

Delaware Compensation Rating Bureau, Inc.



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TO: Delaware Classification & Rating Committee

FROM: Bruce Decker
Senior Vice President

DATE: August 5, 2004

RE: Manual Revisions to Section 2 – Subclassification

In response to H.B. 430, which was signed into law in Delaware on July 12, 2004, the Bureau proposes the following addition to bring the Manual into alignment with existing law.

SECTION 2

CLASSIFICATIONS – NUMERICAL AND GROUP ARRANGEMENT

SUBCLASSIFICATION – CARRIER OPTION

House Bill 430 of 2004 (amending §2607, Title 18 of the Delaware Code) permits an insurer to develop a subclassification or subclassifications to the Bureau's classification system as approved by the Insurance Commissioner. The developing insurer shall file any such subclassification or subclassifications with the Bureau and the Insurance Commissioner at least thirty (30) days prior to the proposed effective date for such subclassification or subclassifications. The insurer's filing shall demonstrate that exposure and loss data produced under any proposed subclassification or subclassifications can be reported to the Bureau consistent with the Bureau's uniform classification system and Statistical Plan. The Insurance Commissioner must disapprove any subclassification filing for which such demonstration is not satisfactorily made.

AGRICULTURAL AND LOGGING

Balance of section remains unchanged.