



**THE WORKERS' COMPENSATION
RATING AND INSPECTION BUREAU OF MASSACHUSETTS**

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November 13, 1997

CIRCULAR LETTER NO. 1787

To All Members and Subscribers of the Bureau:

**REVISED MASSACHUSETTS EMPLOYEE LEASING ENDORSEMENT
WC 20 03 04 B**

The Division of Insurance has approved the attached revised Massachusetts Employee Leasing Endorsement WC 20 03 04 B to apply with respect to policies effective on and after 12:01 A.M., December 1, 1997.

The purpose of the revision is to show more clearly that a Massachusetts workers compensation policy, issued in the name of a leasing company, and designating the client to whom an employee is being leased, should be the avenue of recovery for the leased employee.

Accordingly, the current endorsement has been amended to indicate that the coverage will apply "...as though the client company is **the employer and is under this policy.**", thereby eliminating any possible confusion as to the "exclusive remedy" provision of the workers' compensation statute. The words shown in the preceding sentence in bold print and underlined are the only words being added to the endorsement and are contained in the third sentence of the second paragraph of the attached revised endorsement. No other changes are being made in the content of the endorsement.

The suffix letter "B" has been added to the form number of the revised endorsement in order to distinguish it from the current endorsement form number which ends with the suffix letter "A."

Revised manual pages will be issued in due course.

NORMAN R. FONTAINE
Vice President of Industry Affairs

NRF/dc 3685
Enclosure

MASSACHUSETTS EMPLOYEE LEASING ENDORSEMENT

As used in this endorsement, "employee leasing" shall mean an arrangement whereby an entity utilizes the services of another entity to provide it with some or all of its work force for a fee or other compensation under an employee leasing arrangement. The entity providing employee leasing services shall be referred to as an "employee leasing company." The entity receiving the services shall be referred to as a "client company."

This endorsement applies only with respect to those of your employees provided to the client company shown below under an employee leasing arrangement. These are arrangements that are long term and not used to provide the client company temporary help services during seasonal or unusual conditions, such as temporary skill shortages or temporary special assignments and projects. Part One (Workers Compensation Insurance) and Part Two (Employers Liability Insurance) will apply as though the client company is the employer and is insured under this policy.

The insurance afforded by this endorsement is not intended to satisfy the client company's duty to secure its obligations under the workers compensation law. We will not file evidence of this insurance on behalf of the client company with any government agency.

We will not ask any other insurer of the client company to share with us a loss covered by this endorsement.

Premium will be charged for your employees leased to the client company shown below.

The policy may be canceled pursuant to applicable law without need for us to send notice to the client company. It shall be your responsibility to notify the client company under the to-be-canceled policy in accordance with Massachusetts regulations. The cancelation of this policy shall not affect your rights and obligations as an employee leasing company with respect to any other workers compensation and employers liability policy issued to you.

In addition, certain violations of the Massachusetts regulations applicable to employee leasing arrangements shall be considered fraud or material misrepresentation pursuant to Massachusetts law and grounds for cancelation or nonrenewal provided you are given thirty days to cure the violation.

Part Four (Your Duty if Injury Occurs) applies to you and the client company shown below. The client company will recognize our right to defend under Part One and Part Two and our right to inspect under Massachusetts law and Part Six.

The experience of the employees leased to the client company shall be separately maintained.

Schedule

Name of Client

Address

Note:

Use this endorsement with a policy showing Massachusetts in Item 3.A. of the Information Page when the insured (employee leasing company) named in Item 1 of the Information Page fulfills its obligation to provide insurance for workers compensation and employers liability claims made by employees leased to an entity (client) named in the endorsement Schedule, under a contractual agreement.