



June 1, 2009

BUREAU CIRCULAR NO. 853

To All Members of the Bureau:

Re: **APPROVAL OF RESIDUAL MARKET REVISIONS**
BUREAU FILING NO. 0809
EFFECTIVE DATES AS INDICATED FOR EACH ITEM BELOW

- Establishment of the National Workers Compensation Reinsurance Association NFP – **EFFECTIVE JANUARY 1, 2010**
- Establishment of the National Workers Compensation Reinsurance Association NFP Bylaws of 2009 – **EFFECTIVE JANUARY 1, 2010**
- Implementation of 2009 Assigned Carrier Performance Standards – **EFFECTIVE RETROACTIVE TO JANUARY 1, 2009**
- Publication of a Revised Workers Compensation Insurance Plan Handbook – **EFFECTIVE RETROACTIVE TO JANUARY 1, 2009**
- Adoption of Servicing Carrier Bid Process – **EFFECTIVE RETROACTIVE TO JANUARY 1, 2009**

The Delaware Compensation Rating Bureau, Inc. has filed and the Insurance Commissioner has approved revisions to the Residual Market Plan, which include changes proposed by the National Council on Compensation Insurance, Inc. (NCCI), as well as Delaware Workers Compensation Insurance Plan (DIP) changes. The revisions that are part of the NCCI proposal become **effective as of 12:01 a.m., January 1, 2010** with respect to new and renewal business only, and the DIP changes are **retroactively effective as of 12:01 a.m., January 1, 2009**.

The DCRB is part of the National Workers Compensation Reinsurance Pool (NWCRA or Pool), which voted to incorporate the administration of the servicing carrier reinsurance agreements by establishing the NWCRA or Association. Details of that action are part of the NCCI Item RM-W-8032 – Establishment of the National Workers Compensation Reinsurance Association NFP (NWCRA or Association) and the National Workers Compensation Reinsurance Association NFP Bylaws of 2009.

Assigned Carrier Performance Standards for 2009, which bring Delaware into compliance with other residual markets throughout the country, are contained in NCCI Item RM-W-8031 – Assigned Carrier Performance Standards.

Concurrent with those NCCI item filings, the DCRB revised the Delaware Workers Compensation Insurance Plan Handbook to incorporate the procedural and language changes made necessary by the changes the item filings proposed. Housekeeping changes were also made to make the Handbook up-to-date with various law changes. Attached is an exhibit which describes the new and revised procedures and language changes. The Handbook will be available on the DCRB website (www.dcrb.com) at a later date.

Also, the DIP's servicing carrier selection process was changed to use a bid process for the 2009 Year. Delaware is the last state to adopt this approach in lieu of a solicitation process, and the bid process is expected to improve DIP service and efficiency through competitive carrier bids.

Questions about the NWCRP, NWCRA, DIP, Handbook or Servicing Carrier Bid Process should be directed to Betty Ann Campbell, Director – Rating Rules & Policy Reporting, at 302-654-1435, Extension 4425, or bcampbell@dcrb.com.

The Delaware Workers Compensation Insurance Plan Handbook will be available on our website (www.dcrb.com) at a later date.

Timothy L. Wisecarver
President

TLW/kg
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Remember to visit our web site at www.dcrb.com for more information about this and other topics.

Delaware Assigned Risk Handbook Procedure Changes

NEW

- Delaware Insurance Plan (DIP) - provides an explanation of the Delaware Insurance Plan surcharge.
- Delay Processing of Application - provides an explanation of why the application may be delayed through omission of information.
- Supplemental Application - requires supplemental information for new employers engaged in trucking operations.
- Insurance Record - expanded explanation of default in premium obligations.
- Classification, Payroll and Premium Calculation - expanded explanation on how the DCRB may validate payroll information.
- Additional Factors affecting premium - provides a complete list of pricing factors that will affect premium.

REVISED

- Completing Application - change in servicing carrier change from 45 days to 60 days.
- Corporate Officers - revised to include Limited Liability Company members.
- Minimum Deposit Premium - revised to stipulate that the minimum premium, if less than \$1,000, must be paid in full.
- Renewal Procedure - revised from 45 days to 60 days notice of renewal.
- Voluntary Assumption of Coverage - expanded to stipulate coverage within the Plan cancelled for Voluntary coverage shall be pro-rata.