

Delaware Compensation Rating Bureau, Inc.



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September 26, 2001

BUREAU CIRCULAR NO. 751

To All Members of the Bureau:

Re: **BUREAU FILING NO. 0103**

- 1) **Manual Language Revisions Pertinent to Delaware H.B. 27 with House Amendments 1 and 2 – APPROVED EFFECTIVE AUGUST 16, 2001**
- 2) **Amendments to National Workers Compensation Reinsurance Pool, Articles of Agreement (NCCI Item Filing No. RM-W-8024) – APPROVED EFFECTIVE JANUARY 1, 2002**
- 3) **Premium Due Date Endorsement – WC 00 04 19 (NCCI Item Filing No. P-1370) – APPROVED EFFECTIVE SEPTEMBER 26, 2001**

The Bureau has filed and the Insurance Commissioner has approved various revisions as outlined above to become **effective as of 12:01 a.m. on the various dates shown for each item** with respect to new and renewal business only.

A detailed explanation and the pertinent Manual language changes are shown individually below.

1) **Manual Language Revisions Pertinent to Delaware H.B. 27 with House Amendments 1 and 2**

Legislation was passed in the recent legislative session pertaining to coverage provisions for family members. Since current Manual language reflects the statute prior to that amendment, these language revisions were filed and have been approved to maintain conformity between the Manual and prevailing Delaware law. In order to most appropriately link the revised Manual language with the noted statutory change, these revisions are **retroactively effective as of August 16, 2001**.

The revised Manual language is shown below with new wording underlined and deleted wording bracketed:

SECTION 1

RULE IX – SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE AND PREMIUM

B. SOLE PROPRIETORS AND PARTNERS OR MEMBERS OF THEIR IMMEDIATE FAMILY

1. Law and Status

a. Sole proprietors[,] or partners [or members of their immediate family] are not covered under Delaware Law. [Immediate family is defined as a parent, spouse, child or sibling of a sole proprietor or partner.]

b. Sole proprietors[,] or partners [or members of their immediate family] **may elect** to be covered in the State of Delaware. They then have the same status as employees under the policy.

c. Immediate family members of sole proprietors or partners **are covered** under Delaware Law. Immediate family is defined as a parent, spouse, child or sibling of a sole proprietor or partner.

2. Coverage

a. To provide coverage for a sole proprietor[,] or partner [or members of their immediate family who are to be treated as employees], attach the **Sole Proprietors, Partners, Officers and Others Coverage Endorsement, WC 00 03 10.**

b. To exclude coverage for Immediate Family members, attach the **Partners, Officers and Others Exclusions Endorsement, WC 00 03 08.**

3. Premium Determination

a. Premium for sole proprietors, partners or members of their immediate family shall be based on their total payroll.

b. Rules to [determine premium] limit payroll for sole proprietors or partners are the same as for executive officers. (See Rule IX [A-3] A. 3. for more details.) (Exception: If a payroll amount cannot be determined, the latest Delaware Statewide Average Weekly Wage should be used to set Annual Remuneration of policies effective on and after August 1 of any given year.)

Questions about this amendment can be directed to Bruce Decker, Vice President of Public Affairs and Statistical Reporting, at Extension 223 or bdecker@dcrb.com.

2) **Amendments to National Workers Compensation Reinsurance Pool, Articles of Agreement (NCCI Item Filing No. RM-W-8024)**

NCCI Item Filing No. RM-W-8024 discusses changes to the above referenced Articles of Agreement which have been or are being filed countrywide by NCCI and were recommended for adoption by independent jurisdictions such as Delaware. In order to maintain consistency across states in the administration of this important element of the assigned risk plan for workers compensation insurance, these changes were filed and have been approved **effective January 1, 2002.**

Bureau members and/or other interested parties not familiar with NCCI Item Filing No. RM-W-8024 and wishing to obtain a copy of the approved changes may request same from the contact person specified at the end of this circular.

3) Premium Due Date Endorsement – WC 00 04 19 (NCCI Item Filing No. P-1370)

This endorsement, WC 00 04 19, complies with the National Association of Insurance Commissioners (NAIC) Statement of Statutory Accounting Principles No. 6, which was issued effective for years beginning January 1, 2001. This statement establishes statutory accounting principles for direct and group billed uncollected premiums, bills receivable for premiums and amounts due from agents and brokers. In order to minimize apparent differences between endorsement provisions in effect in Delaware and elsewhere countrywide, this endorsement is **effective immediately as of September 26, 2001.**

A copy of the endorsement is attached.

Questions about this endorsement or the Articles of Agreement referenced in Item 2) above can be directed to Betty Ann Campbell, Director, Rating Rules and Policy Reporting, at Extension 218 or bcampbell@dcrb.com.

Timothy L. Wisecarver
President

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Attachment: Premium Due Date Endorsement

Remember to visit our web site at www.dcrb.com for more information about this and other topics.

DELAWARE WORKERS COMPENSATION MANUAL
Effective Date: September 26, 2001

Workers Compensation and Employers Liability Insurance Policy

WC 00 04 19

PREMIUM DUE DATE ENDORSEMENT

Section D of Part Five of the policy is replaced by this provision:

PART FIVE
PREMIUM

- D. **Premium** is amended to read:
You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**