

## BULLETIN

April 22, 2011

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R.C. 2270

**To: The Members of the Board**

**RE: New York Workers Compensation & Employers Liability Manual  
Majority Ownership Interest Rule – Manual Definition  
Issue Date - April 15, 2011**

In accordance with the authorization of the NYCIRB Underwriting Committee, and approval by the New York State Insurance Department, we hereby introduce an update to the New York Workers Compensation and Employers Liability Manual reflecting revised language which further clarifies the definition of Majority Ownership Interest.

The definition of majority interest shown in the manual (Page R-13 attached) is now more comprehensive as well as consistent with that definition currently shown in the New York Experience Rating Plan Manual.

In addition to the attached page, this change is also included in an updated version of the New York Workers Compensation & Employers Liability Manual which is available via our website at: [www.nycirb.org](http://www.nycirb.org).

Very truly yours,

Monte Almer

President

WVT:tg  
Encl.

**RULE III—POLICY PREPARATION—  
INSURED, POLICY PERIOD AND STATE OF OPERATIONS**  
Items 1, 2 and 3.A. of the Information Page

**A. EXPLANATION OF TERMS**

**1. Employer**

Employer may be an individual, partnership, joint venture, corporation, association, limited liability company (LLC), professional service liability company (PSLC), registered limited liability partnership (RLLP), or a fiduciary such as a trustee, receiver or executor, or other entity.

**2. Insured**

Insured means the employer designated in Item 1 of the Information Page.

★ **3. Majority Ownership Interest**

Majority Ownership Interest, as defined in the New York Experience Rating Plan Manual, also applies to this manual. The phrase “Majority Ownership Interest” means more than 50%. The determination of Majority Ownership Interest is based on the following:

- a. Majority of issued voting stock.
- b. Majority of owners, partners or members if no voting stock is issued.
- c. Majority of the board of directors or comparable governing body if a. or b. is not applicable.
- d. Participation of each general partner in the profits of a partnership. Limited partners are not considered in determining majority interest.
- e. The same central authority that appoints or controls the appointment of the board of trustees or similar body, and exercises direct, complete and active control over the finances, properties, operations and activities of separate legal entities within the same religious denomination.
- f. Ownership interest held by an entity as fiduciary. Such an entity’s total ownership interest will also include any ownership held in a nonfiduciary capacity.

**Note:** *For purposes of this rule, fiduciary does not include a debtor in possession, a trustee under a revocable trust, or a franchisor. Refer to the New York Experience Rating Plan Manual for more information.*

**4. Risk**

Risk means all insured operations subject to New York premium which are conducted by any one entity, or by two or more entities in which the same person, group of persons or corporation owns the majority interest in such entities.

**Exceptions:**

- a. A policy may be written to cover more than one risk as provided in Section 32 of the Volunteer Firefighters’ Benefit Law. However, whether or not such combination policy is written, each risk will be rated in accordance with the manual rules. A town, and fire protection districts, fire alarm districts and unorganized areas wholly within the town are considered as one risk for coverage under both the New York Workers’ Compensation Law and the New York Volunteer Firefighters’ Benefit Law. Cities, villages and fire districts within a town are risks separate from the town risk even though they may be combined in the same policy.
- b. A policy may be written to cover more than one risk as provided in Section 32 of the New York Volunteer Ambulance Workers’ Benefit Law. However, whether or not such combination policy is written, each risk will be rated in accordance with the manual rules. A town and ambulance districts and unorganized areas wholly within the town are considered as one risk for coverage under both the New York Workers’ Compensation Law and the New York Volunteer Ambulance Workers’ Benefit Law. Cities, villages and ambulance districts within a town are risks separate from the town risk even though they may be combined in the same policy.