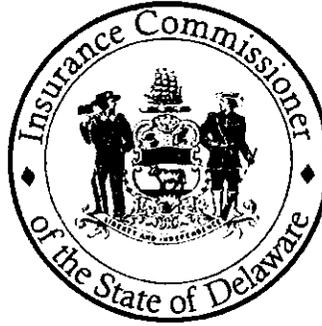


Matthew Denn  
Insurance Commissioner



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March 8, 2007

CIRCULAR LETTER 01-2007

**TO: ALL INSURERS PROVIDING WORKERS COMPENSATION  
INSURANCE COVERAGEN IN DELAWARE**

**RE: EXCLUSION FOR SOLE PROPRIETORSHIPS**

It has been brought to the attention of the Delaware General Assembly, Delaware Department of Labor, and Delaware Department of Insurance that some language contained in Senate Bill 1 in the current session, which revised Delaware's workers compensation statute, is unclear with respect to whether sole proprietors, who were previously exempt from the obligation to purchase workers compensation insurance, would now be required to purchase it. As a result of this ambiguity, the Department of Labor has decided not to require any persons who were previously exempt from purchasing workers compensation insurance under Title 19, Section 2308 of the Delaware Code to purchase such insurance until such time as the General Assembly re-examines the relevant language in Senate Bill 1 and makes a determination as to how to resolve this issue. This circular letter shall remain in effect pending a resolution which is expected to be in the near future. Each person receiving this notice will receive a subsequent notice when the issue is resolved in the same manner as this announcement.

A handwritten signature in black ink, appearing to read "Matthew Denn", is written over a horizontal line.

Matthew Denn  
Insurance Commissioner