



May 4, 2017

**DCRB CIRCULAR NO. 931**

To All Members of the DCRB:

**RE: MANUAL REVISIONS TO SECTION 2 – DCRB FILING NO. 1610**  
**APPROVED EFFECTIVE JUNE 1, 2017**

**CLASSIFICATION PROCEDURAL CHANGE: Reclassification of Ronald McDonald Houses or similarly situated employers from Code 880, Apartment House or Condominium Complex Operation, to Code 973, Hotel**

The Delaware Insurance Commissioner has approved the DCRB's filing to reclassify Ronald McDonald Houses and similarly situated employers from Code 880 to Code 973 effective 12:01 a.m., June 1, 2017. These employers operate facilities which provide temporary lodging to families of seriously ill or injured children receiving treatment at area hospitals. Such employers exhibit operational characteristics more commonly associated with hotels or motels than apartment houses or condominium complexes.

The approved December 1, 2016 voluntary market loss costs for Codes 973 and 880 are \$3.82 and \$7.57, respectively. On this basis, the reclassification of Ronald McDonald Houses from Code 880 to Code 973 represents a substantial rating value decrease. DCRB notes that Code 973 is designated as all employees except for the office exposure. Code 951, Salesperson – Outside, may not be used in conjunction with Code 973. Thus, concurrent with the reclassification of Ronald McDonald Houses and similarly situated employers from Code 880 to 973, authorization of Code 951 for these employers is withdrawn.

In light of the elimination of the Anniversary Rating Date rules, references and endorsement effective May 1, 2017, as discussed in DCRB Circular No. 916, dated May 5, 2016, any policy issued to such employers on or after June 1, 2017 must use Code 973 in place of Code 880 and omit Code 951.

For additional details regarding this classification procedural change, please see DCRB Filing No. 1610, under the "Filings" tab of the DCRB's website (<http://www.dcrb.com>). The Basic Manual will be updated on the DCRB's website at a later date.

If you have any questions regarding this Circular please contact:

- Joseph Lombo, Manager – Classification, at (215) 320-4498 or by email at [j.lombo@dcrb.com](mailto:j.lombo@dcrb.com)
- Robert Ferrante, Senior Classification Analyst – Technical Services, at (215) 320-4584 or by email at [rferrante@dcrb.com](mailto:rferrante@dcrb.com)

William V. Taylor  
President

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

*Proposed Effective June 1, 2017*

**INFORMATION PAGE** through **SECTION 2 – Definitions** remains unchanged

**SECTION 2 – CLASSIFICATIONS**

**880 APARTMENT HOUSE** or Condominium Complex Operation

Applicable to an employer operating an apartment house...for residential occupancy.

**UNDERWRITING GUIDE**

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

**973 HOTEL** - all employees except office and food service or beverage operations staff.

Please see the Hotel Or Motel Operations...for further information on the scope of this class.

**UNDERWRITING GUIDE**

- Bed And Breakfast
- Golf Course Operated By Hotel
- Motel
- Religious Retreats
- Ronald McDonald House Operation

**SECTION 2 – GENERAL AUDITING & CLASSIFICATION INFORMATION**

**HOTEL OR MOTEL OPERATIONS**

The two classifications applicable to hotel/motel .....or to Code 945, whichever has the higher value.

**OPERATIONS ALSO INCLUDED:**

1. Religious retreats.
2. Bed and breakfast enterprises.
3. Temporary or short term lodging facilities for families of seriously ill or injured children who are hospitalized (e.g., a Ronald McDonald House).

**OPERATIONS NOT INCLUDED:**

1. The businesses of a concessionaire or independent contractor operating on the premises of a hotel or motel will be classified on the merits of their operations.
2. Assign Code 953 to employees of the hotel or hotel restaurant exclusively engaged in clerical office duties.

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