



MEMORANDUM

TO: Delaware Classification and Rating Committee

FROM: David T. Rawson - Technical Director, Classification and Field Operations

DATE: June 6, 2003

RE: Corporate Officer Per Week Minimum and Maximum Payrolls to be Audited in Delaware

The Bureau proposes a revision to the corporate officer per week minimum and maximum payrolls to be audited for premium purposes in Delaware. The corporate officer per week minimum and maximum auditable payrolls are a function of the statewide average weekly wage rounded to the nearest \$50.00 and the revisions thereto proposed below were calculated using the formula reviewed and adopted by the Committee in 1982. The proposed revisions are a third interim step as the auditable corporate officer per week minimum and maximum payrolls had not been regularly updated, but which have been annually reexamined starting with the Bureau's 1998 residual market rate and voluntary market loss cost revision. The Bureau recommends that the proposed revisions to the auditable per week minimum and maximum corporate officer payrolls become effective concurrent with the implementation of the Bureau's 2003 residual market rate and voluntary market loss cost revision.

Below find the enabling Manual amendments for the proposed revision to the per week minimum and maximum corporate officer payrolls for Section 1, Rule IX, Paragraphs A. 3. b. and c.

SECTION 1

CHANGE

FROM

RULE IX - SPECIAL CONDITIONS OR
OPERATIONS AFFECTING COVERAGE
AND PREMIUM

TO

No change

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FROM

TO

A. EXECUTIVE OFFICERS

1. and 2.

3. Premium Determination

Premium for executive officers, other than elected officers of Delaware or its political subdivisions, shall be based on their total payroll, subject to the following:

a. The requirements of Rule V-E.

b. The minimum individual payroll for an executive officer is \$[350] per week.

c. The maximum individual payroll for an executive officer is \$[1,750] per week.

d. and e.

No change

No change

No change

No change

No change

b. The minimum individual payroll for an executive officer is \$400 per week.

c. The maximum individual payroll for an executive officer is \$1,900 per week.

No change

DTR

c: Tim Wisecarver

Vince Dean

Bruce Decker

Joe Lombo

Rick Stapf