



September 24, 1999

BUREAU CIRCULAR NO. 725

To All Members of the Bureau:

Re: **MANUAL REVISIONS - SECTION 1, RULE IX**
EFFECTIVE JULY 20, 1999

The Bureau has filed and the Insurance Commissioner has approved Manual revisions to Section 1, Rule IX - Special Conditions Or Operations Affecting Coverage and Premium. These revisions are responsive to recent law changes in Delaware, i.e., H. B. 237 and H. B. 238, that became effective July 20, 1999. The Bureau perceived these revisions to be necessary to comply with the Delaware law as it now written and, therefore, the revisions are also **effective as of July 20, 1999** with respect to new and renewal business only.

The Manual revisions are shown below with the deleted wording bracketed and new wording underlined.

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

A. EXECUTIVE OFFICERS

2. Law and Status

Executive ~~[O]~~officers of a corporation are covered under the Delaware Workers Compensation Law. However, up to ~~[four (4)]~~eight (8) executive officers who are stockholders..... under the policy.

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

1. Law and Status

Sole proprietors, 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. Sole ~~[P]~~proprietors, ~~[and]~~ 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.

2. Coverage

To provide coverage for a sole proprietor, ~~[or]~~ partner or members of their immediate family who ~~[is]~~are to be treated as ~~[an]~~ employees attach the [Inclusion of Sole Proprietor, Partners Endorsement] Partners, Officers and Others Endorsement, WC 00 03 08.

3. Premium Determination

Premium for [S]sole [P]roprietors, [and P]partners or members of their immediate family shall be based on their total payroll.

Rules to determine..... given year.)

Questions concerning these revisions should be directed to Bruce Decker, Vice President, Public Information & Statistical Reporting, at Extension 223.

Manual reprints will be distributed at a later date in the usual manner.

Timothy L. Wisecarver
President

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