TO: Delaware Classification and Rating Committee

FROM: David T. Rawson - Technical Director, Classification and Field Operations

DATE: July 12, 2012

RE: Corporate Officer Weekly Minimum and Maximum Payrolls to be Audited in Delaware & Weekly Minimum and Maximum Payrolls For Sole Proprietors Or Partners

The DCRB proposes a revision to the corporate officer weekly minimum and maximum payrolls to be audited for premium purposes in Delaware, which are also used as a sole proprietor's or a partner's auditable payroll when the proprietor's or partner's payroll cannot be determined. The corporate officer weekly minimum and maximum auditable payrolls are a function of the statewide average weekly wage rounded to the nearest $50. The revisions thereto proposed below were calculated using formulas as reviewed and adopted by the Classification & Rating Committee in 1982. The DCRB recommends that the proposed revision to the weekly maximum auditable corporate officer payroll become effective concurrent with the implementation of the DCRB's 2012 comprehensive residual market rate and voluntary market loss cost revision.

Below find the proposed revisions to the weekly minimum and maximum corporate officer payrolls for Section 1, Rule IX, A. 5. with new wording underlined and deleted wording bracketed:

<div align="center">**SECTION 1**</div>

CHANGE

<div align="center" style="color:red">**RULE IX - SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE AND PREMIUM**</div>

A. EXECUTIVE OFFICERS

5. Premium Determination

Premium for executive officers, other than elected officers of Delaware or its political subdivisions, shall be based on their total payroll, subject to the following:

b. The minimum individual payroll for an executive officer is **$[450]500** per week.
c. The maximum individual payroll for an executive officer Is **$[2,350]2,400** per week.

c: Timothy Wisecarver
    Michael Doyle
    Kathy Grady

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