



October 26, 2021

**DCRB CIRCULAR NO. 1007**

To All Members of the DCRB:

**RE: APPROVAL OF DCRB FILING NO. 2110**  
**REVISIONS TO DESIGNATED AUDITABLE PAYROLLS**  
**BASIC MANUAL – SECTION 1**  
**EFFECTIVE DECEMBER 1, 2021**

The Delaware Department of Insurance has approved DCRB Filing No. 2110, which revises designated auditable payrolls for policies effective on or after 12:01 a.m., December 1, 2021. The effective date of these revisions aligns with the DCRB's December 1, 2021 voluntary market loss cost and residual market rate revision, which was filed with the Commissioner on August 19, 2021 (see DCRB Filing No. 2104, accessed via the DCRB's website: <http://www.dcrb.com> by clicking on the home screen's "Industry Resources" tab then the "Filings" link, for reference). This coordination will consolidate necessary changes that members and other constituents must make to policies, forms and systems.

The Basic Manual designates the following auditable payrolls:

- Weekly minimum and maximum corporate officer payrolls.
- Weekly maximum musicians' or entertainers' payrolls.
- Annual minimum and maximum payroll for each player, coach, manager or sports official subject to assignment to Code 970, Athletic Team: Contact Sports, or to Code 991, Athletic Team: Non-Contact Sports.

The corporate officer weekly minimum and maximum payrolls and the weekly maximum musicians' or entertainers' payrolls are a function of Delaware's Statewide Average Weekly Wage (SAWW) effective July 1, 2021 (\$1,196.64 – an increase of 6.7% in relation to the July 1, 2020 SAWW of \$1,121.49), with results rounded to the nearest \$50.00 for the maximum corporate officer payrolls.

For this filing, the DCRB did not propose any revisions to the annual minimum and maximum payroll for each player, coach, manager or sports official subject to assignment to either Code 970 or Code 991. The formulas for calculating the remaining auditable payrolls are as follows:

- 100% of SAWW for the corporate officer weekly minimum.
- 4 times SAWW rounded to the nearest \$50.00 for the corporate officer weekly maximum.
- 100% of SAWW for the weekly maximum payroll for musicians or entertainers who are not independent contractors.

The approval of this filing results in the following revisions effective December 1, 2021:

- The corporate officer weekly minimum payroll is revised from \$1,121.00 to \$1,197.00.
- The corporate officer weekly maximum payroll is revised from \$4,500.00 to \$4,800.00.
- The weekly maximum payroll for musicians or entertainers is revised from \$1,121.00 to \$1,197.00.

Please refer to DCRB Filing No. 2110, also posted under the “Filings” link of the DCRB’s website, for additional details regarding these revisions. 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

## MANUAL LANGUAGE PROPOSALS

### MANUAL RULES

**PREFACE** remains unchanged.

**MEMBERSHIP** remains unchanged.

**TABLE OF CONTENTS** remains unchanged.

**SECTION 1 – Underwriting Rules-Rule I (GENERAL) through Rule IV (CLASSIFICATIONS)** remains unchanged.

### RULE V – PREMIUM BASIS

No change to Item A.

#### B. REMUNERATION – PAYROLL

No change to Item 1.

##### 2. Inclusions

No change.

No change to Items a. through m.

- n. Musicians or entertainers who are not independent contractors shall be included in computation of premiums of hotels or restaurants (maximum of ~~\$1,424~~ 1,197 per week for each musician or entertainer);

No change to Items o. through v.

No change to Items 3. through 5.

No change to Items C. through F.

**SECTION 1 – Underwriting Rules-Rule VI (RATING VALUES AND PREMIUM DETERMINATION) through Rule VIII (LIMITS OF LIABILITY)** remains unchanged.

### RULE IX- SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE AND PREMIUM

#### A. EXECUTIVE OFFICERS

No change to Items 1. through 4.

##### 5. Premium Determination

No change.

- a. No change.

- b. The minimum individual payroll for an executive officer is ~~\$1,424~~ 1,197 per week.

- c. The maximum individual payroll for an executive officer is ~~\$4,500~~ 4,800 per week.

No change to Items d. and e.

No change to Item B. and Item C.

**SECTION 1 – Underwriting Rules-Rule X (CANCELLATION) through XVII (MEMBER CARRER DISPUTES (DISPUTE RESOLUTION CONFERENCE))** remains unchanged.

## **MANUAL LANGUAGE PROPOSALS**

### **MANUAL RULES**

**PREFACE** remains unchanged.

**MEMBERSHIP** remains unchanged.

**TABLE OF CONTENTS** remains unchanged.

**SECTION 1 – Underwriting Rules-Rule I (GENERAL) through Rule IV (CLASSIFICATIONS)** remains unchanged.

### **RULE V – PREMIUM BASIS**

No change to Item A.

#### **B. REMUNERATION – PAYROLL**

No change to Item 1.

##### **2. Inclusions**

No change.

No change to Items a. through m.

n. Musicians or entertainers who are not independent contractors shall be included in computation of premiums of hotels or restaurants (maximum of \$1,197 per week for each musician or entertainer);

No change to Items o. through v.

No change to Items 3. through 5.

No change to Items C. through F.

**SECTION 1 – Underwriting Rules-Rule VI (RATING VALUES AND PREMIUM DETERMINATION) through Rule VIII (LIMITS OF LIABILITY)** remains unchanged.

### **RULE IX- SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE AND PREMIUM**

#### **A. EXECUTIVE OFFICERS**

No change to Items 1. through 4.

##### **5. Premium Determination**

No change.

a. No change.

b. The minimum individual payroll for an executive officer is \$1,197 per week.

c. The maximum individual payroll for an executive officer is \$4,800 per week.

No change to Items d. and e.

No change to Item B. and Item C.

**SECTION 1 – Underwriting Rules-Rule X (CANCELLATION) through XVII (MEMBER CARRER DISPUTES (DISPUTE RESOLUTION CONFERENCE))** remains unchanged.