



To: Delaware Classification and Rating Committee

From: Betty Ann Campbell – Director, Rating Rules & Policy Reporting

Date: May 24, 2004

Re: Executive Officers Exclusion Agreement

The Partners, Officers, and Other Exclusions Endorsement –WC 00 03 08 is routinely requested by employers applying for coverage through the Delaware Insurance Plan. Unlike other state jurisdictions, Delaware does not have an “agreement or application” for an officer to complete prior to the preparation Form WC 00 03 08. Officers electing exemption sign the endorsement and the carrier accepts the signed endorsement as the declaration for exclusion. This remains a questionable procedure, both by the employer and the direct and servicing carrier insurers.

Individual voluntary market carriers may have their own exemption form which could account for this issue never previously being raised. The proposal to adopt the attached Executive Officers Exclusion Agreement is primarily for insurers participating in DIP but would be available to those voluntary market insurers that would like to use it.

The proposed new agreement form is attached.

**AGREEMENT BY EXECUTIVE OFFICER (S) NOT TO BE
SUBJECT TO THE DELAWARE WORKERS' COMPENSATION LAW**

Executive officers of a corporation are covered under the Delaware Workers' Compensation Law. Up to eight (8) executive officers that are stockholders of the corporation may elect not to be subject to Delaware Workers' Compensation Law by completing an agreement between the corporation and such executive officers. Executive Officers are the President, Vice President, Secretary, Treasurer or any other officer appointed or elected in accordance with the charter or by-laws of a corporation or unincorporated association. This Executive Officer Exclusion Procedure must be repeated each time a policyholder wishes to change the status of any executive officer or secures coverage from a different carrier group.

It is hereby agreed by

(Name of Corporation)

and the following executive officer(s), who are stockholder(s) of the said corporation, this/these executive officer(s) do knowingly and voluntarily elect not to be subject to the provisions of the Delaware Workers' Compensation Law and waive any and all benefits and rights to which they might be entitled under the Delaware Workers' Compensation Law.

Federal Employer Identification Number

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A. Certified by the corporation

Chief Executive Officer (President)

Date

I verify that I am signing in my capacity as an Executive Officer for the above named corporation and that I am authorized to do so. I further verify that the facts set forth in this Agreement are true and correct to the best of my knowledge.

B. By the executive officer(s) electing not to be subject to the Delaware Workers' Compensation Law

1. _____	5. _____
Print Name	Print Name
_____ Signature	_____ Signature
_____ Date	_____ Date

2. _____	6. _____
Print Name	Print Name
_____ Signature	_____ Signature
_____ Date	_____ Date

3. _____	7. _____
Print Name	Print Name
_____ Signature	_____ Signature
_____ Date	_____ Date

4. _____	8. _____
Print Name	Print Name
_____ Signature	_____ Signature
_____ Date	_____ Date