CONSTRUCTION INDUSTRY

CHANGES COMING TO ELECTRONICS, DUAL-WAGE CLASS CODES

INSURANCE COMMISSIONER Ricardo Lara has approved all of the Workers' Compensation Insurance Rating Bureau's recommended changes to the wage thresholds for construction industry dual classifications for policies incepting on or after Sept. 1.

The thresholds separate high- and low-wage earners in 16 dual-wage construction classes because higher wage workers in these class codes have historically had drastically fewer and less costly claims than their lower-paid counterparts.

Rates for lower-wage workers can sometimes be twice as high as the rates for higher-wage workers.

Proposed High-Wage Thresholds

Classification	Current Threshold	Threshold Starting 9/1
5207/5028 – Masonry	$35	$37
5190/5140 – Electrical Wiring	$36	$40
5183/5187 – Plumbing	$32	$35
5185/5186 – Automatic Sprinkler Installation	$33	$36
5201/5205 – Concrete or Cement Work	$33	$36
5403/5432 – Carpentry	$41	$46
5446/5447 – Wallboard Installation	$41	$45
5467/5470 – Glaziers	$39	$43
5474/5482 – Painting/Waterproofing	$32	$36
5484/5485 – Plastering or Stucco Work	$38	$42
5538/5542 – Sheet Metal Work	$33	$37
5552/5553 – Roofing	$31	$33
5632/5633 – Steel Framing	$41	$46
6218/6220 – Excavation/Grading/Land Leveling	$40	$45
6307/6308 – Sewer Construction	$40	$45
6315/6316 – Water/Gas Mains	$40	$45

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High Litigation Rates Affecting Claims Adjusting Costs

Associated medical-legal costs per claim rose 14% in 2025, while costs for medical equipment and other medical services increased 7% in the same period.

Claims adjusting costs

The high litigation rates for CT claims are seeping into the cost of adjusting claims, according to WCIRB. It projects that insurers' loss adjustment expense ratio (the cost of adjusting claims) will increase to 37.7% of claims costs from 35.7% in the Sept. 1, 2025, filing.

Claims adjusting costs are expected to rise 5.5% annually between 2026 and 2028.

The takeaway

While the pure premium rate is rising, employers may see increases or reductions of varying degrees based on several factors, including:

- The employer's individual claims history,
- The employer's industry,
- The mix of employees and operations, and
- The employer's location.