

November 15, 2022

DCRB CIRCULAR NO. 1019

To All Members of the DCRB:

Re: **APPROVAL OF DCRB FILING NO. 2205**
REVISIONS TO DESIGNATED AUDITABLE PAYROLLS
BASIC MANUAL – SECTION 1
EFFECTIVE DECEMBER 1, 2022

The Delaware Insurance Commissioner has approved DCRB Filing No. 2205, which revises designated auditable payrolls for policies effective on or after 12:01 a.m., December 1, 2022. The effective date of these revisions aligns with the DCRB's December 1, 2022, voluntary market loss cost and residual market rate revision, approved by the Commissioner effective December 1, 2022, (see DCRB Circular No. 1016, dated October 31, 2022, and which may be accessed on the DCRB's website: <http://www.dcrb.com> by clicking on the home screen's "Circulars" tab, for reference). 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 functions of Delaware's Statewide Average Weekly Wage (SAWW) effective July 1, 2022, (\$1,234.04 – an increase of 3.1% in relation to the July 1, 2021, SAWW of \$1,196.64), 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.
- Four 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 DCRB Filing No. 2205 results in the following revisions effective December 1, 2022:

- The corporate officer weekly minimum payroll is revised from \$1,197.00 to \$1,234.00.
- The corporate officer weekly maximum payroll is revised from \$4,800.00 to \$4,950.00.
- The weekly maximum payroll for musicians or entertainers is revised from \$1,197.00 to \$1,234.00.

Please refer to DCRB Filing No. 2205, 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

Proposed Effective December 1, 2022

MANUAL LANGUAGE PROPOSALS

MANUAL RULES

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

No Change to Item A.

B. REMUNERATION – PAYROLL

No Change to Item 1.

2. INCLUSIONS

Remuneration includes:

No change to Item **a** through Item **m**.

n. Musicians or entertainers who are not independent contractors shall be included in computation of premiums of hotels or restaurants (maximum of \$~~1,234~~^{1,197} per week for each musician or entertainer);

No change to Item **o** through Item **v**.

No change to Item 3. through Item 5.

No change Item C. through Item F.

SECTION 1, UNDERWRITING RULES – RULE VI (RATING VALUES & PREMIUM DETERMINATION) through RULE VIII (LIMITS OF LIABILITY) remains unchanged.

RULE IX – SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE AND PREMIUM

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

Proposed Effective December 1, 2022

A. EXECUTIVE OFFICERS

No change to Item 1 through Item 4.

5. Premium Determination

No Change

No change to Item **a**.

b. The minimum individual payroll for an executive officer is ~~\$1,234~~1,197 per week.

c. The maximum individual payroll for an executive officer is ~~\$4,950~~4,800 per week.

No change to Item **d** and Item **e**.

No change to Item B through Item I.

SECTION 1, UNDERWRITING RULES - RULE X (CANCELLATION) through RULE XVII (MEMBER CARRIER DISPUTES (DISPUTE RESOLUTION CONFERENCE)) remains unchanged.

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

Proposed Effective December 1, 2022

MANUAL LANGUAGE PROPOSALS

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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

No Change to Item A.

B. REMUNERATION – PAYROLL

No Change to Item 1.

2. INCLUSIONS

Remuneration includes:

No change to Item **a** through Item **m**.

n. Musicians or entertainers who are not independent contractors shall be included in computation of premiums of hotels or restaurants (maximum of \$1,234 per week for each musician or entertainer);

No change to Item **o** through Item **v**.

No change Item 3 through Item 5.

No change Item C. through Item F.

SECTION 1, UNDERWRITING RULES – RULE VI (RATING VALUES & PREMIUM DETERMINATION) through RULE VIII (LIMITS OF LIABILITY) remains unchanged.

RULE IX – SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE AND PREMIUM

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

Proposed Effective December 1, 2022

A. EXECUTIVE OFFICERS

No change to Item 1 through Item 4.

5. Premium Determination

No Change

No change to item a.

- b. The minimum individual payroll for an executive officer is \$1,234 per week.
- c. The maximum individual payroll for an executive officer is \$4,950 per week.

No change to Item **d** and Item **e**.

No change to Item B through Item I.

SECTION 1, UNDERWRITING RULES - RULE X (CANCELLATION) through RULE XVII (MEMBER CARRIER DISPUTES (DISPUTE RESOLUTION CONFERENCE)) remains unchanged.