**Section 575.112 Evaluation of Membership Scope**

The Director shall evaluate the membership scope of a pool based on a description of the types of employers eligible for membership in the pool along with the list of NCCI classifications into which the member payrolls can be primarily classified. Primarily classified means that no more than 10% of a member's payroll would be classified in a classification code that is not included in the membership scope using the classifications in the NCCI basic manual. The membership scope may also include businesses that have homogeneous risk characteristics and will involve business activities that are common groupings or common business combinations. Example of acceptable scopes (common groupings) would be pools of restaurants, offices, trucking companies, and nursing homes. Examples of acceptable scopes (common business combinations) would be moving and storage companies, gas stations and convenience stores, and residential and commercial construction contractors. An example of an unacceptable scope would be the members of a chamber of commerce of a city.