



TO: Delaware Classification and Rating Committee

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

DATE: June 15, 2005

RE: Corporate Officer Weekly Minimum and Maximum Payrolls to be Audited in Delaware and Weekly Minimum and Maximum Payrolls For Sole Proprietors Or Partners

The Bureau proposes a revision to the corporate officer weekly minimum and maximum payrolls to be audited for premium purposes in Delaware, which are also used as a sole proprietor's or a partner's auditable payroll when the proprietor's or partner's payroll cannot be determined. The corporate officer weekly minimum and maximum auditable payrolls are a function of the statewide average weekly wage rounded to the nearest \$50. The revisions thereto proposed below were calculated using formulas as reviewed and adopted by the Classification and Rating Committee in 1982. The Bureau recommends that the proposed revision to the weekly maximum auditable corporate officer payroll become effective concurrent with the implementation of the Bureau's 2005 Residual Market Rate and Voluntary Market Loss Cost Revision.

The proposed revision to the weekly maximum corporate officer payroll for Section 1, Rule IX, Paragraph A. 3. c. is shown below with deleted wording bracketed and new wording underlined.

SECTION 1

RULE IX - SPECIAL CONDITIONS OR OPERATIONS AFFECTING COVERAGE AND PREMIUM

A. EXECUTIVE OFFICERS

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:

- c. The maximum individual payroll for an executive officer is \$~~[2,000]~~2,050 per week.

c: Timothy Wisecarver
Vincent Dean
Bruce Decker
Joseph Lombo
Richard Stapf