



The State of New Hampshire
Insurance Department
21 South Fruit Street, Suite 14
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Roger A. Sevigny
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

BULLETIN

Docket No. INS No. 08-002-AB

TO: All Workers' Compensation Insurers

FROM: Roger Sevigny

A handwritten signature in black ink, appearing to read "RAS", is written over the printed name "Roger Sevigny".

DATE: January 9, 2008

RE: HB 692 – Changes to Workers' Compensation Law for Contractors

A new law, which will affect workers' compensation compliance in the construction sector, was signed by Governor Lynch to become effective January 4, 2008.

HB 692 removes certain provisions of HB 471, which was passed on September 14, 2007 and provided that no executive officer of a corporation or member of a limited liability company may be excluded from workers' compensation coverage, regardless of title, if such officer or member is actively engaged in on-site work on any construction site in New Hampshire. The new law:

- I. Amends NH RSA 281-A:18-a to once again allow the exclusion from workers' compensation coverage of up to three officers or members of corporations or limited liability companies.
- II. Amends NH RSA 228:4-b to exclude persons performing routine maintenance operations conducted utilizing the contract rental agreement process on certain state transportation projects from the requirement of providing certification of current workers' compensation coverage.
- III. Allows insureds who purchased workers' compensation insurance coverage to comply with the requirements of RSA 281-A:18-a, I as amended by 2007, 323:1 to cancel or remove this workers' compensation coverage.

In order to comply with the law, the Insurance Department is providing the following guidance to the insurers providing workers' compensation coverage in New Hampshire. This guidance is generally in line with the instructions to the residual market:

1. Upon receipt of a letter, telefax or email requesting cancellation of an affected policy, the insurer should follow normal cancellation procedures including notification to the New Hampshire Labor Department in compliance with NH RSA 281-A:9.
2. Upon receipt of a letter, telefax or email requesting reinstatement of approved exclusions, the insurer should submit a revised Form 6WCex to the New Hampshire Labor Department.
3. The effective date of the exclusions or cancellation should be in accordance with your normal cancellation procedures. At your discretion, you may require a "No-Loss Letter" as outlined in HB 692.
4. To be in compliance with the new law, the insurer shall, at a minimum, use a pro rata methodology for its premium calculations, starting from the effective date of the policy or coverage (no earlier than September 14, 2007) until the date as determined under item (3.) above.
5. Regardless of the estimated payroll used to calculate the premium for inclusion of the executive officer(s) or LLC member(s), the pro-rata premium will be calculated using the NH minimum payroll amount of (\$388.00/week in 2007) or the minimum amount for executive officers of an unincorporated association (\$194.00/week in 2007), whichever is appropriate.
6. As minimum payrolls will be used, there will be no audit requirements for this limited exposure. Furthermore, in those cases where return premium is due for certain officer(s) or LLC member(s) but the policy is continuing in force, that return premium will be due immediately rather than at policy expiration or audit.
7. Minimum premium rules are not applicable for prorated policies where the prorated premium falls below the approved minimum premium.

In addition, Form WC280302 will be withdrawn by NCCI and insurers will now use the countrywide Form WC000308 for exclusion of executive officer(s) and LLC member(s).

For additional information or questions, contact Deborah Stone at deborah.stone@ins.nh.gov