



June 26, 2017

**DCRB CIRCULAR NO. 933**

To All Members of the DCRB:

**MANUAL REVISIONS TO SECTION 2 - DCRB FILING NO. 1611  
APPROVED EFFECTIVE DECEMBER 1, 2017**

**CREATION OF CLASSIFICATION CODE 888, HOMEOWNERS ASSOCIATION**

The Delaware Insurance Commissioner has approved DCRB's filing for the creation of Classification Code 888, Homeowners Association, effective 12:01 a.m., December 1, 2017. This effective date makes implementation of this change concurrent with the DCRB's normal annual loss cost and residual market rate revision, which will be filed separately at a later date. This coordination will consolidate necessary changes that our members and other constituents must make to policies, forms and systems so that they occur less frequently than would otherwise be the case.

The DCRB completed a study of the classification applicable to Homeowners' Associations and Mobile Home Parks. The study was undertaken to address the anomalous inclusion of such employers in Code 971, Commercial Buildings. Code 971 is applied to employers principally engaged in the operation and/or contract management of buildings or properties used for commercial or industrial occupancy (e.g., office buildings and strip malls). Homeowners' Associations and Mobile Home Parks are the only types of residential property management operations classified to Code 971. The DCRB considered reclassifying such employers from Code 971 to Code 880, Apartment House or Condominium Complex Operation, but determined such reclassification was not feasible at this time because the change in residual and voluntary market rating values would exceed the December 1, 2016 maximum permissible rating value increase of 28% for an industry group 3 classification. The DCRB therefore proposed that employers in the Homeowners' Association and Mobile Home Park study groups be reclassified from Code 971 to the new and separate Code 888. Code 888 will be an "interim" classification. At such time when the rating values for Code 888 and Code 880 become sufficiently similar, the DCRB will consider consolidation of the two classifications.

There will be a premium impact for Delaware employers reclassified from Code 971 to Code 888. The DCRB's forthcoming December 1, 2017 comprehensive loss cost and residual market rate filing will include the proposed December 1, 2017 Code 888 DCRB loss cost and residual market rate.

Refer to Filing No. 1611, posted under the "Filings" tab of the DCRB's website (<http://www.dcrb.com>), for additional details regarding this classification procedural change. Please contact Robert Ferrante, Senior Classification Analyst – Technical Services, at (215) 320-4584 or at [rferrante@dcrb.com](mailto:rferrante@dcrb.com) for any questions regarding this circular. The Basic Manual will be updated on the DCRB's website at a later date.

William V. Taylor  
President

**DELAWARE WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS AND RATING  
VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS LIABILITY INSURANCE**

*Proposed Effective December 1, 2017*

**INFORMATION PAGE** through **Section 2– Definitions** remains unchanged.

**SECTION 2  
CLASSIFICATIONS**

**880 APARTMENT HOUSE** or Condominium Complex Operation

Applies to an employer principally engaged in the operation or contract management of a building or buildings with multiple residential living units. Includes apartment houses, condominium complexes and cooperative buildings. A cooperative is a type of residential property where the resident owns shares in the corporation that owns the building and has the right to live in a specific unit but does not actually own the space.

**OPERATIONS ALSO INCLUDED:**

1. An association formed for residents of a building or buildings with multiple residential living units (e.g., a condominium association).

**OPERATIONS NOT INCLUDED:**

1. Assign Code 888 to an association responsible for the governance of a residential planned community consisting of single family dwellings. See Code 888 for further information.

**UNDERWRITING GUIDE**

Apartment House Or Condominium Complex Operation	Porters For Condominiums
Condominium Association	Residential House Rental
Condominiums - Including Resident Or On- Site Manager	
Cooperative Building Operation - For Residential Occupancy	

**888 HOMEOWNERS ASSOCIATION**

Applies to an association responsible for the governance of a residential planned community consisting of single family dwellings (e.g., detached houses or townhomes). Pursuant to Section 81-302 of the Delaware Uniform Common Interest Ownership Act (DUCIOA) of the Delaware Code, an association is empowered to regulate the use, maintenance, repair and modification of the common elements of the community. Code 888 applies but is not necessarily limited to association staff performing lawn maintenance, maintenance and repair of common elements e.g., streets and roads, and the operation and maintenance of amenities for residents of the community e.g., swimming pools, tennis courts, health or fitness facilities, and community centers or clubhouses.

**OPERATIONS ALSO INCLUDED:**

1. Security of the planned community by the Homeowners Association staff.
2. The operation of a mobile home park.

**OPERATIONS NOT INCLUDED:**

1. Assign the applicable restaurant classification to payroll developed in a physically separated and separately staffed prepared food and/or beverage service.
2. Assign Code 944 to payroll developed in the operation of a separately staffed golf course.
3. Assign Code 753 to payroll developed in the operation of a separately staffed sewage disposal plant and/or water supply system.
4. Assign Code 801 to payroll developed in the operation of a separately staffed horse stable.
5. Assign Code 716 to payroll developed in the operation of a separately staffed marina (State Act coverage only).

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6. Assign Code 880 to an employer principally engaged in the operation or contract management of a building or buildings with multiple living units such as an apartment house, condominium complex or cooperative building and to an association established for the residents of such building or buildings.

**UNDERWRITING GUIDE**

Gated Community  
Homeowners Association  
Mobile Home Park  
Residential Planned Community  
Unit Owners Association (For a Residential Planned Community)

**971 COMMERCIAL BUILDINGS**

**UNDERWRITING GUIDE**

Arena Operation - Indoor – By Contractor Or Owner	Kitchen Equipment Exhaust Duct Cleaning - By Specialist Contractor
Building Cleaning - by Contractor Or Owner	Mobile Home Park Maintenance - By Contractor
Carpet And Rug Cleaning And Storage	Post Construction Clean-Up - New Homes - By Specialist Contractor
Carpet Cleaning On Customers' Premises	Power Washing Of Exterior Walls or Decks At Residential Or Commercial Sites – By Contractor
Civic Center - Operation By Specialist Contractor	Rug And Carpet Cleaning And Storage Storage - Self-Service
Cleaning Of Grease Exhaust, Air Conditioning, Heating And Ventilating Ducts - By Specialist Contractor	Sweeping Of Parking Lots - Shopping Areas And Similar Areas, By Specialty Contractor
Cleaning, Sanitizing Or Deodorizing Restrooms - By Contractor	Swimming Pool Cleaning Or Maintenance - By Specialty Contractor
Commercial Or Industrial Building Operation - By Owner, Lessee Or Real Estate Management Firm	Swimming Pool Liner Installation - Vinyl, By Swimming Pool Maintenance Contractor
Contractor For Commercial Building Cleaning	Termite Control - By Contractor
Duct Cleaning - Grease Exhaust, Air Conditioning, Heating, Ventilating - By Specialist Contractor	Truck Washing Service - Mobile
Exterminator	Upholstery Cleaning On Customers' Premises
Fire, Smoke And/Or Water Damage Clean-Up - By Contractor	Warehouse - Storage - Self-Service
Flea Market Or Swap Meet Operators	Window Cleaning
Floor Waxing Or Polishing - By Building Owner, Lessee, Management Agency Or Contractor	
Fumigating - Not Agricultural - By Contractor	
Janitor Contractor	

Delaware Compensation Rating Bureau Classification and Rating Committee  
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GENERAL AUDITING & CLASSIFICATION INFORMATION:  
 EMPLOYMENT CONTRACTOR – TEMPORARY STAFFING

**TEMPORARY STAFFING  
 CROSS-REFERENCE CHART**

<b>946</b>	<b>947</b>							<b>949</b>
940	0011	753	825	897	952	973	988	709
957	012	755	880	898	954	975	997	819
958	0013	757	882	899	963	976	999	903
959	141	759	884	936	964	977	7428	904
960	142	814	887	939	966	978		905
961	661	815	888	941	967	981		951
974	716	816	890	944	968	983		955
979	751	818	891	945	969	984		
	752	820	896	948	971	986		

**SECTION 3 - Endorsements** through **SECTION 6 – Merit Rating Plan** remain unchanged