February 26, 2015

Contact: Ms. Deborah Rojan
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R.C. 2387

To: The Members of the Board

    New York Sole Proprietors, Partners, Members of LLC’s PSLC’s, RLLP’s, etc.
    Exclusion Endorsement
    Effective Date: April 1, 2015

In accordance with approval by the New York State Department of Financial Services (DFS), and authorization by the NYCIRB Underwriting Committee, the New York Workers Compensation and Employers Liability Manual has been amended to include an update to the captioned endorsement (WC 31 03 16 A). This change is approved for new and renewal business with effective dates on or after April 1, 2015.

The language contained in the endorsement has been updated with additional wording to include members of an LLC, PSLC, and RLLP in the body of the endorsement.

The updated endorsement, WC 31 03 16 B, is attached for your reference.

Please note that these revisions are also included in an updated version of the New York Workers Compensation & Employers Liability Manual, which is available via the Board’s website at: www.nycirb.org.

Very truly yours,

Monte Almer

President

WVT:tg
Encl.
NEW YORK SOLE PROPRIETORS, PARTNERS AND MEMBERS OF LLC’S, PSLC’S, RLLP’S, ETC.
EXCLUSION ENDORSEMENT

★ The policy does not cover bodily injury to any sole proprietor, partner or member of an LLC, PSLC, RLLP, etc. named in the Schedule.

Schedule

Sole Proprietor:

Partners:

Members:

Note:

Attach this endorsement to a policy affording coverage to a sole proprietor, partner or member of an LLC, PSLC, RLLP, etc., to exclude coverage for the sole proprietor, partner or member of an LLC, PSLC, RLLP, etc.
B. SOLE PROPRIETORS AND PARTNERS

1. Definition

A sole proprietor is a self-employed person. A partner is a partner of a partnership as defined in Section Ten of the Partnership Law, but does not include a "limited" partner.

In general, a limited partner invests capital only, and is exempt from personal liability or risk beyond the investment actually contributed to the firm. Such partners do not hold themselves out as general partners nor participate in the conduct of the business in any manner.

The definition of partner, as used in this rule, shall also include members (not managers or titled "officers") of a Limited Liability Company ("LLC"), and a Professional Service Liability Company ("PSLC") established pursuant to the Limited Liability Company Law, and partners of a Registered Limited Liability Partnership ("RLLP") established pursuant to the Partnership Law.

2. Law and Status

Sole proprietors and partners may elect to be covered under the policy by filing, upon a form prescribed by the Workers’ Compensation Board, a notice of the election of the named individuals.

3. Coverage

a. Upon election, coverage for a sole proprietor or partner having other persons covered under a policy may be effected by attaching the New York Sole Proprietors and Partners Coverage Endorsement (WC 31 03 13B).

b. Coverage for a sole proprietor or partner having no other persons requiring coverage may be effected by obtaining a workers compensation policy.

Note: Managers or employees with the title of an “officer” are not considered members and not subject to the payroll cap as shown under the “Miscellaneous Values” Part Three—Loss Costs.

c. A sole proprietor or partner, who has previously elected coverage or has no other persons requiring coverage, may elect to be excluded from coverage. Attach the New York Sole Proprietors, Partners and Members of LLC’s, PSLC’s, RLLP’s, etc. (WC 31 03 16B).

4. Premium Determination

a. Sole Proprietor and Partners Not Subject to the Construction Employment Payroll Limitation

Premium for each sole proprietor or partner that has elected coverage is based on the minimum and maximum payrolls as shown under "Miscellaneous Values" in Part Three—Loss Costs.

b. Sole Proprietors and Partners Subject to the Construction Employment Payroll Limitation

Premium for each sole proprietor or partner that has elected coverage is based on the minimum payroll as shown under “Miscellaneous Values” in Part Three—Loss Costs. The maximum payroll for premium determination is based on the payroll limitations set forth in Rule V.G.3.