



August 14, 2019

**VIA SERFF**

The Honorable Trinidad Navarro  
Insurance Commissioner  
Department of Insurance  
State of Delaware  
1351 West North Street, Suite 101  
Dover, DE 19904

**Attention: Tanisha Merced, Deputy Insurance Commissioner**

**RE: DCRB Filing No. 1905 – Proposed Effective December 1, 2019  
Revisions to the Delaware Construction Classification Premium Adjustment  
Program (DCCPAP) and Concurrent Section 1 Manual Amendments**

Dear Commissioner Navarro and Deputy Commissioner Merced:

The Delaware Compensation Rating Bureau, Inc. (DCRB) hereby submits this proposed filing, on behalf of our members, for revisions to the DCRB Workers' Compensation Manual of Rules, Classifications and Rating Values for Workers' Compensation and Employers Liability Insurance (Basic Manual). These revisions are proposed for policies with effective dates of 12:01 a.m., December 1, 2019 or later. This proposed effective date will align the implementation of these changes concurrent with DCRB's normal annual comprehensive residual market rate and voluntary market loss cost filing, which was filed with the Department of Insurance on August 2, 2019. This coordination consolidates necessary changes that our members and other constituents must make to policies, forms and systems so that they occur once annually.

The Delaware Construction Classification Premium Adjustment Program (DCCPAP) was approved for workers' compensation insurance policies with effective dates of July 1, 1990 and later and applies to employers engaged in construction operations. The DCCPAP applies a special premium calculation based on average hourly pay rates for each eligible construction classification and which may result in a workers' compensation premium credit for qualified employers. Section 1 of the Basic Manual lists the classification codes subject to the DCCPAP. The DCRB received an inquiry from a representative of the Delaware/Pennsylvania/New Jersey chapter of a trade association specifically questioning the omission of two classification codes: Code 660, Alarm or Sound System, and Code 662, Appliance – Electrical – Service or Repair – from that list. The trade association representative noted that the Delaware and Pennsylvania uniform classification plans are reasonably similar, and that both Codes 660 and 662 are included in the Pennsylvania Compensation Rating Bureau's (PCRB) Pennsylvania Construction Classification Premium Adjustment Program (PCCPAP). It further determined that all of PCRB's "600 series" classifications are included in the PCCPAP. The DCCPAP predates that PCCPAP as the PCCPAP was approved by the Pennsylvania Insurance Department for workers' compensation insurance policies with effective dates of January 1, 1991.

Staff's review shows that in addition to Codes 660 and 662, the following "600 series" classifications are not presently included in the DCCPAP listing of eligible classifications:

- 670, House Furnishings Installation
- 673, Advertising Sign, Manufacture, Erection or Repair
- 679, Advertising Company, Outdoor, 681, Canvas Goods Erection
- 682, Employment Contractor – Temporary Staff – Construction or Erection Operations
- 691, Employment Contractor – Temporary Excavation Staff
- 693, Employment Contractor – Temporary Commercial Structure Carpentry Staff
- 695, Employment Contractor – Temporary Electrical Wiring Staff

The historical record does not clearly state why Codes 660, 662, 670, 673 and 679 were excluded from the DCCPAP at its inception (note - Codes 691, 693 and 695 were not yet in existence on July 1, 1990). Staff has speculated that when instituted, it was believed at the time that the operations classified to Codes 660, 662, 670, 673 and 679 were not technically considered "construction" operations. Staff further understands that the Pennsylvania Insurance Commissioner mandated that the PCR include all 600 series classifications in the PCCPAP when it was incepted on January 1, 1991.

DCRB proposes that Codes 660, 662, 670, 673, 679, 691, 693 and 695 be added to the list of classifications eligible for credit in the DCCPAP effective for policies with effective dates of December 1, 2019 and later. Staff concludes that there is no basis for continuing the exclusion of those classifications from the program, and notes that those classifications, like all of DCRB's "600 series" classifications, appear under the heading of "Excavation and Construction" in the Basic Manual. This proposal will bring all "600 series" classifications into the DCCPAP, thus broadening the number of employers that may be eligible for credit under the program. In anticipation of the Department's approval of this filing, DCRB's Actuarial staff has included Codes 660, 662, 670, 673, 679, 691, 693 and 695 in the DCCPAP component of DCRB's December 1, 2019 comprehensive loss cost value and residual market rate revision.

Thank you in advance for your review and attention to this filing. The DCRB is pleased to answer any questions your or the Insurance Department staff may have regarding these proposals.

Sincerely,

William V. Taylor  
President

Enclosure: Revisions to Sections 1

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

*Proposed Effective December 1, 2019*

**SECTION 1**

**INFORMATION PAGE** *remains unchanged.*

**PREFACE** *remains unchanged.*

**MEMBERSHIP** *remains unchanged.*

**TABLE OF CONTENTS** *remains unchanged.*

**SECTION 1 – Underwriting Rules-Rule I (General) through Rule VIII (Limits of Liability)** *remains unchanged.*

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

*(No changes to Items A. through G.)*

**H. DELAWARE CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM**

*(No change to Item 1.)*

**2. “Construction on classifications”** are those classifications subject to the following code numbers:

601	611	646	653	659	665	673	681
603	615	647	654	660	666	674	682
605	617	648	655	661	667	675	691
607	625	649	656	662	668	676	693
608	643	651	657	663	669	677	695
609	645	652	658	664	670	679	

*(No change to Item I.)*

**SECTION 1 – Underwriting Rules-Rule X (Cancellation) through Rule XVII (Member Disputes)** *remains unchanged.*

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