

# DELAWARE

## WORKERS COMPENSATION INSURANCE PLAN

# HANDBOOK

EFFECTIVE  
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**Delaware Compensation Rating Bureau, Inc.**  
United Plaza Building – Suite 1500  
30 South 17th Street  
Philadelphia, Pa 19103-4007

302-654-1435  
Fax-215-564-4328  
[www.dcrb.com](http://www.dcrb.com)

## **PURPOSE OF HANDBOOK**

This handbook will assist you in understanding the Delaware Insurance Plan (DIP) or “Plan.” It explains what the Plan is and how it works. The Plan has been filed with the Delaware Insurance Department as the method of providing Workers’ Compensation Insurance to an employer who is unable to obtain such coverage in the voluntary market. The Department of Insurance exercises general regulatory authority over the Plan but has designated the Delaware Compensation Rating Bureau, Inc. (DCRB) to administer the actual operation of the Plan under the jurisdiction of the President of the Delaware Compensation Rating Bureau, Inc.

## **HOW TO USE THIS HANDBOOK**

This handbook has six sections:

Section I: Plan Purpose and Overview of Rules and Procedures

Section II: Eligibility Requirements

- Completing the Application

Section III: Renewal, Cancellation and Reinstatement Procedures

Section IV: General Information

Section V: Duties and Responsibilities

## SECTION 1 – PLAN PURPOSE AND OVERVIEW OF RULES AND PROCEDURES

### Purpose of Plan

All insurers licensed to write workers' compensation insurance in Delaware must participate in the Pool. The Delaware Insurance Plan allows participation by choosing one of two options. The options are direct assignments or subscriptions to the Articles of Agreement of the National Workers Compensation Reinsurance Pool. There is often confusion between the terms "Pool" and "Plan," and the two terms are often used as though they were of one organization. All servicing carriers in Delaware are members of the National Pool. The National Pool is a voluntary association of insurance companies. These companies "pool" or "lump together" the premiums and losses of all employers who are assigned to these members companies. These premium and loss results are then allocated to all members of the National Pool by state, in amounts proportional to their total workers' compensation premiums in each state.

The National Pool operates in over 30 states in much the same way it operates in Delaware. The National Pool is recognized by the Assigned Risk Plans of various states. The National Council on Compensation Insurance, located in Boca Raton, Florida, administers the National Pool.

### Operation of the Plan

The Plan operates in this way. The Delaware Compensation Rating Bureau, Inc. (DCRB) has been delegated by the Delaware Insurance Commissioner to serve as the administrator of the Delaware Insurance Plan (DIP). DIP provides the means for an employer to satisfy the requirements of Delaware Workers' Compensation Law when the employer is unable to purchase such insurance through the voluntary market.

An employer requiring workers' compensation coverage, with or without the help of an agent, must complete an application and submit along with the appropriate deposit premium to the DCRB. The application and other forms are available on the DCRB website, [www.dcrb.com](http://www.dcrb.com), under the Delaware Insurance Plan. Only Delaware Insurance Plan applications will be accepted.

Coverage may be bound under the Delaware Workers' Compensation Insurance Plan consistent with Plan rules, 12:01 A.M. on the first day following postmark or hand delivered receipt of the completed application, or on such later date as may be requested including applications hand delivered to the DCRB office. Backdating of coverage is not permitted in the Plan. Only the Plan can bind coverage. No producer or agent has binding authority.

All risks to which this Plan applies shall be written utilizing the classifications, forms, rates, and rating plans established by the DCRB; provided, however, as to any risk with annual estimated standard premium of at least \$100,000, the DCRB may require the utilization of a retrospective rating plan. Unless the applicant, its servicing carrier, and the DCRB agree to the utilization of another retrospective rating option on file with the appropriate regulatory authority, Retrospective Rating Option V, as filed with the appropriate regulatory authority, subject to a maximum retrospective premium not greater than 150 percent of the audited annual standard premium, shall be required. If required by the DCRB, Retrospective Rating Option V shall be mandatory, notwithstanding any rule or endorsement indicating that Retrospective Rating Option V is an optional rating plan.

### Delaware Insurance Plan (DIP) Surcharge

A premium surcharge will apply to all risks insured under the Plan which qualify for experience rating and produce experience modifications in excess of 1.000. The DIP surcharge factor is shown on the experience rating worksheet of the employer under Statistical Code 0277, DIP Surcharge. Producer fees and servicing carrier allowance is paid on DIP premium.

## SECTION II – ELIGIBILITY REQUIREMENTS

An employer is eligible for coverage in the Plan if the employer is not indebted to the Pool or any other insurance carrier, has no current voluntary coverage in force, and has been declined by two licensed Delaware insurance companies.

Good faith will be presumed in the absence of compelling evidence to the contrary. The employer must be unable to secure any reasonable offer of insurance on a voluntary basis from an insurance company. (Note: If the employer received and rejected an offer of voluntary coverage, the DCRB will consider all information, including the terms of the voluntary offer, when determining an employer's eligibility.) An employer is not in good faith entitled to insurance if any of the following circumstances exist at the time of application or thereafter:

- If at the time of application, a self-insured employer is aware of pending bankruptcy proceedings, insolvency, cessation of operations, or conditions that would likely result in occupational disease or cumulative injury claims from exposures incurred while the employer was self-insured.
- The employer or an entity with a common management interest has an outstanding obligation for workers compensation premium to a previous insurance carrier.
- The employer, while insurance is in force, knowingly refuses to meet or comply with reasonable health and safety requirements.
- Coverage may be refused or cancelled if the employer or representative of the employer knowingly makes a material misrepresentation on the application by omission, or otherwise, including any of the following: misrepresenting estimated payrolls, nature of business, name or ownership of business, including related entities, previous insurance history or outstanding premium obligation.
- The employer has an incomplete audit or inspection on a prior workers' compensation policy due to the employer's failure to cooperate with the insurer.
- If a previously assigned carrier has applied an Audit Noncompliance Charge (ANC), the employer is considered non-compliant with the audit and will remain ineligible for assigned risk coverage until the employer allows the audit to be performed and/or provides the required records. This applies even if the employer has paid the ANC.

### Binding of Coverage

In all instances, the DCRB is limited in its binding authority as follows:

The DCRB can only bind coverage if an agency check or an Automated Clearing House (ACH) deposit for the correct deposit premium is received with the application. Only certified checks of the employer or an agency check are accepted for deposit.

The DCRB cannot bind coverage if the declination requirements are not met or if the employer has received an offer of voluntary coverage.

The DCRB cannot bind coverage for an employer who is in default of premium or who has an outstanding audit due on a prior Delaware workers' compensation policy. If, subsequent to policy issuance, the insured does not meet all workers compensation insurance premium obligations under a previous policy or under a present policy, the insured's present carrier retains the right to cancel a policy currently in force under this Plan.

The DCRB cannot bind coverage if the employer already has a Delaware workers' compensation policy in effect.

In no event shall coverage be bound earlier than 12:01 A.M. on the first day following the postmark time and date on the envelope in which the application is mailed (including the estimated annual or deposit premium) or the expiration of existing coverage, whichever is later. If there is no postmark, coverage will be effective 12:01 A.M. on the first day following receipt by the DCRB, unless a later date is requested. Those applications hand delivered to the DCRB will be effective as of 12:01 A.M. on the first day following receipt by the DCRB, provided all necessary information required to complete the application is included.

Applications submitted through the Delaware Insurance Plan Web Application will be bound twenty-four hours (24) following receipt of the application and the deposit premium. If the deposit premium is not through an ACH, coverage will be bound twenty-four hours after receipt of the deposit premium check.

### Delayed Processing and Rejection of Application

To avoid a lapse in coverage, it is very important to fill in the application completely and accurately. Whether the employer or agent has completed the application, if the application has not been properly completed or there are omissions of necessary information, the assignment of coverage may be delayed. Listed below are some of the common reasons for delay in processing an application.

- Insufficient deposit premium
- Personal check of applicant
- Omission of carrier declinations
- No description of operations/business
- Coverage already in force
- [Executive Officer\(s\) exclusion](#) not included
- Plan application not signed \*
- Deposit premium not remitted with application \*
- FEIN or Social Security Number omitted
- Delaware location omitted
- Outstanding premium owed\*
- Failure to comply with audit on prior policy

\* Application will be returned

If the application is incomplete, the agent will be notified; if no agent, the employer. Requested information to complete the application process must be provided within ten calendar days to retain the original receipt date. If information is not received within ten calendar days, coverage will be bound as of 12:01 a.m. on the first day following receipt of the required information.

If an application is returned due to insufficient information or deposit premium, the application and deposit premium will be returned to the applicant (or agent if applicable).

If an application does not meet the eligibility requirements, the application will be rejected and returned to the agent (to the employer if there is no agent) with no coverage provided.

If coverage is bound pursuant to the above, the DCRB shall issue a 30-day binder with copies provided to the agent, employer, and the servicing or direct carrier to which the DCRB assigned coverage for the employer.

The policy shall be issued for a term of at least one year, unless a shorter policy term has been requested.

## Completing the Application

The employer is not required to complete an application each year. However, if a change in carrier is requested, the employer must request a change in servicing or direct carrier in accordance with plan rules by submitting a new application to the plan administrator at least 60 days in advance of the policy expiration, accompanied by acceptable reasons for the request.

An employer found to have previously been assigned through the Plan, in the absence of a valid reassignment request, will be assigned to the servicing or direct carrier that most recently insured the risk in the DIP.

## Supplemental Application – Trucking

To obtain a Delaware Insurance Plan policy for a new business employer whose operations fall within the scope of trucking, in addition to the Plan application a completed [Supplemental Application](#) must be completed to provide information about the employer's eligibility for assignment in the DIP. Failure to complete the supplemental application may result in processing delays of the DIP application.

### Item 1 – General Information

1. Enter the **Effective Date** coverage is requested. The date entered is not a guarantee of coverage. If the employer has insurance in effect, the effective date should be the expiration date of the expiring policy. In no event will coverage be made earlier than 12:01 A.M. on the first day following receipt of the application and required deposit premium. .
2. Enter the complete legal **Name of Employer**. Show names of all partners if business status is a partnership.
3. Enter the **Federal Employers Identification Number** of the employer. Applicants that do not have a FEIN must submit their social security numbers.
4. Enter the complete **Mailing Address**, include post office box, if any. All correspondence will be sent to the mailing address. Telephone number of employer is required.
5. Enter **Principal** location of employer for the State of Delaware. A physical street address is required.
6. Enter **Other Delaware Locations** where the employer operates in the state. A physical street address is required.
7. Enter the **Payroll Office Address** where the employer's payroll records are kept.
8. Enter the appropriate **Legal Status** of risk, i.e., individual, corporation, partnership, limited liability company (LLC) or joint venture. The legal status of a husband and wife will be treated as a partnership when both names are shown on the application.
9. Has there been a **Name Change** during the past three years?
10. List whether there are operations in **Other States** besides Delaware. If coverage in a state(s) other than Delaware is needed, contact the DCRB.

## **Item II – Insurance Record**

1. Provide the names of insurance company(s) that provided coverage for the past three years. If a new business, indicate “NEW BUSINESS.”
2. Enter the appropriate answers to the several questions as they pertain.
3. The employer must answer Question 3. If an employer is in default of premium at the time of application, the employer is not eligible for coverage in the DIP. If the outstanding premium is in dispute, the employer must present documentation with the application to substantiate the dispute. All information submitted will be considered in determining if the employer is eligible for DIP coverage.

## **Item III – Insurance Companies Who Have Refused Coverage**

Provide the name of two licensed insurance companies who have refused coverage. List the full time salaried employees with whom you have talked, along with their telephone numbers. The current voluntary insurance carrier must be one of the carriers refusing to offer coverage. An employer may not refuse a reasonable offer of voluntary coverage. If the employer has received and rejected an offer of voluntary coverage, the DCRB will consider all available information submitted to determine whether the employer is eligible for Pool coverage. DCRB staff at its discretion may verify the declination of coverage with the insurance carriers listed in Item III.

## **Item IV – Corporate Officers and Limited Liability Members (LLC)**

List the name, title, duties and approximate annual salary of all executive officers or LLC members. The payroll of all corporate officers or members covered by the policy shall be included for premium calculation, subject to the minimum and maximum individual weekly payroll limitations approved in Delaware. To non-elect coverage under a DIP policy, the corporate officer(s) or members must complete, sign and attach [Agreement by Executive Officer\(s\)/LLC Members Not to be subject to the Delaware Workers Compensation Law](#) form with application. Failure to include Agreement with the DIP application could result in premium being charged for executive officer(s) or LLC members.

## **Item V – Sole Proprietors and Partners**

Sole proprietors and partners may elect coverage under the Delaware Worker’s Compensation Law by completing, signing and submitting with the Plan application, [WC 00 03 10](#), Sole Proprietors, Partners and Others Inclusion for each individual electing coverage.

## **Item VI – Nature of Business, Location, Classification and Payroll in Delaware**

### **Description of Operations**

Explain the nature of business and completely describe the operations for all locations. The DCRB reserves the right to question the classification on any submitted application and make changes to the classification and premium if necessary. If the employer already has an established approved classification(s), the application must use the authorized classification(s). Authorized classes may be verified for an existing employer through the Application Login on the DCRB website at [www.dcrb.com](http://www.dcrb.com).

### **Classification, Payroll and Premium Calculation**

Classification codes and wording may be taken from an existing policy of insurance. Refer to the [Delaware Basic Manual](#), Section 2, for classification description or contact the DCRB Classification Department for assistance. Classifications are subject to review by DCRB staff. The number of employees by location and classification must be shown.

Realistic estimates of expected payrolls are required. If the payrolls shown on the application are lower than those reflected in the most recent audit an explanation from the employer to justify the lower payroll amounts may be required.

Note: DCRB staff may require verification of payroll information. When required, Form 941 (Employer's Quarterly Federal Tax Return) must be submitted to the designated carrier to determine whether a preliminary audit is appropriate.

The Assigned Risk Rate for each classification can be obtained from the DCRB website, [www.dcrb.com](http://www.dcrb.com), under [Rating Values](#) or from DCRB staff.

The standard limits for Part Two - Employers Liability which are provided at no additional costs are:

\$100,000 per Accident - each Accident  
\$100,000 per Disease - each Employee  
\$500,000 per Disease - each Policy

Increased Limits are available in the Pool. To obtain the Increased Limits Factor, refer to the [Delaware Basic Manual](#), Section 1.

Additional factors affecting premium are:

- Experience Modification \*
- Merit Rating Adjustment \*
- Workplace Safety Credit \*
- Construction Classification Premium Adjustment Program \*
- Expense Constant
- Delaware Insurance Plan Surcharge \*
- Premium Discount
- Terrorism
- Catastrophe (other than Certified Acts of Terrorism)
- Deductible Credit

\*Employer information (i.e., authorized classification(s), experience modification, merit rating, DIP surcharge) may be obtained for the individual employer from the DCRB website through the Application Login under [Rating and Underwriting Reference](#). (User name and password are needed to log into this area.)

To calculate the Terrorism premium, divide the total amount of payroll (applicable to all classifications, except per capita classes) by 100 and multiply the result by the Terrorism residual rate.

To calculate the Catastrophe (other than Certified Acts of Terrorism) premium, divide the total amount of payroll (applicable to all classifications, except per capita classes) by 100 and multiply the result by the Catastrophe residual rate.

Using the appropriate Delaware residual rate by classification, calculate the estimated annual premium, applying if applicable the aforementioned factors. Estimated premium can be calculated by using the approved [Algorithm](#). Using the approved Algorithm does not limit DCRB staff from adjusting the premium upon examination.

## Item VII – Deposit Premium

The deposit premium must be for the correct amount and submitted at the time of application. The applicant may select during the application process, depending on premium size, to have either one annual payment or an installment plan. Failure to submit the correct premium will delay or even void the application process. The DCRB cannot ensure the effective date of coverage when the correct deposit premium is not remitted at the time of application.

The designated carrier has the right to make changes in the deposit premium or to conduct interim audits to ensure the adequacy of the estimated annual premium.

Acceptable forms of payment are:

- Employers Certified check
- Producer/Agency check
- Money order
- Premium Finance check
- Automated Clearing House
- Wire Transfer
- Direct bank teller deposit to DCRB account\*

Bank checks must be made payable to the **Delaware Compensation Rating Bureau, Inc.** DCRB staff will endorse the check to the designated servicing/direct carrier receiving the assignment. The employer will make subsequent payments directly to the assigned carrier. There will be no coverage in place if there are not sufficient funds to cover the deposit premium check when it is deposited by the designated carrier.

\*Direct bank teller deposit requires that a copy of the deposit slip with the applicants name be faxed or emailed to the DCRB for verification of deposit.

### Premium Payment

#### 1. Annual Premium Adjustment

Policies having an estimated annual premium of less than \$1,000 are not eligible for interim adjustments.

#### 2. Interim Premium Adjustment

Policies that provide for adjustment of premium on an interim basis are subject to the following Deposit premium requirements:

\$1,001 - \$4,999	at least 75% of the Estimated Annual Premium
\$5,000 - \$24,999	at least 50% of the Estimated Annual Premium
\$25,000 or more	at least 25% of the Estimated Annual Premium

#### 3. Minimum Deposit Premium

The deposit premium cannot be less than the applicable minimum premium, if the minimum premium is \$1,000 or less.

## Financed Premiums – Explanation

The employer may elect to finance the deposit or estimated annual premium. When this is done, there are several concerns for the agent. First, the finance company will require the employer to sign a finance agreement. This agreement will often require the employer to sign over to the finance company two important rights.

1. The right to cancel the policy should the employer fail to meet a payment as required in the agreement.
2. The right of the finance company to receive returned premiums whether the policy is cancelled or not.

If the premium is being financed, a copy of the legal finance agreement, signed by the employer, must be forwarded to the plan administrator with the application to be submitted to the servicing carrier. If it is not available at the time of application, then the employer or agent must forward the agreement to the plan administrator as soon as it is available. This should be the “official” legal agreement signed by the employer and containing the full terms of the agreement. Without having such an agreement the servicing carrier cannot acknowledge the finance companies rights.

A finance company may request that a cancellation take effect on a certain date. The servicing carrier, because of legal cancellation notice requirements of the DCRB, must make this cancellation effective on a later date.

In other instances, the finance company may request cancellation and shortly thereafter, upon receiving the employer’s payment, request reinstatement of the policy. There is no obligation on the part of the servicing carrier to reinstate the policy, and it may elect not to do so, particularly if a legal cancellation filing has been made with the DCRB.

The agent may advance premium payments on behalf of the employer. In these cases, without a valid finance agreement, the servicing carrier must consider the policy to be a contract between itself and the employer. Premiums received from the employer or from the agent on behalf of the employer are all considered as payments made directly by the employer and posted to the employer’s account. Return premiums are made payable to the employer, not the agent. This can be a problem for the agent, particularly where the agent has advanced all or a portion of the premium and later the policy is cancelled for non-payment of premium or the deposit premium given to the agent by the employer defaults for insufficient funds.

Agents should be alert to these potential problems when premiums are financed or where premiums are advanced by the agent.

### **Item VIII – Applicants Statement**

After reading the statement, the application must be signed with the employer’s name, title and signature of the individual certifying and acknowledging the application. The application must be signed by the owner, officer or LLC member of the company. By signing this application, the employer certifies that all information in the application is true.

### **Item IX – Agent or Producer**

If an agency’s services are used, the agent or producer must complete the application by entering their name, address and telephone number and Federal Employers Identification and Delaware Agent’s License Number. The agent or producer must also date the application at signing.

The agent or producer is not a contract agent or agency of the designated carrier and has no authority to bind or cancel Pool coverage or to issue Certificates of Insurance.

All premium transactions are strictly between the designated carrier and the employer. The agent or producer is not a third party to the policy contract. If you have any questions about your authority, contact the DCRB or servicing carrier.

By signing the application, the agent or producer is certifying that all information provided is true to the best of his/her knowledge and belief and that he/she has made a good faith effort to place the coverage in the voluntary market.

Commission fees are payable to the designated agent or producer upon payment of all premium due under the policy. The fee shall be based on the state standard premium and paid at the rate on file with the Delaware Department of Insurance.

**PRODUCER FEE SCHEDULE**  
(Commission Schedule)  
**Graduated A Scale**

First	\$ 1,000	8%
Next	\$ 4,000	5%
Next	\$ 95,000	3%
Over	\$ 100,000	2%

**SECTION III – RENEWAL, CANCELLATION AND REINSTATEMENT PROCEDURES**

**Renewal Procedure**

An employer remains assigned to a servicing carrier until a policy is cancelled or non-renewed. At least 60 days prior to the expiration date of the policy, the servicing carrier sends a renewal proposal or notice to the employer and agent. This proposal includes a request for a new deposit premium which has been calculated by the servicing carrier. This deposit must be received by the servicing carrier before the policy expires to avoid a lapse in or cancellation of coverage.

If renewal premium is received or U.S.-postmarked within 60 days following the expiration of the prior policy, the renewal policy will be issued with a lapse.

If the premium has not been received or U.S.-postmarked within the above 60-day period, the employer will be informed that a new application is required.

If a servicing carrier is unwilling to renew the employer's policy, the servicing carrier must notify the employer's agent and the DCRB at least 60 days before the policy expires giving the reasons for the non-renewal.

If a risk is dissatisfied with its Plan carrier, an employer may request reassignment to a different servicing carrier by notifying the servicing carrier and DCRB at least 60 days prior to the policy expiration. The DCRB requires the reason for reassignment request.

There is no choice of a new servicing carrier by the agent or the employer. Carrier selection is made in an equitable manner based on employer's needs and available quota capacity.

## **Cancellation Procedure**

### **Cancellation by Insured**

The employer may request cancellation at any time once coverage is no longer needed. The servicing carrier must obtain advance written notice from the insured stating when the cancellation is to take effect. Normal reasons for requesting a cancellation are a) out of business; b) no longer has employees requiring coverage; 3) coverage placed on voluntary market; 4) business sold.

### **Cancellation by Producer of Record**

The producer of record may request cancellation for failure of the Insured to pay money due the producer only if permitted by a legal finance agreement in which the employer gives the producer of record power of attorney.

### **Cancellation by Finance Company**

A finance company may request cancellation for failure of the insured to pay installments only after the employer has executed a legal finance agreement giving two rights to the finance company:

1. The right to cancel the policy should the employer fail to meet a payment as required in the agreement.
2. The right of the finance company to receive returns premiums whether the policy is canceled or not.

The servicing carrier must receive a valid copy of the actual finance agreement signed by the insured. Without a valid copy in their records, the servicing carrier cannot comply with the finance company's request. Cancellation of the policy may be effective on a date later than is requested by the finance company in order to comply with legal cancellation notice requirements.

### **Cancellation by Servicing Carrier**

Cancellation Requiring Approval - The servicing carrier may request permission from the plan administrator to cancel the policy for any of the following reasons:

- The employer is not in Good Faith entitled to insurance.
- The employer has failed to comply with reasonable safety requirements.
- The employer has violated any policy term or condition.
- Any other good and substantial documented reasons subject to review and discretion of the plan administrator.

The servicing carrier shall provide the reasons for the cancellation request. Appropriate advance notification must be sent to the DCRB in the state where cancellation is to be effected.

### **Cancellation Not Requiring Approval**

Prior approval is not needed to cancel the policy for non-payment of premium under the current or any previous WC policy.

### **Cancellation Notice**

In all cases of cancellation by the servicing carrier, the cancellation notice must be sent to and received by the employer in accordance with Delaware's advance notification requirements. Notification of cancellation must be sent to the plan administrator and the producer-of-record.

### **Late Installment/Interim Audit Payment**

The servicing carrier will accept an insured's bank check for an interim audit or installment payment which is U.S.-postmarked prior to the date of cancellation for non-payment of the premium and will continue coverage.

If a bank check is received for a late interim audit or installment payment which is postmarked after the date of cancellation, refer to the following for appropriate reinstatement procedures.

### **Reinstatement of the Policy Cancellation**

The servicing carrier shall reinstate insurance without a lapse in coverage if the item correcting the default is received prior to the effective date of policy cancellation or the envelope containing the item correcting the default is U.S.-postmarked prior to the effective date of policy cancellation.

The servicing carrier shall reinstate insurance with a lapse in coverage one time only during the original policy period, if an item correcting a default which resulted in cancellation is received on or within 60 days after the effective date of policy cancellation and is not U.S.-postmarked prior to the effective date of policy cancellation.

The servicing carrier shall not reinstate coverage if an item correcting a default is received after 60 days from the effective date of policy cancellation and is not U.S.-postmarked prior to the effective date of policy cancellation or if the risk has already been permitted its one reinstatement. The servicing carrier shall inform the risk that, if it continues to require insurance under the plan, it will need to reapply to the Delaware Insurance Plan.

If a reinstatement notice is issued, any lapse of coverage must be clearly stated on the notice. The lapse shall be for the time period from and inclusive of the date of cancellation through the date of the U.S. postmark appearing on the envelope containing the item correcting the default or, if received by other means, consistent with the postmark binding rule.

## **SECTION IV – GENERAL INFORMATION**

### **Voluntary Assumption of Coverage**

Any licensed Delaware insurance carrier may assume coverage on a risk voluntarily at any time during the policy period or at the expiration of the policy. Approval from the plan administrator is not required. Cancellation of the current policy is made on a pro-rata basis when coverage is placed on the voluntary market.

### **Coverages in States Other Than Delaware**

If coverage is needed in states other than Delaware, you must follow the procedure outlined below:

A servicing carrier who is a member of the National Pool may extend coverage in any other state serviced by the National Pool, provided the servicing carrier is also a servicing carrier for that state. If it appears that the employer has need of coverage beyond Delaware, the DCRB will inform the servicing carrier, and it will be the employer's responsibility to secure coverage in those states. The carrier at its option may or may not furnish such insurance. The DCRB can only assign Delaware coverage.

## **SECTION V – DUTIES AND RESPONSIBILITIES UNDER THE PLAN**

### **Agent and Agency's Duties and Responsibilities**

1. Assist the employer in meeting his obligation under the Delaware Workers' Compensation Law, preferably by securing coverage in the voluntary market. Failing to obtain such coverage, the agent should assist the employer in obtaining coverage under the Plan in a prompt and efficient manner. Even if coverage must be placed in the Plan, the agent has the continuing responsibility to try to place coverage in the voluntary market. The agent must explain to the employer the necessity for securing coverage under the Plan.
2. Assist the employer in thoroughly and accurately completing the application and any other documents that may be required.
3. Promptly report all changes in the employer's name, operations, exposures, locations, financial condition or other changes which may affect the policy or the services being provided.
4. See that adequate deposit and premiums are maintained and encourage the employer to realistically estimate payrolls.
5. Determine what coverage's the employer needs for both Delaware and out-of-state operations. Secure such coverages, as needed, from the servicing carrier or other pools or funds, if necessary.
6. Promptly forward all premium payments received from the employer to the servicing carrier to avoid cancellations and lapses in coverage. Encourage the employer to meet all premium payments and, if any, finance obligations in a timely manner.
7. Promptly refund any excess producer fees paid you by the servicing carrier when requested to do so.
8. Advise the employer in all matters relating to his/her workers' compensation insurance.

### **Servicing Carrier's Duties and Responsibilities**

1. Provide coverage to all employers who are assigned to the company and who, upon investigation, are entitled to coverage under the Plan.
2. Issue the necessary policy and provide underwriting, claims, loss control, auditing and other services in a prompt and efficient manner.
3. Work with and assist the agent, employer and DCRB on problems relating to coverage and service under the Plan.
4. Maintain adequate deposits and advance premium.
5. Refund promptly any excess premium determined by final audit.
6. Pay agent producer fees promptly when due.
7. Strictly comply with all terms and conditions of the policy contract.
8. Provide Certificates of Insurance to the employer upon request.

### **Employer's Duties and Responsibilities**

1. Before applying for coverage under the Plan, the employer must in good faith be entitled to workers' compensation insurance. An employer is not entitled to coverage if indebted to the Pool or has outstanding audit obligations to a prior insurer.

2. Comply with all provisions of the Plan, including accurately and fully completing the required application form and any supporting documents that may be required.
3. Keep the agent fully advised of changes in name or ownership, operations locations or exposures which may affect coverage, classifications, rates, premium estimates or other aspects of the coverage being provided by under the Plan.
4. Cooperate fully with the servicing carrier in implementing all reasonable safety recommendations. (Failure to do so may be valid reasons for cancellation under the Plan.)
5. Report all claims promptly and cooperate with the servicing carrier in the investigation and settlement of claims.
6. Strictly comply with all terms and conditions of the policy.

### **DCRB's Duties and Responsibilities**

1. Review all applications as received.
2. Make assignments promptly to servicing carriers on an equitable basis, keeping in mind the employers' coverage and servicing carrier's requirements determining which servicing carrier can best meet these requirements.
3. Maintain the necessary files and records on each employer so that proper experience modifications and rates are used. Review policy contracts to determine adherence to rules, rates and modifications by the servicing carriers.
4. Respond promptly to complaints, questions and problems from agents, servicing carriers and employers.