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To Our Valued Clients:

March 2007

Certificates of Insurance New Requirements for Sole Proprietors and Partnerships

The Massachusetts Workers' Compensation Bureau and The Division of Insurance have recently announced new Mandatory *Procedures for Issuing Certificates of Insurance for Sole Proprietors and Partnerships (Procedures)*. We will soon begin implementing those procedures in the Certificates we issue. (This new procedure has not yet been mandated for LLCs.)

Massachusetts Workers' Compensation Policies issued to sole proprietors and partnerships will cover their employees, but do not provide coverage for the sole proprietor or partner(s) unless they specifically elect coverage for themselves.

The new *Procedures* require that we indicate on Certificates of Insurance whether sole proprietors or partner(s) have elected to be covered by the policy. The specific language we use to indicate coverage or lack of coverage will be dictated by the Bureau. The Bureau and Division of Insurance feel this requirement "will enable the recipient of a Certificate of Insurance to better understand what coverage is provided by the workers' compensation insurance policy identified on the Certificate of Insurance".

Under current Mass law if you are an uninsured sole proprietor or partner and are hurt on the job you can make a claim under the GC's Workers' Comp policy. Since the GC's WC carrier would be required to provide coverage for such a claim the carrier is entitled to charge the GC for the exposure. Now that it is required that your Certificates of Insurance indicate whether you are covered, both the GC and its WC premium auditors will know when you are not, and are increasingly more likely to insist that you elect coverage.

We hope you find this information helpful. If you have any questions, please let us know.

Very truly yours,

DeSanctis Insurance Agency, Inc.