



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

February 2, 2004

CIRCULAR LETTER NO. 1942

To All Bureau Members and Subscribers:

**CIRCULAR LETTERS FROM THE DEPARTMENT OF INDUSTRIAL ACCIDENTS ON
OPTIONAL COVERAGE FOR MEMBERS OF AN LLC AND PARTNERS OF AN LLP**

Chapter 169 of the Acts and Resolves of 2002 and 452 CMR §8.06 and §8.07 provide that sole proprietors and partners of legal partnerships may elect to be treated as employees and obtain coverage for themselves under a workers' compensation insurance policy. On January 30, 2004, The Department of Industrial Accidents (DIA) issued Circular Letter 313 – Amendment (attached) to clarify that this **optional coverage is also available to members of a Limited Liability Company (LLC) and partners of a Limited Liability Partnership (LLP)**. Members of LLCs and partners of LLPs may elect to be covered under a workers' compensation insurance policy by following the instructions for sole proprietors and partners of legal partnerships set forth in Department of Industrial Accidents Regulation 452 CMR 8.07.

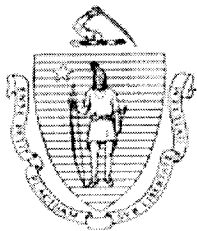
Any member of an LLC or partner of an LLP who elects to be covered under their workers' compensation policy is subject to the same premium basis as approved for sole proprietors and partners who elect to become employees under their workers' compensation policy. Please Refer to Bureau Circular Letters 1906 and 1937, and Rule IX of the Massachusetts Workers' Compensation and Employers Liability Insurance Manual.

Carriers should utilize the national endorsement, Sole Proprietors, Partners, Officers and Others Coverage Endorsement - WC000310 to name members of an LLC or partners of an LLP who have elected to become employees under a workers' compensation policy.

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Director – Customer Services

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CIRCULAR LETTER NO. 313 - AMENDMENT

TO: All Interested Persons

FROM: Angelo R. Buonopane, Commissioner 

RE: Amendment to Circular Letter 313 - Eligibility of and coverage requirements for Limited Liability Companies (LLCs) and Limited Liability Partnerships (LLPs) for the purposes of workers' compensation insurance

DATE: January 30, 2004; originally Issued - October 23, 2003

Pursuant to M.G.L. c. 152, §25A the Department of Industrial Accidents (DIA) is charged with ensuring that all employers in the Commonwealth maintain proper workers' compensation insurance for their employees at all times. In addition, c. 169 of the Acts and Resolves of 2002 and 452 CMR §8.06 and §8.07 et. seq., address the exemption of corporate officers from workers' compensation (under specific conditions) and the election of sole proprietors and partners to carry said insurance. In addition, and in accordance with M.G.L. 156C, a Limited Liability Company is an unincorporated organization having one or more members (not officers). The reference to Limited Liability Corporations in our October 23, 2003 correspondence was incorrect.

The policy of treating LLCs and LLPs as partnerships stands and, as such, the **members** of an LLC are not required to obtain workers' compensation insurance coverage on themselves. Therefore the words members and non-members should replace each reference to officers and non-officers in Circular Letter 313 issued on October 23, 2003. In addition, please note that all partners of an LLP may elect to carry workers' compensation insurance for themselves - not just general partners.

A copy of the original Circular Letter 313 is available on the DIA's web-site <www.state.ma.us/dia/Announcements/circulars.htm> or by calling 617-727-4900 ext. 470.