on a review of WCIRB inspection reports for employers assigned to Classification 9185, as well as interviews with employers operating carnivals and circuses, the WCIRB found that traveling carnivals and circuses operate quite differently.

² Jurisdictions reviewed were: National Council on Compensation Insurance, Inc., Workers' Compensation Insurance Rating Bureau of Massachusetts, the Delaware and Pennsylvania Compensation Rating Bureaus and the Compensation Advisory Organization of Michigan. See Appendix II for a summary of how these jurisdictions classify carnivals and circuses.

³ Classifications 9154, *Theaters – not motion picture – all employees other than performers and directors of performers – including managers, stage hands, box office employees or ushers*, 9156, *Theaters – dance, opera or theater companies – all performers and directors of performers – N.O.C.*, 9016(1), *Amusement or Recreational Facilities – N.O.C. – all employees other than those engaged in the operation or maintenance of amusement devices, restaurants or retail stores* and 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices – including ticket collectors connected therewith*. See Section III, *Analysis Results*, Part 2 and 3 for the analysis of the potential reclassifications.

⁴ Policy year 2006 is the earliest year the WCIRB has sufficient data and information to determine if an employer had circus, carnival or other types of operations. Therefore, the data analysis on the circus and carnival employers focused on policy years 2006 through 2018.

Specifically, traveling carnival operations typically involve the set-up, operation and tear-down of large equipment for rides and amusement devices. Because transporting larger heavy-duty mechanical rides requires tractor trailer trucks, it is common for employers that operate traveling carnivals to contract the transport of large equipment to separate trucking firms. In addition to equipment set-up, operation and tear-down, a crew of employees also engages in event operations, including providing security and selling tickets, food and souvenirs.

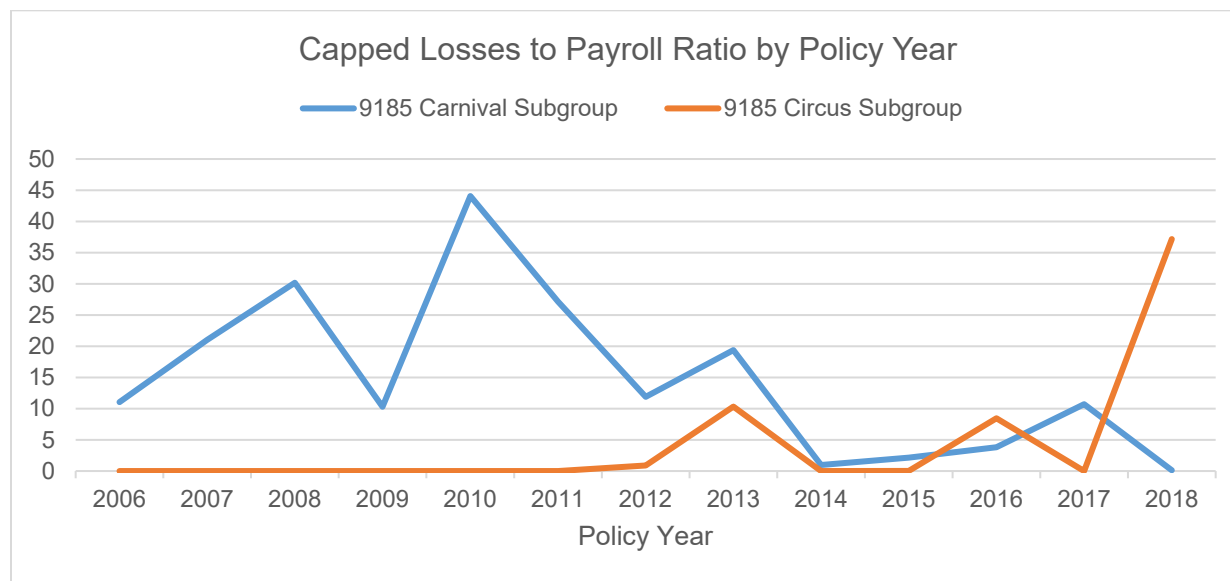
Employers that operate circuses, on the other hand, rarely are involved in setting up and operating large mechanical equipment. These employers primarily produce theatrical and artistic performances that involve acrobatic and athletic elements. Circus performers typically include acrobats, trapeze acts, musicians, dancers and other entertainers. Based on an interview with a circus employer that has been in the industry for over 20 years, like with many theater companies, it is not uncommon for circuses to classify their performers as independent contractors. While, like carnivals, circuses may retain event staff, the event staff do not share in the same exposure to heavy equipment set-up, operation and tear-down.

Classification 9185 includes clerical office, clerical telecommuter and outside sales employees. Given the way circuses and traveling carnivals operate and staff's review of the inspection reports for circus and carnival operations, both typically have few, if any, employees whose duties would fall within the strict definition of the standard exception classifications.

- **Payroll and Claim Experience of Traveling Carnivals and Circuses**

Based on the USR data between 2006 and 2018, the loss to payroll ratio for the Classification 9185 carnival employers was consistently and significantly higher than that for the Classification 9185 circus employers except for a few years (Figure 1). In fact, circus employers had zero losses for most of the policy years and had only seven claims during this entire period. Conversely, carnival employers had more than 260 claims reported during the same period. The 13-year weighted average loss to payroll ratio for carnival employers (\$11.9 per \$100 of payroll) is more than four times higher than that for circus employers (\$2.7 per \$100 of payroll). The only policy years for which circus employers had a higher loss to payroll ratio than carnival employers were 2016, when three claims occurred, including a large claim that involved a fall injury with \$134,000 of incurred losses, and 2018, when one claim involving a broken ankle occurred and a relatively small amount of payroll was reported.

Figure 1. Historical Loss to Payroll Ratios⁵ Comparing Classification 9185 Circus Employers with Classification 9185 Carnival Employers



	Loss to Payroll Ratio (00s) (13-Year Weighted Average) ⁶
Classification 9185 Circus Subgroup	2.7
Classification 9185 Carnival Subgroup	11.9

In summary, employers operating circuses and traveling carnivals have significantly different business operations, underlying hazards and claim experience. In that the objective of the Standard Classification System is *to group employers into classifications so that each classification reflects the risk of loss common to those employers*, circuses and traveling carnivals should no longer be assigned to the same classification based on the data detailed above. However, since the credibility of Classification 9185 is already low (approximately 40%), the WCIRB explored the potential of combining each of the circus and carnival employer subgroups in Classification 9185 with existing classifications that have relatively similar operations.

2. Potential Reclassification of the Classification 9185 Circus Subgroup

The WCIRB identified two theater companion classifications to potentially reassign the Classification 9185 circus operations:

- 9154, *Theaters – not motion picture – all employees other than performers and directors of performers – including managers, stage hands, box office employees or ushers*
- 9156, *Theaters – dance, opera or theater companies – all performers and directors of performers – N.O.C.*⁷

The operations contemplated under these two classifications are similar to circus operations. Classification 9156 in particular includes performers of live onstage dance, music and other theatrical performances, all of which are also part of the modern circus performance. In fact, in reviewing the operations of some large traveling theater and dance companies, there is no clear line of demarcation

⁵ Loss to payroll ratios before policy year 2018 were calculated using the losses and payroll reported at the second Report Level (RL). For policy year 2018, losses and payroll reported at the first RL, the latest data that we have on 2018 policies, were used to calculate the loss to payroll ratio. The same methodology was used for Figures 2 and 3.

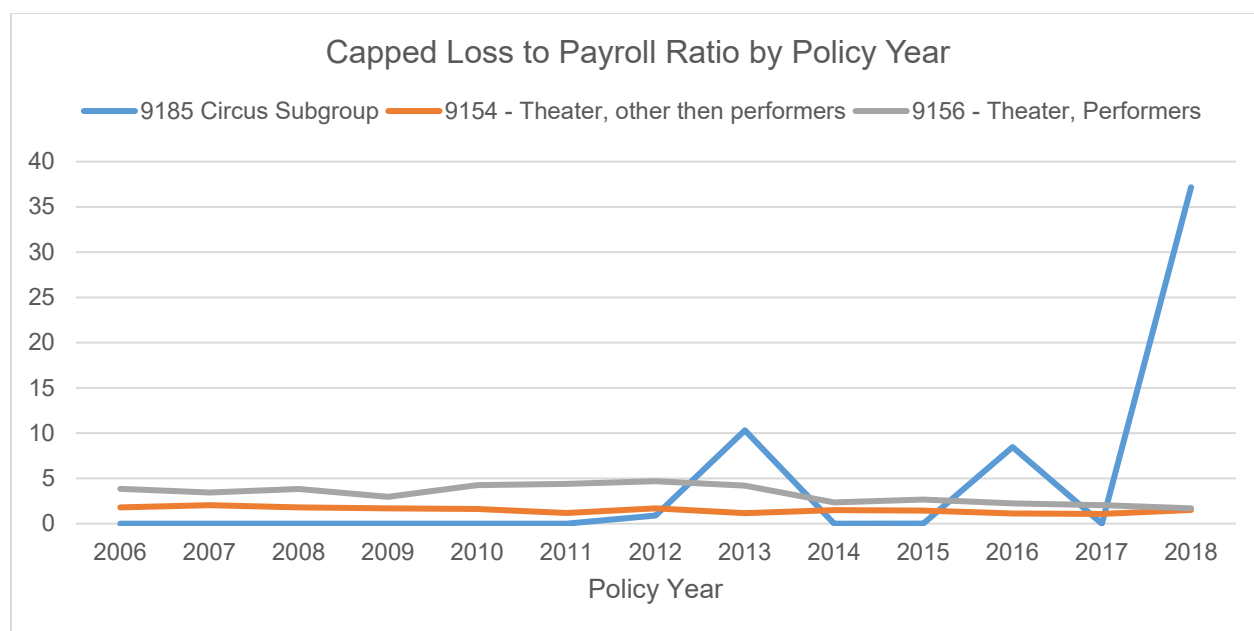
⁶ The 13-year weighted average loss to payroll ratio was calculated as the aggregate losses over the 13-year period divided by the aggregate payroll during the same period.

⁷ Classifications 9154 and 9156 are “Companion Classifications”. The USRP at Part 3, Section II, Rule 4, defines Companion Classifications as: “[t]wo classifications that together describe the operations that normally prevail in a business. Businesses that are classified using related companion classifications, as identified by the classification footnote, shall constitute a single enterprise.”

between their operations and the operations of “circuses” currently assigned to Classification 9185. In addition, like theater companies, circuses assigned to Classification 9185 also retain non-performers, such as ticket sellers, stage hands and lighting technicians.

In addition to similar operational characteristics, employers assigned to Classifications 9154 and 9156 have loss to payroll experience relatively similar to that of circus employers. As shown in Figure 2, between policy years 2006 and 2018, the loss to payroll ratio for circus employers was consistently lower than that for employers assigned to either Classification 9154 or Classification 9156, except for three policy years when five claims were reported, and only one claim involved a heavy loss of \$134,000 from a fall injury. The 13-year average loss to payroll ratio for circus employers (\$2.7 per \$100 of payroll) is relatively similar to the average for the theater non-performers assigned to Classification 9154 (\$1.5 per \$100 of payroll) and the theater performers assigned to Classification 9156 (\$3.3 per \$100 of payroll).

Figure 2. Historical Loss to Payroll Ratios Comparing Classification 9185 Circus Employers with Employers in Classifications 9154 and 9156



	Loss to Payroll Ratio (00s) (13-Year Weighted Average) ⁸
Classification 9185 Circus Subgroup	2.7
Classification 9154 Non-Performers	1.5
Classification 9156 Performers	3.3

Despite limited loss information for circus employers, as only seven claims were reported for circus employers between policy years 2006 and 2018, the causes of injury of these seven claims are comparable to those of claims reported in both Classifications 9154 and 9156.⁹

The payroll of performers in Classification 9156 is subject to limitation, while that of employees in Classifications 9185 and 9154 is not. However, based on feedback from industry representatives and a review of WCIRB Inspection Report payroll information for Classification 9185 circus employers, the wage of circus performers often falls below the payroll cap. Therefore, it is the WCIRB’s understanding that very little circus reported payroll would have been limited if a limitation had applied to circuses.

⁸ The 13-year weighted average loss to payroll ratio was calculated as the aggregate losses over the 13-year period divided by the aggregate payroll during the same period.

⁹ The causes of injury for the circus employee claims include strain injuries and falls, which are among the top five causes of injuries for both classifications 9154 and 9156.

The WCIRB's analysis indicates that circus employers have business operations and loss to payroll experience similar to those of employers assigned to Classifications 9154 and 9156. The WCIRB, therefore, recommends amending Classifications 9154 and 9156 to include circus operations. The impact of this recommendation on employers currently assigned to Classifications 9154 and 9156 and on employers in the Classification 9185 circus subgroup is shown in the Impact Analysis section of this report.

3. Potential Reclassification of the Classification 9185 Carnival Subgroup

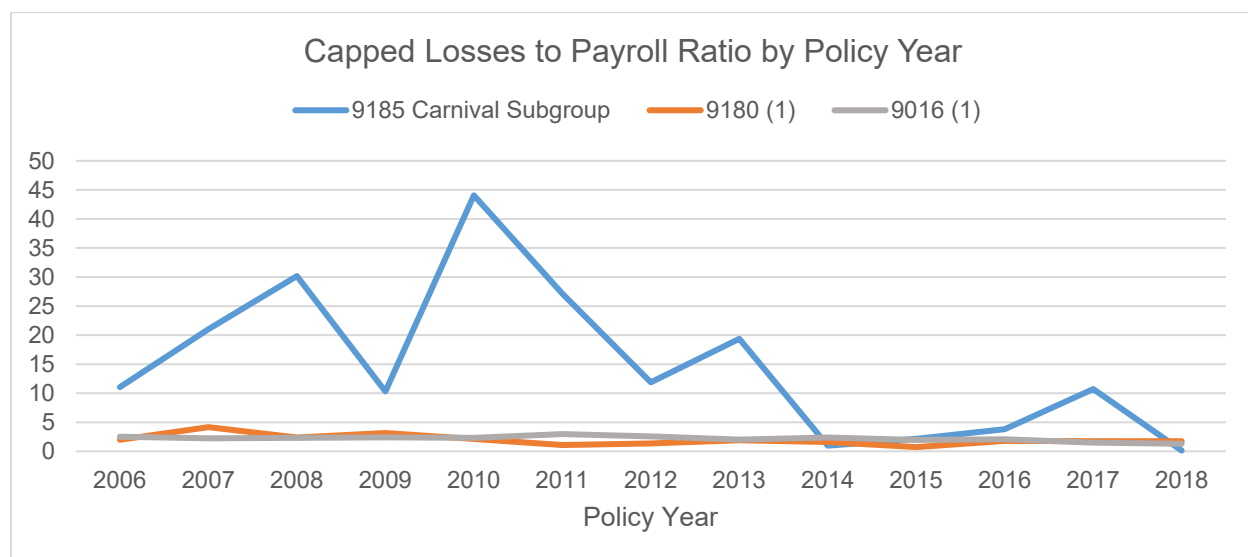
The WCIRB identified two companion amusement facilities classifications to potentially reassign the Classification 9185 carnival operations:

- 9016(1), *Amusement or Recreational Facilities – N.O.C. – all employees other than those engaged in the operation or maintenance of amusement devices, restaurants or retail stores*¹⁰
- 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices – including ticket collectors connected therewith*

The operations contemplated under Classifications 9016(1) and 9180(1) are somewhat similar to traveling carnival operations. Most notably, both traveling carnivals and amusement facilities engage in the operation and maintenance of amusement rides and entertainment devices, as well as event operations, including providing security and selling tickets, food and souvenirs.

As shown in Figure 3, the loss to payroll ratio for Classification 9185 carnival employers is significantly higher than that for employers in both Classifications 9016(1) and 9180(1), except for policy years 2014 and 2018. The 13-year weighted average loss to payroll ratio for carnival employers is five times higher than that of both Classification 9016(1) and Classification 9180(1).

Figure 3. Historical Loss to Payroll Ratios Comparing Classification 9185 Carnival Employers with Employers in Classifications 9016(1) and 9180(1)



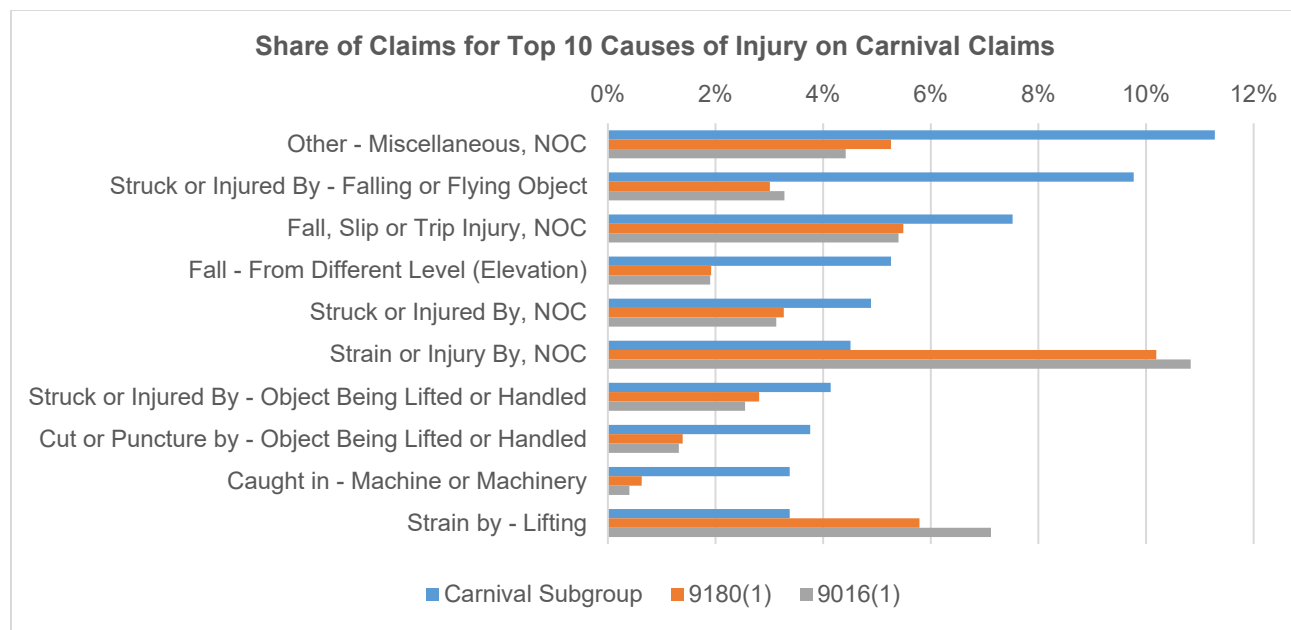
	Loss to Payroll Ratio (00s) (13-Year Weighted Average) ¹¹
Classification 9185 Carnival Subgroup	11.9
Classification 9016(1)	2.1
Classification 9180(1)	1.9

¹⁰ Classifications 9180(1) and 9016(1) are Companion Classifications.

¹¹ The 13-year weighted average loss to payroll ratio was calculated as the aggregate losses over the 13-year period divided by the aggregate payroll during the same period.

The WCIRB also compared the leading causes of injury reported for Classification 9185 carnival employee claims to those of claims reported for employees in Classifications 9016(1) and 9180(1). As shown in Figure 4, Classification 9185 carnival employee claims are more likely to involve injuries from falls or being struck by falling or flying objects, likely resulting from setting up rides and amusement devices, while claims from Classification 9016(1) and 9180(1) employees tend to involve strain injuries that are consistent with operating and maintaining amusement devices.

Figure 4. Top 10 Causes of Injury on Claims in the Classification 9185 Carnival Subgroup and Corresponding Claim Shares in Classifications 9016(1) and 9180(1)



While the business operations of traveling carnivals bear some similarity to the operations of amusement or recreational facilities assigned to Classifications 9016(1) and 9180(1), the loss to payroll experience and cause of injury distribution suggest that operating traveling carnivals is significantly more hazardous than operating and maintaining amusement facilities. Therefore, the WCIRB does not recommend combining carnivals with either of these two classifications and recommends that traveling carnival operations continue to be assigned to Classification 9185, despite its relatively low credibility.

Although the WCIRB does not recommend changes to the classification for traveling carnivals at this time, in view of the documented similarities between traveling carnivals and some aspects of the amusement industry, the WCIRB plans to conduct further study of Classifications 9016(1) and 9180(1) in the future to assess similarities in business operations and loss experience between traveling carnivals and aspects of the amusement industry.

IV. Impact Analysis

The WCIRB evaluated the impact of reclassifying circus operations to the theater companion classifications on employers currently assigned to these classifications, as well as on circus employers.¹² Classification relativities for Classifications 9185, 9154 and 9156, as well as the Classification 9185 circus and carnival subgroups, are included in Appendix III.

1. Impact on Employers in Classifications 9154 and 9156

Table 1 shows that the selected loss to payroll ratio for Classification 9154 would increase by 0.03% after the inclusion of circus operations, while Classification 9156 would see a 0.11% increase. Therefore, the

¹² Based on the loss and payroll experience of the employers currently assigned to Classifications 9154 and 9156 and data for the small number of circus employers, the WCIRB thinks it is reasonable to assume that 20% of circus payroll and 15% of circus losses are from non-performers and therefore would be reported in Classification 9154, and 80% of circus payroll and 85% of circus losses are from performers and would be reported in Classification 9156.

overall impact of reclassifying the Classification 9185 circus operations to Classifications 9154 and 9156 would be minimal.

Table 1. Changes in the Selected (Unlimited) Loss to Payroll Ratio for Classifications 9154 and 9156 Under Proposed Recommendations

Classification 9154 (A)	Classifications 9154 and 9185 Circus Subgroup Combined (weighted¹³) (B)	% Difference (B/A-1)
1.677	1.678	+0.03%
Classification 9156	Classifications 9156 and 9185 Circus Subgroup Combined (weighted¹⁴)	% Difference
2.990	2.993	+0.11%

2. Impact on Employers Currently Assigned to Classification 9185

The WCIRB also analyzed the impact to: (a) circus employers if circus operations are assigned to Classifications 9154 and 9156, and (b) carnival employers and all other employers that would continue to be assigned to Classification 9185.

As shown in Table 2, after combining circus employers with both Classifications 9154 and 9156, circus employers would have a significant drop in their selected loss to payroll ratio (-74%), while carnival employers and all other employers that would continue to be assigned to Classification 9185 would experience a modest increase in their selected loss to payroll ratio (13.8%). Since the circus employers would be included in an existing classification, the WCIRB is recommending that the normal 25% limitation on year-to-year classification relativity changes not apply to the circus employer subgroup.

Table 2. Changes in the Selected (Unlimited) Loss to Payroll Ratio for Classifications 9154 and 9156 Under Proposed Recommendations

Classification 9185 (A)	9185 Circus Subgroup (weighted¹⁵) (B)	% Difference (B/A-1)
10.681	2.730	-74.4%
Classification 9185	9185 Carnival Subgroup and All Others	% Difference
10.681	12.155	+13.8%

V. Findings

Based on this review, the WCIRB has determined:

¹³ Because Classifications 9154 and 9156 are Companion Classifications, the Classification 9185 circus employers would be reporting only a fraction of the payroll and losses, specifically the payroll and losses of non-performers, to Classification 9154. Therefore, the combined employer experience in Classification 9154 and the Classification 9185 circus subgroup was weighted to reflect the apportionment of payroll and losses to Classification 9154.

¹⁴ Similar to the apportionment of payroll and losses to Classification 9154, the remaining payroll and losses of performers were portioned to Classification 9156 in the combined set.

¹⁵ The Classification 9185 circus employers would be reporting payroll and losses to both Classifications 9154 and 9156; therefore, the loss to payroll ratio for the reclassified circus operations was a weighted average of (1) the combined Classification 9154 and the circus operations and (2) the combined Classification 9156 and the circus operations.

1. Within Classification 9185, there is a clear line of demarcation between the operations of traveling carnivals and those of circuses. In addition, traveling carnival operations appear significantly more hazardous than those of circuses and have significantly higher loss to payroll ratios.
2. Circus employers have similar operations, loss to payroll ratios, and typical causes of injury as employers assigned to Classifications 9154, *Theaters – not motion picture – all employees other than performers and directors of performers – including managers, stage hands, box office employees or ushers*, and 9156, *Theaters – dance, opera or theater companies – all performers and directors of performers – N.O.C.*
3. Employers operating traveling carnivals share some operational similarities with employers assigned to Classifications 9016(1), *Amusement or Recreational Facilities – N.O.C. – all employees other than those engaged in the operation or maintenance of amusement devices, restaurants or retail stores*, and 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices – including ticket collectors connected therewith*; however, the loss to payroll ratios for the traveling carnival subgroup have been significantly higher for more than a decade, and this subgroup has dissimilar typical causes of injury. The WCIRB intends to conduct a comprehensive review of Classifications 9016(1) and 9180(1) in the future to further assess similarities in business operations and loss experience between traveling carnivals and aspects of the amusement industry.
4. Removing the circus employer subgroup from Classification 9185 and amending theater Classifications 9154 and 9156 to include circus operations would have minimal impact (less than 1%) on the employers currently assigned to Classifications 9154 and 9156. Similarly, no longer including circus employers within the scope of Classification 9185 would have only a modest impact on the carnival subgroup and all other employers that remain in Classification 9185. Classification 9185 currently includes standard exception employees, while Classifications 9154 and 9156 do not. However, based on feedback from industry representatives and a review of WCIRB inspection reports, it is the WCIRB's understanding that a significant proportion of circus employees would not meet the strict guidelines needed to be classified as standard exception employees. Similarly, while the payroll of performers in Classification 9156 is subject to limitation, that of employees in Classifications 9185 and 9154 is not. However, based on feedback from industry representatives and a review of payroll information on WCIRB inspection reports, it is the WCIRB's understanding that very little circus reported payroll would have been limited if a limitation had applied to circuses, and no adjustment to the historical experience or classification relativity for circuses is needed.
5. Circus employers currently assigned to Classification 9185 that would be reassigned to Classifications 9154 and 9156 would see a significant reduction in the selected loss to payroll ratio. This reduction is consistent with the subgroup's historical loss experience.

VI. Recommendations

Based on the findings, the WCIRB recommends the following:

1. Amend Classification 9154, *Theaters – not motion picture – all employees other than performers and directors of performers – including managers, stage hands, box office employees or ushers*, to include circus employees who are not performers and to clarify its intended application.
2. Amend Classification 9156, *Theaters – dance, opera or theater companies – all performers and directors of performers – N.O.C.*, to include all circus employees who are performers, including musicians, and directors of performers and to clarify its intended application.
3. Amend Classification 9185, *Carnivals or Circuses – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons*, to remove circus operations.

Appendix I – History

The following is a timeline of the significant changes to the scope and application relevant to Classification 9185, *Carnivals or Circuses*:

- **1944:** The Classification and Rating Committee at its meeting on September 12, 1944 requested that a new classification for carnivals or circuses be established using the rate for Classification 9180, *Amusement Parks or Exhibitions*.
- **1945:** Classification 9185, *Carnivals or Circuses* – *all employees including Clerical, Salesman, Drivers, Chauffeurs and their Helpers*, was established with the same rate as Classification 9180, *Amusement Parks or Exhibitions* – *Operation and maintenance of merry-go-rounds, swings, roller coasters or other amusement devices not specifically classified in this Manual – including ticket sellers or collectors connected therewith; Drivers, Chauffeurs and their Helpers*.
- **1970:** The WCIRB conducted a study to review the classifications that included salesmen and clerical office employees to determine the feasibility of amending these classifications to permit salesmen and clerical office employees to be separately classified. Based on this review, it was determined that Classification 9185 should continue to include salesmen and clerical office employees.
- **2021:** Based on the establishment of Classification 8871, *Clerical Telecommuter Employees – N.O.C.*, as a Standard Exception, Classification 9185 was among 41 classifications amended to include *Clerical Telecommuter Employees*.

Appendix II – Other Jurisdictions

The WCIRB reviewed how other jurisdictions classify the operations reviewed in this study, including surveying members of the Policy Research Advisory Committee (PRAC) on whether they have encountered any issues administering the classifications applicable to traveling carnival or circus operations, and whether they have studied this classification/industry or have plans to study it in the future. Almost all other jurisdictions retain Classification 9186 for traveling carnivals or circuses, and it is administered similarly to how the WCIRB administers Classification 9185. Classification 9186 in other jurisdictions also applies to traveling rodeos, traveling animals shows, traveling automobile stunt shows and traveling device operators. This classification applies to ticket sellers in connection with these operations but does not include Clerical Office Employees or Outside Salespersons. Some jurisdictions retain a weekly payroll limitation for Classification 9186, while California does not have a weekly payroll limitation for Classification 9185. However, Classification 9156, *Theaters – dance, opera or theater companies – all performers and directors of performers – N.O.C.*, in California is subject to a maximum remuneration per year per person.

The National Council on Compensation Insurance, Inc. (NCCI) advised that the credibility and rate fluctuation for Classification 9186 varies greatly from state to state. NCCI is currently planning to propose some changes to Classification 9186 and other amusement classifications for the consistent inclusion of ticket sellers and gate attendants, and to clarify that 9186 applies to all traveling amusement operations. It was noted that in NCCI jurisdictions Classification 9016 applies to amusement parks or exhibitions at fixed locations, and there is a large rate differential between these two classifications.

The Wisconsin Rating Bureau advised that Classification 9186 generates a fair amount of payroll in their state and there is not currently any plan to study 9186 due to credibility concerns.

The Workers' Compensation Insurance Rating Bureau of Massachusetts (WCIRBMA) advised that due to its low credibility, in 1999, Classification 9186 was combined for ratemaking with Classification 9180, *Amusement Device Operation NOC*. At the time, Classification 9186 contained a weekly payroll limitation; however, Classification 9180 did not. Therefore, when they were combined the rate decreased drastically.

The Delaware and Pennsylvania Compensation Rating Bureaus (DCRB/PCRB) use Classification 939, *Carnival, Circus or Amusement Device Operator – Travelling*, which is applied in a manner similar to Classification 9186 in other jurisdictions. Interestingly, Classification 939 was initially established in 1984 and was later merged with Classification 969, *Amusements Outdoor*. Later, in 1999, Classification 939 was reestablished. Both PCRB and DCRB have observed declines in the loss costs for Classification 939. However, because the scope of this classification is narrow and well defined, they do not experience misapplication or confusion with other classifications.

In contrast to other jurisdictions, the Compensation Advisory Organization of Michigan uses Classification 9015, *Buildings – NOC – Operation by Owner of Lessee*, to classify carnivals and circuses and does not use Classification 9186. This classification is fully credible, there are not apparent issues with misapplication, and they do not have plans to study this classification/industry in the future.

Appendix III – Classification Relativities¹⁶

Table 1: All of Classification 9185 – Classification Relativity at Policy Year 2021 Level

Policy Year	Adjusted Payroll	Adjusted Indemnity Losses	Adjusted Medical Losses	Adjusted Total Losses	Adjusted Loss to Payroll Ratio (00s)
2013	4,211,294	42,198	493,825	536,023	12.728
2014	3,931,739	142,508	225,754	368,262	9.366
2015	7,139,712	80,549	170,094	250,643	3.511
2016	6,751,793	202,040	183,077	385,117	5.704
2017	7,148,579	189,183	547,143	736,326	10.300
Total	29,183,118	656,478	1,619,893	2,276,371	

Adjusted Loss to Payroll Ratio 7.800
 Selected Loss to Payroll Ratio 10.681

Credibility	
Indemnity	Medical
0.38	0.45

Table 2: Classification 9185 Circus Subgroup – Classification Relativity at Policy Year 2021 Level

Policy Year	Adjusted Payroll	Adjusted Indemnity Losses	Adjusted Medical Losses	Adjusted Total Losses	Adjusted Loss to Payroll Ratio (00s)
2013	537,854	2959	35439	38,398	7.139
2014	219,796	0	0	0	0.000
2015	2,743,614	0	421	421	0.015
2016	1,626,363	88417	74860	163277	10.039
2017	1,576,906	0	0	0	0.000
Total	6,704,534	91376	110,720	202,095	

Adjusted Loss to Payroll Ratio 3.014
 Selected Loss to Payroll Ratio 9.262

Credibility	
Indemnity	Medical
0.21	0.25

¹⁶ WCIRB January 1, 2021 Regulatory Filing.

Table 3: Classification 9185 Carnival Subgroup – Classification Relativity at Policy Year 2021 Level

Policy Year	Adjusted Payroll	Adjusted Indemnity Losses	Adjusted Medical Losses	Adjusted Total Losses	Adjusted Loss to Payroll Ratio (00s)
2013	3,644,186	39,387	460,113	499,500	13.707
2014	3,685,567	142,397	225,579	367,976	9.984
2015	4,152,912	34,927	62,666	97,593	2.350
2016	4,896,185	113,657	107,769	221,426	4.522
2017	5,474,189	55,903	513,552	569,455	10.403
Total	21,853,038	386,271	1,369,679	1,755,950	

Adjusted Loss to Payroll Ratio 8.035
 Selected Loss to Payroll Ratio 10.859

Credibility	
Indemnity	Medical
0.34	0.40

Table 4: All of Classification 9154 – Classification Relativity at Policy Year 2021 Level

Policy Year	Adjusted Payroll	Adjusted Indemnity Losses	Adjusted Medical Losses	Adjusted Total Losses	Adjusted Loss to Payroll Ratio (00s)
2015	514,992,164	3,999,534	4,615,742	8,615,276	1.673
2016	631,936,097	3,970,312	5,358,739	9,329,051	1.476
2017	761,325,549	5,418,158	4,546,037	9,964,195	1.309
Total	1,908,253,811	13,388,004	14,520,518	27,908,522	

Adjusted Loss to Payroll Ratio 1.463
 Selected Loss to Payroll Ratio 1.677

Credibility	
Indemnity	Medical
1.00	1.00

Table 5: All of Classification 9156 – Classification Relativity at Policy Year 2021 Level

Policy Year	Adjusted Payroll	Adjusted Indemnity Losses	Adjusted Medical Losses	Adjusted Total Losses	Adjusted Loss to Payroll Ratio (00s)
2013	90,529,962	1,322,321	1,794,592	3,116,913	3.443
2014	94,542,356	902,284	1,086,281	1988565	2.103
2015	87,562,064	1,184,947	1,252,359	2,437,306	2.784
2016	100,882,858	1,375,384	1,328,199	2703583	2.680
2017	107,961,023	1,252,246	1,152,223	2404469	2.227
Total	481,478,262	6,037,182	6,613,654	12,650,836	

Adjusted Loss to Payroll Ratio	2.627
Selected Loss to Payroll Ratio	2.990

Credibility	
Indemnity	Medical
0.94	0.83

Recommendation

Amend Classification 9185, *Carnivals or Circuses*, to reassign circus operations to Classifications 9154, *Theaters – not motion picture*, and 9156, *Theaters – dance, opera or theater companies*.

PROPOSED

CARNIVALS OR CIRCUSES – all employees – including Clerical Office Employees, Clerical Telecommuter Employees and Outside Salespersons **9185**

This classification applies to all operations of traveling carnivals that provide entertainment and amusement rides, including but not limited to transporting, setting up and taking down amusement sites and equipment, assisting patrons on and off rides, operating game booths and arcades, providing entertainment, selling and taking tickets, providing security, selling food and souvenirs, cleaning and maintaining equipment and premises, and operating and controlling amusement rides. ~~This classification also applies to all operations of circuses, including performers, entertainers and the care, feeding and training of circus animals.~~

Rental and operation of game booths at locations where no mechanical amusement rides are operated shall be classified as 8017(1), *Stores – retail*.

Amusement parks at fixed locations shall be classified as 9016(1)/9180(1), *Amusement or Recreational Facilities – N.O.C.*

The production of live dance, opera, dramatic, comedic, circus or other theatrical presentations before a live audience shall be assigned to companion Classifications 9156, *Theaters – dance, opera and theater companies*, or 9154, *Theaters – not motion picture – all employees other than performers and directors of performers*.

The operation of events, including but not limited to farmers' markets, flea markets, street fairs, swap meets, art or antique festivals, trade shows (public or private), fun runs, foot races, cycling events, marathons, triathlons and athletic charity events, shall be classified as 9095, *Event Market, Festival or Trade Show Operation*.

* * * * *

Recommendation

Amend Classification 9154, *Theaters – not motion picture*, to include circus employees who are not performers, such as managers, stage technicians, box office employees or ushers, as these operations are more properly assignable to 9154, and to clarify the intended application.

PROPOSED

THEATERS – not motion picture – all employees other than performers and directors of performers – including managers, stage ~~hand~~ technicians, box office employees or ushers **9154**

This classification applies to the production of live musical, dance, opera, dramatic, comedic, circus or other theatrical presentations before a live audience or the operation of venues used for such live entertainment. This classification includes all theater employees other than performers and directors of performers, including managers, stage technicians, box office employees or ushers.

Also refer to companion Classification 9156, *Theaters – dance, opera or theater companies – all performers and directors of performers – N.O.C.*, and to companion Classification 9151, *Theaters – musical entertainment – live performances*.

If an employee who performs duties described by Classification 9154 also performs duties described by Classifications 9151 or 9156, the payroll of that employee may be divided between Classifications 9154 and 9156, or between Classifications 9151 and 9154 provided the employer maintains accurate records supported by time cards or time book entries that show such division. Refer to Section V, Rule 3.

* * * * *

Recommendation

Amend Classification 9156, *Theaters – dance, opera or theater companies*, to include circus employees who are performers or directors of performers, as these operations are more properly assignable to 9156, and to clarify the intended application.

PROPOSED

THEATERS – dance, opera or theater companies – all performers and directors of performers – N.O.C. 9156

The entire remuneration of performers and directors of performers shall be included, subject to a maximum of \$139,100 per year per person. When such employees do not work the entire year, the payroll limitation shall be prorated based upon the number of weeks in which such employees worked during the policy period.

This classification applies to the production of live musical, dance, opera, dramatic, comedic, circus or other theatrical presentations before a live audience. This classification includes all ~~stage~~ performers, directors and musicians in connection ~~therewith~~ with the theater operations.

Musical entertainers who are not employees of dance, opera or theater companies, but who provide entertainment for a live audience, including but not limited to orchestras, touring bands, casual or steady engagement music groups and event disc jockeys, shall be classified as 9151, *Theaters – musical entertainment*.

The operation of motion picture theaters shall be classified as 9155, *Theaters – motion picture*.

Also refer to companion Classification 9154, *Theaters – not motion picture – all employees other than performers and directors of performers*.

If an employee who performs duties described by Classification 9156 also performs duties described by Classification 9154, the payroll of that employee may be divided between Classifications 9154 and 9156, provided the employer maintains accurate records supported by time cards or time book entries that show such division. See Section V, Rule 3, *Division of Single Employee's Payroll*.

* * * * *

Recommendation

Amend Classification 9016(1), *Amusement or Recreational Facilities – N.O.C. – all employees other than those engaged in the operation or maintenance of amusement devices, restaurants or retail stores*, for consistency with other proposed changes.

PROPOSED

AMUSEMENT OR RECREATIONAL FACILITIES – N.O.C. – all employees other than those engaged in the operation or maintenance of amusement devices, restaurants or retail stores 9016(1)

This classification applies to the operation of amusement or recreational facilities, including but not limited to amusement parks, water parks, miniature golf courses, batting cages, bumper car facilities, archery ranges, water excursions/tours, laser tag, airsoft or paintball facilities, Nordic (cross-country) ski facilities and zoos, including veterinarians employed by zoos.

This classification also applies to the operation of golf driving ranges that are not operated by golf courses or country clubs.

This classification also applies to automobile or horse race-track operations by employers that are not public agencies.

This classification also applies to the operation of athletic or sports venues, including ballparks and stadiums, during non-sporting activities, including but not limited to concerts and exhibitions.

Boat marinas or boat rental facilities shall be classified as 9016(4), *Boat Marina and Boat Rental Operation*.

Golf courses or country clubs shall be classified as 9060, *Clubs – country or golf*.

Traveling carnivals or circuses shall be classified as 9185, *Carnivals or Circuses*.

The operation of events, including but not limited to farmers' markets, flea markets, street fairs, swap meets, art or antique festivals, trade shows (public or private), fun runs, foot races, cycling events, marathons, triathlons and athletic charity events shall be classified as 9095, *Event Market, Festival or Trade Show Operation*.

The operation of race-tracks by public agencies shall be classified as 9410/9420, *Municipal, State or Other Public Agency Employees*.

Bowling centers shall be classified as 9092(1), *Bowling Centers*.

Billiard halls shall be classified as 9092(2), *Billiard Halls*.

Skating rinks or skate parks shall be classified as 9092(3), *Skating Centers*.

Also refer to companion Classification 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices*.

If an employee who performs duties described by Classification 9016(1) also performs duties described by Classification 9180(1), the payroll of that employee may be divided between Classifications 9016(1) and 9180(1), provided the employer maintains accurate records supported by time cards or time book entries that show such division. See Section V, Rule 3, *Division of Single Employee's Payroll*.

Restaurants or retail stores shall be separately classified.

* * * * *

Recommendation

Amend Classification 9180(1), *Amusement or Recreational Facilities – N.O.C. – operation or maintenance of amusement devices – including ticket collectors connected therewith*, for clarity and consistency with other proposed changes.

PROPOSED

AMUSEMENT OR RECREATIONAL FACILITIES – N.O.C. – operation or maintenance of amusement devices – including ticket collectors ~~connected therewith~~ 9180(1)

This classification applies to the operation or maintenance of amusement devices at recreational facilities, including but not limited to amusement parks, zoos, water parks, miniature golf courses, batting cages, bumper car facilities, archery ranges, water excursions/tours and laser tag, airsoft or paintball facilities.

This classification also applies to guided tours for water-based activities or water-based athletic or fitness instructional programs at locations other than swimming pools, including but not limited to surfing, scuba, kayaking, paddle boarding or kite surfing on lakes, bays, rivers or oceans.

This classification also applies to guided wilderness expeditions; motorsports operations; or ski instructors, ski patrol personnel or employees engaged in ski trail grooming at ski resort locations that exclusively provide Nordic (cross-country) skiing activities. This classification also applies to the detonation of fireworks for pyrotechnic displays.

Traveling carnivals ~~or circuses~~ shall be classified as 9185, *Carnivals or Circuses*.

Employers that operate boat marinas and boat rental facilities shall be classified as 9016(4), *Boat Marina and Boat Rental Operation*.

Bowling centers shall be classified as 9092(1), *Bowling Centers*.

Billiard halls shall be classified as 9092(2), *Billiard Halls*.

Skating rinks or skate parks shall be classified as 9092(3), *Skating Centers*.

The operation of Alpine (downhill) ski resorts, including the operation of Nordic (cross-country) ski trails at Alpine ski resort locations, shall be classified as 9184, *Ski Resorts – Alpine*.

Also refer to companion Classification 9016(1), *Amusement or Recreational Facilities – N.O.C. – all employees other than those engaged in the operation or maintenance of amusement devices, restaurants or retail stores*.

If an employee who performs duties described by Classification 9180(1) also performs duties described by Classification 9016(1), the payroll of that employee may be divided between Classifications 9016(1) and 9180(1), provided the employer maintains accurate records supported by time cards or time book entries that show such division. See Section V, Rule 3, *Division of Single Employee's Payroll*.

Restaurants or retail stores shall be separately classified.

* * * * *

Recommendation

Amend Classification 9095, *Event Market, Festival or Trade Show Operation*, for clarity and consistency with other proposed changes.

PROPOSED

EVENT MARKET, FESTIVAL OR TRADE SHOW OPERATION – all employees – N.O.C.

9095

This classification applies to employers that organize and operate events or rent spaces to vendors that sell products or provide information to customers. Such events include but are not limited to farmers' markets, flea markets, street fairs, swap meets, art or antique festivals and trade shows (public or private). This classification also applies to the operation of events, including but not limited to fun runs, foot races, cycling events, marathons, triathlons and athletic charity events.

Employers that promote or market events but do not operate events shall be separately classified.

Traveling carnivals ~~or circuses~~ shall be classified as 9185, *Carnivals or Circuses*.

The rental, delivery ~~and/or~~ set up of temporary chain link fences or road traffic safety barricades when performed by separate concerns shall be classified as 8028, *Equipment or Machinery Rental Yards*.

The rental, service or repair of portable toilets when performed by separate concerns shall be classified as 9426, *Septic or Portable Toilet Services*.

Vendors, performers, entertainers, retail stores ~~and/or~~ the preparation and sale of food shall be separately classified.

* * * * *

Recommendation

Amend Classification 9155, *Theaters – motion picture*, for clarity and consistency with other proposed changes.

PROPOSED

THEATERS – motion picture – all employees other than employees exclusively engaged in restaurant or tavern operations

9155

This classification applies to all employees engaged in the operation of "walk-in" or "drive-in" motion picture theaters, including but not limited to ushers, motion picture projection and sound equipment operators, box office and snack bar cashiers, security staff and parking lot attendants.

The operation of a concession stand or snack bar by separate concerns shall be classified as 9079(2), *Concessionaires*.

~~Theater stage~~ Theatrical performers, directors ~~and/or~~ musicians engaged in dance, opera, dramatic, comedic, circus or other theatrical presentations before a live audience shall be classified as 9156, *Theaters – dance, opera and theater companies*.

Orchestras, touring bands, casual or steady engagement music groups ~~and/or~~ event disc jockeys engaged in the provision of musical entertainment before a live audience shall be classified as 9151, *Theaters – musical entertainment*.

Employees other than ~~stage~~ performers, directors ~~and/or~~ musicians engaged in the operation of live performance theaters shall be classified as 9154, *Theaters – not motion picture*.

The payroll of employees engaged exclusively in restaurant or tavern operations shall be separately classified as 9079(1), *Restaurants or Taverns*.

* * * * *

Recommendation

Amend Classification 9151, *Theaters – musical entertainment*, for clarity and consistency with other proposed changes.

PROPOSED

THEATERS – musical entertainment – live performances – all performers and directors of performers 9151

The entire remuneration of performers and directors of performers shall be included subject to a maximum of \$139,100 per year per person. When such employees do not work the entire year, the payroll limitation shall be prorated based upon the number of weeks in which such employees worked during the policy period.

This classification applies to employers that provide musical entertainment for a live audience. This classification includes but is not limited to orchestras, touring bands, casual or steady engagement music groups and event disc jockeys. This classification also applies to stage performers ~~and/or~~ dancers incidental to the musical performance.

Theatrical performers, directors or musicians engaged in dance, opera, ballet, dramatic, comedic, circus or other live theater performers including musicians shall be classified as 9156, *Theaters – dance, opera or theater companies*.

Also refer to companion Classification 9154, *Theaters – not motion picture – all employees other than performers and directors of performers*.

If an employee who performs duties described by Classification 9151 also performs duties described by Classification 9154, the payroll of that employee may be divided between Classifications 9151 and 9154 provided the employer maintains accurate records supported by time cards or time book entries that show such division. See Section V, Rule 3, *Division of Single Employee's Payroll*.

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Recommendation

Amend Section VIII, *Abbreviated Classifications – Numeric Listing*, for consistency with other proposed changes.

PROPOSED**Section VIII – Abbreviated Classifications – Numeric Listing**

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- 9185 Carnivals/Circuses
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Recommendation

Amend Appendix IV, *Classifications Including Clerical Office Employees, Clerical Telecommuter Employees or Outside Salespersons*, for consistency with other proposed changes.

PROPOSED**Appendix IV****Classifications Including Clerical Office Employees, Clerical Telecommuter Employees or Outside Salespersons**

See Section III, *General Classification Procedures*, Rule 4, *Standard Exceptions*, Subrule c, *Standard Exception Classification Procedures*.

Code	Name	Including Clerical Office Employees / Clerical Telecom- muter Employees	Including Outside Salespersons
•			
•			
•			
9185	Carnivals/Circuses	X	X
•			
•			
•			

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