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BUREAU CIRCULAR NO. 729

To All Members of the Bureau:

IMPORTANT ADVISORY

Re: **SPECIAL CONDITIONS AFFECTING COVERAGE FOR IMMEDIATE FAMILY MEMBERS OF SOLE PROPRIETORS AND PARTNERS**

Bureau Circular No. 725 of September 24, 1999 announced several changes to Manual rules effective July 20, 1999. This circular will address specific law changes avowed in H. B. 238 which effectively removed coverage for the "Immediate Family" members of a sole proprietorship or partnership. ***Effective July 20, 1999 on an OUTSTANDING basis, all immediate family members of a sole proprietorship or partnership business in the State of Delaware are no longer automatically covered under the Workers Compensation Act.*** In order to maintain coverage for these individuals the employer must elect to cover family members (parent, spouse, child or sibling of a sole proprietor or partner) by naming them in the "Sole Proprietors, Partners, Officers and Others Coverage Endorsement **WC 00 03 10**. (This endorsement reference has been corrected from Bureau Circular No. 725.)

We recommend that you immediately contact all your Delaware policyholders who are either a sole proprietorship or partnership and confirm their coverage intentions for "immediate family members."

The Bureau has recently been advised that the Delaware legislature may consider further changes as respects workers compensation insurance coverage for sole proprietors, partners and members of their immediate families in the next legislative session, including possible amendments to the law to provide that sole proprietors, partners and members of their immediate families would be covered under the law unless they specifically elect not to be so covered. Unless and until such changes are enacted and become effective, however, Delaware law provides that, effective July 20, 1999, sole proprietors, partners and members of their immediate families are not covered under the law unless they specifically elect to be so covered.

Questions concerning this advisory should be directed to Bruce Decker, Vice President, Public Information and Statistical Reporting, at Extension 223 or by e-mail at bdecker@dcrb.com.

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