



November 13, 2020

DCRB CIRCULAR NO. D990

To All Members of the DCRB:

RE: APPROVAL OF DCRB FILING NO. 2009
REVISIONS TO DESIGNATED AUDITABLE PAYROLLS
BASIC MANUAL – SECTION 1
EFFECTIVE DECEMBER 1, 2020

The Delaware Insurance Commissioner has approved the DCRB's filing to revise the designated auditable payrolls for policies effective on or after 12:01 a.m., December 1, 2020. The effective date of these revisions aligns with the DCRB's December 1, 2020 voluntary market loss cost and residual market rate revision, which was recently approved by the Insurance Commissioner. Information regarding that approval is contained in DCRB Circular No. 988, dated October 27, 2020, which was posted under the "Circulars" tab of the DCRB's website. 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, 2020 (\$1,121.49 – an increase of 2.99% in relation to the July 1, 2019 SAWW of \$1,088.84), 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, 2020:

- The corporate officer minimum be revised per week from \$1,089.00 to \$1,121.00.
- The corporate officer maximum be revised per week from \$4,350.00 to \$4,500.00.
- The maximum auditable payroll for musicians or entertainers be revised per week from \$1,089.00 to \$1,121.00.

Please refer to DCRB Filing No. 2009, posted under the “Filings” tab 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 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**

Approved Effective December 1, 2020

INFORMATION PAGE remains unchanged.

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

Item A. remains unchanged.

B. REMUNERATION – PAYROLL

Item 1. remains unchanged.

2. Inclusions

Remains unchanged.

Items a. through m. remain unchanged.

n. Musicians or entertainers who are not independent contractors shall be included in computation of premiums of hotels or restaurants (maximum of ~~\$1,089~~1,121 per week for each musician or entertainer);

Items o. through v. remain unchanged.

Items 3. through 5. remain unchanged.

Items C. through F. remain unchanged.

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

Items 1. through 4. remain unchanged.

5. Premium Determination

Remains unchanged.

a. Remains unchanged.

b. The minimum individual payroll for an executive officer is ~~\$1,089~~1,121 per week.

c. The maximum individual payroll for an executive officer is ~~\$4,350~~4,500 per week.

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

Approved December 1, 2020

Items d. and e. remain unchanged.

Items 6. through 9. remain unchanged.

Item B. through I. remain unchanged.

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

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A. EXECUTIVE OFFICERS

Items 1. through 4. remain unchanged.

5. Premium Determination

Remains unchanged.

a. Remains unchanged.

b. The minimum individual payroll for an executive officer is \$1,121 per week.

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

Items d. and e. remain unchanged.

Items 6. through 9. remain unchanged.

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