

DELAWARE COMPENSATION RATING BUREAU, INC.

Closure Rates, Payout Ratios and Average Claim Costs

Page 1 lists the indemnity closure rates - the ratio of number of claims closed to number of claims reported - by policy year and report level. Page 2 lists the claim frequency per \$1,000,000 of payroll - the ratio of number of indemnity claims reported to payroll. These values are taken from the unit statistical data.

Pages 3 thru 6 list the ratios of reported paid losses to incurred losses, by policy year and maturity level separately for indemnity and medical losses. Pages 3 and 4 relate paid losses to reported case incurred losses. Losses on page 3 are unlimited and losses on page 4 are limited. Pages 5 and 6 relate payments to projected ultimate incurred losses with ultimate losses derived using the average of paid and incurred methods for indemnity and medical which is the basis for staff loss development projections in this proposal. Losses on page 5 are unlimited and losses on page 6 are limited.

Pages 7 and 8 show the average costs for open, closed and incurred claims by policy year and report level. Page 7 is for indemnity and page 8 is for medical on indemnity. These values are calculated from the unit statistical data.

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIO OF NUMBER OF CLOSED INDEMNITY CLAIMS
TO NUMBER OF REPORTED INDEMNITY CLAIMS

POLICY					
YEAR	FIRST	SECOND	THIRD	FOURTH	FIFTH
1991	0.7209	0.8197	0.8789	0.9155	0.9423
1992	0.6917	0.8102	0.8747	0.9217	0.9483
1993	0.6598	0.7997	0.8682	0.9133	0.9380
1994	0.6689	0.8047	0.8883	0.9270	0.9461
1995	0.6579	0.8021	0.8794	0.9214	0.9460
1996	0.6525	0.8059	0.8771	0.9110	0.9315
1997	0.6702	0.8160	0.8816	0.9235	0.9410
1998	0.6541	0.8128	0.8815	0.9137	0.9324
1999	0.6092	0.7865	0.8682	0.9145	0.9342
2000	0.6151	0.7730	0.8494	0.8932	
2001	0.5956	0.7607	0.8469		
2002	0.6226	0.7721			
2003	0.6310				

DELAWARE COMPENSATION RATING BUREAU, INC.

CLAIM FREQUENCY PER \$1,000,000 OF PAYROLL

POLICY					
YEAR	FIRST	SECOND	THIRD	FOURTH	FIFTH
1991	0.7811	0.7922	0.7958	0.7976	0.7974
1992	0.7254	0.7343	0.7403	0.7390	0.7405
1993	0.7301	0.7436	0.7467	0.7478	0.7490
1994	0.6783	0.6876	0.6906	0.6928	0.6926
1995	0.6500	0.6580	0.6447	0.6442	0.6442
1996	0.5894	0.5971	0.5896	0.5919	0.5924
1997	0.5130	0.5234	0.5278	0.5301	0.5318
1998	0.4332	0.4436	0.4502	0.4516	0.4515
1999	0.4314	0.4360	0.4392	0.4398	0.4387
2000	0.4044	0.4155	0.4196	0.4196	
2001	0.3475	0.3515	0.3549		
2002	0.3417	0.3522			
2003	0.3080				

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIO OF PAID LOSSES TO REPORTED INCURRED LOSSES - UNLIMITED LOSSES

Policy Year	Maturity (in months)																						
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252		
INDEMNITY																							
Prior																			0.9257	0.9188	0.9295	NA	
1985																	0.9485	0.9447	0.9607	0.9457	0.9531		
1986																0.9100	0.9191	0.9094	0.9213	0.9329			
1987															0.9562	0.9566	0.9710	0.9703	0.9750				
1988														0.9326	0.9361	0.9027	0.9171	0.9268					
1989													0.9621	0.9435	0.9677	0.9624	0.9557						
1990											0.9178	0.8854	0.9139	0.8798	0.8741								
1991										0.9270	0.9395	0.9328	0.9261	0.9455									
1992										0.9311	0.9266	0.9372	0.9421	0.9530									
1993									0.8966	0.8991	0.9131	0.9239	0.9230										
1994								0.8605	0.8872	0.9388	0.9253	0.9395											
1995							0.8896	0.8930	0.8758	0.8820	0.9094												
1996						0.8333	0.8799	0.8958	0.9067	0.8939													
1997					0.8201	0.8617	0.8584	0.8430	0.8141														
1998				0.8090	0.8486	0.8636	0.8753	0.8998															
1999			0.6372	0.7234	0.8354	0.8293	0.8691																
2000		0.4161	0.5635	0.6794	0.7635	0.7969																	
2001	0.2597	0.4014	0.5732	0.6769	0.7588																		
2002	0.2169	0.3723	0.5940	0.7050																			
2003	0.2490	0.3936	0.5706																				
2004	0.2195	0.3381																					
2005	0.2740																						
MEDICAL																							
Prior																			0.7506	0.7750	0.7649	NA	
1985																			0.8563	0.8638	0.8753	0.8807	0.8751
1986																0.9347	0.9395	0.9253	0.9250	0.9128			
1987															0.8995	0.8970	0.9250	0.8981	0.9102				
1988														0.9772	0.9713	0.9069	0.9151	0.9177					
1989													0.8775	0.8859	0.8884	0.8773	0.8711						
1990											0.9672	0.9448	0.9094	0.8911	0.8769								
1991										0.9461	0.9398	0.9163	0.8950	0.8962									
1992									0.8067	0.8215	0.8094	0.7633	0.7856										
1993									0.9357	0.9073	0.8747	0.8551	0.8268										
1994								0.9140	0.9105	0.8968	0.8301	0.8150											
1995							0.9024	0.9184	0.8261	0.7720	0.7798												
1996						0.9058	0.8823	0.8731	0.8583	0.8303													
1997					0.9076	0.9113	0.8506	0.8388	0.8335														
1998				0.8781	0.8896	0.8982	0.8823	0.8555															
1999			0.8731	0.8878	0.8895	0.8594	0.8599																
2000		0.7106	0.8206	0.8280	0.7709	0.7479																	
2001	0.3222	0.6972	0.8285	0.7820	0.7772																		
2002	0.3217	0.5275	0.6161	0.6569																			
2003	0.4812	0.7214	0.8093																				
2004	0.3926	0.6176																					
2005	0.4733																						

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIO OF PAID LOSSES TO REPORTED INCURRED LOSSES - LIMITED LOSSES

Policy Year	Maturity (in months)																				
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252
INDEMNITY																					
Prior																		0.9650	0.9574	0.9766	NA
1985																	0.9844	0.9920	0.9985	0.9676	0.9889
1986																0.9266	0.9414	0.9365	0.9479	0.9634	
1987															0.9691	0.9703	0.9833	0.9829	0.9878		
1988														0.9403	0.9442	0.9137	0.9271	0.9354			
1989													0.9800	0.9648	0.9816	0.9757	0.9692				
1990												0.9239	0.9142	0.9149	0.8806	0.8912					
1991											0.9412	0.9546	0.9496	0.9492	0.9631						
1992										0.9569	0.9468	0.9675	0.9696	0.9743							
1993									0.9233	0.9211	0.9218	0.9335	0.9326								
1994										0.8687	0.8878	0.9395	0.9329	0.9481							
1995							0.9077	0.9074	0.8959	0.9059	0.9284										
1996						0.8333	0.8799	0.8958	0.9114	0.9036											
1997					0.8199	0.8622	0.8674	0.8613	0.8399												
1998				0.8097	0.8515	0.8667	0.8793	0.9044													
1999			0.6828	0.7561	0.8331	0.8363	0.8804														
2000		0.4161	0.5635	0.6813	0.7640	0.8009															
2001	0.2681	0.4014	0.5732	0.6776	0.7596																
2002	0.2368	0.4082	0.6063	0.7152																	
2003	0.2655	0.4004	0.5689																		
2004	0.2225	0.3536																			
2005	0.2740																				
MEDICAL																					
Prior																		0.9726	0.9761	0.9699	NA
1985																		0.9774	0.9891	0.9990	0.9518
1986																0.9669	0.9732	0.9669	0.9716	0.9614	
1987															0.9430	0.9424	0.9416	0.9395	0.9494		
1988														0.9812	0.9864	0.9763	0.9775	0.9872			
1989													0.9681	0.9696	0.9737	0.9466	0.9464				
1990												0.9683	0.9576	0.9312	0.9075	0.9129					
1991											0.9527	0.9470	0.9334	0.9140	0.9176						
1992									0.9573	0.9646	0.9577	0.9511	0.9658								
1993									0.9616	0.9427	0.9095	0.9241	0.9020								
1994										0.9331	0.9347	0.9301	0.8808	0.8716							
1995							0.9280	0.9290	0.9066	0.8850	0.8890										
1996						0.9058	0.8823	0.8731	0.8736	0.8456											
1997					0.9046	0.9090	0.8580	0.8558	0.8608												
1998				0.8807	0.8946	0.9035	0.8888	0.8680													
1999			0.8712	0.8939	0.8985	0.8627	0.8665														
2000		0.7106	0.8206	0.8326	0.7840	0.7689															
2001	0.4027	0.6972	0.8285	0.7843	0.7793																
2002	0.3643	0.6808	0.7897	0.8060																	
2003	0.4715	0.7210	0.8063																		
2004	0.3958	0.6709																			
2005	0.4733																				

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIOS OF REPORTED PAID LOSSES TO PROJECTED ULTIMATE INCURRED LOSSES - UNLIMITED LOSSES

INDEMNITY - AVERAGE OF INCURRED AND PAID TO 20th

Policy Year	Maturity (in months)																		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228
1987															0.9474	0.9527	0.9622	0.9691	0.9729
1988														0.9070	0.9188	0.9241	0.9327	0.9439	
1989													0.9234	0.9318	0.9375	0.9472	0.9528		
1990												0.8665	0.8710	0.8875	0.8948	0.9045			
1991											0.8866	0.9014	0.9196	0.9253	0.9333				
1992										0.8815	0.8929	0.8949	0.9129	0.9280					
1993									0.8207	0.8391	0.8640	0.8855	0.9032						
1994								0.8112	0.8461	0.8771	0.8804	0.8992							
1995							0.7920	0.8197	0.8399	0.8547	0.8710								
1996							0.7271	0.7888	0.8128	0.8338	0.8477								
1997					0.6034	0.6443	0.7093	0.7447	0.7900										
1998				0.5919	0.6618	0.7265	0.7708	0.8089											
1999			0.4007	0.5659	0.6648	0.7210	0.7670												
2000		0.1900	0.3684	0.5046	0.6324	0.6990													
2001	0.0411	0.1884	0.3871	0.5431	0.6341														
2002	0.0407	0.1958	0.3958	0.5404															
2003	0.0466	0.2063	0.3809																
2004	0.0442	0.1786																	

MEDICAL - AVERAGE OF INCURRED AND PAID TO 20th

Policy Year	Maturity (in months)																		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228
1987															0.7068	0.7165	0.7305	0.7384	0.7493
1988															0.7033	0.7118	0.7262	0.7329	0.7416
1989														0.6594	0.6726	0.6851	0.6973	0.7111	
1990												0.6675	0.6756	0.6814	0.6925	0.7010			
1991											0.6588	0.6707	0.6787	0.6886	0.6949				
1992										0.5656	0.5835	0.6013	0.6200	0.6348					
1993									0.5861	0.6018	0.6125	0.6246	0.6364						
1994								0.5719	0.5900	0.5986	0.6042	0.6145							
1995							0.5178	0.5341	0.5562	0.5672	0.5817								
1996						0.5260	0.5444	0.5587	0.5679	0.5817									
1997					0.4732	0.5004	0.5261	0.5467	0.5610										
1998				0.4548	0.4806	0.5049	0.5298	0.5451											
1999			0.3907	0.4434	0.4758	0.4946	0.5208												
2000		0.2285	0.3234	0.3785	0.4137	0.4545													
2001	0.0644	0.2604	0.3597	0.4111	0.4359														
2002	0.0525	0.2259	0.3084	0.3626															
2003	0.0784	0.2692	0.3581																
2004	0.0561	0.2423																	

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIOS OF REPORTED PAID LOSSES TO PROJECTED ULTIMATE INCURRED LOSSES - LIMITED LOSSES

INDEMNITY - AVERAGE OF INCURRED AND PAID TO 20th

Policy Year	Maturity (in months)																		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228
1987															0.9672	0.9719	0.9811	0.9876	0.9911
1988														0.9236	0.9355	0.9429	0.9506	0.9614	
1989													0.9520	0.9595	0.9630	0.9714	0.9754		
1990												0.8930	0.8975	0.9144	0.9213	0.9311			
1991											0.9172	0.9318	0.9498	0.9556	0.9638				
1992										0.9338	0.9423	0.9403	0.9543	0.9637					
1993									0.8597	0.8761	0.8968	0.9190	0.9363						
1994								0.8455	0.8818	0.9142	0.9176	0.9355							
1995							0.8432	0.8695	0.8878	0.9016	0.9153								
1996						0.7630	0.8277	0.8528	0.8749	0.8895									
1997					0.6415	0.6850	0.7543	0.7919	0.8402										
1998				0.6215	0.6949	0.7628	0.8094	0.8494											
1999			0.4275	0.5933	0.6986	0.7585	0.8077												
2000		0.1986	0.3851	0.5275	0.6611	0.7307													
2001	0.0428	0.1960	0.4027	0.5649	0.6596														
2002	0.0456	0.2194	0.4228	0.5690															
2003	0.0489	0.2163	0.3979																
2004	0.0474	0.1916																	

MEDICAL - AVERAGE OF INCURRED AND PAID TO 20th

Policy Year	Maturity (in months)																		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228
1987															0.8035	0.8096	0.8230	0.8305	0.8430
1988														0.8112	0.8206	0.8371	0.8426	0.8515	
1989													0.7835	0.7957	0.8051	0.8138	0.8252		
1990												0.7645	0.7735	0.7800	0.7917	0.8009			
1991											0.7539	0.7669	0.7751	0.7860	0.7930				
1992										0.7511	0.7685	0.7833	0.7964	0.8027					
1993									0.7089	0.7258	0.7364	0.7507	0.7629						
1994								0.6856	0.7074	0.7177	0.7244	0.7360							
1995							0.6620	0.6791	0.7028	0.7143	0.7285								
1996						0.6260	0.6480	0.6649	0.6758	0.6923									
1997					0.5697	0.6037	0.6358	0.6615	0.6793										
1998				0.5501	0.5813	0.6107	0.6409	0.6594											
1999			0.4785	0.5316	0.5731	0.5988	0.6318												
2000		0.2819	0.3989	0.4668	0.5103	0.5606													
2001	0.0782	0.3165	0.4371	0.4995	0.5297														
2002	0.0765	0.3287	0.4305	0.4980															
2003	0.0915	0.3274	0.4360																
2004	0.0725	0.3134																	

DELAWARE COMPENSATION RATING BUREAU, INC.

AVERAGE CLOSED, OPEN & INCURRED INDEMNITY CLAIMS

<u>POLICY YEAR</u>	<u>AVERAGE CLOSED</u>	<u>% CHANGE</u>	<u>AVERAGE OPEN</u>	<u>% CHANGE</u>	<u>AVERAGE INCURRED</u>	<u>% CHANGE</u>
*****	*****	*****	FIRST REPORT	*****	*****	*****
96	1,460		16,710		6,759	
97	1,510	3.42%	15,928	-4.68%	6,265	-7.31%
98	1,603	6.16%	16,722	4.98%	6,832	9.05%
99	1,795	11.98%	16,102	-3.71%	7,386	8.11%
00	1,905	6.13%	19,401	20.49%	8,640	16.98%
01	2,169	13.86%	21,956	13.17%	10,170	17.71%
02	2,369	9.22%	22,475	2.36%	9,956	-2.10%
03	2,288	-3.42%	24,697	9.89%	10,556	6.03%
*****	*****	*****	SECOND REPORT	*****	*****	*****
95	2,665		30,015		8,077	
96	3,065	15.01%	32,587	8.57%	8,796	8.90%
97	2,957	-3.52%	32,434	-0.47%	8,382	-4.71%
98	3,168	7.14%	30,742	-5.22%	8,331	-0.61%
99	3,540	11.74%	33,076	7.59%	9,847	18.20%
00	3,808	7.57%	40,654	22.91%	12,174	23.63%
01	4,676	22.79%	42,294	4.03%	13,678	12.35%
02	4,377	-6.39%	46,722	10.47%	14,029	2.57%
*****	*****	*****	THIRD REPORT	*****	*****	*****
94	4,032		41,422		8,210	
95	4,384	8.73%	47,175	13.89%	9,545	16.26%
96	4,526	3.24%	47,677	1.06%	9,829	2.98%
97	4,594	1.50%	47,218	-0.96%	9,640	-1.92%
98	4,504	-1.96%	46,890	-0.69%	9,526	-1.18%
99	5,162	14.61%	53,996	15.15%	11,596	21.73%
00	5,731	11.02%	62,892	16.48%	14,341	23.67%
01	7,140	24.59%	65,190	3.65%	16,030	11.78%
*****	*****	*****	FOURTH REPORT	*****	*****	*****
93	5,197		60,193		9,966	
94	4,791	-7.81%	58,451	-2.89%	8,710	-12.60%
95	5,330	11.25%	64,759	10.79%	10,001	14.82%
96	5,679	6.55%	59,056	-8.81%	10,428	4.27%
97	5,947	4.72%	57,757	-2.20%	9,909	-4.98%
98	5,496	-7.58%	62,829	8.78%	10,446	5.42%
99	7,074	28.71%	71,928	14.48%	12,621	20.82%
00	7,867	11.21%	81,811	13.74%	15,767	24.93%
*****	*****	*****	FIFTH REPORT	*****	*****	*****
92	5,074		79,457		8,921	
93	5,899	16.26%	77,324	-2.68%	10,325	15.74%
94	5,660	-4.05%	67,335	-12.92%	8,981	-13.02%
95	6,077	7.37%	84,575	25.60%	10,316	14.86%
96	6,420	5.64%	69,135	-18.26%	10,717	3.89%
97	6,679	4.03%	66,916	-3.21%	10,236	-4.49%
98	6,238	-6.60%	77,423	15.70%	11,050	7.95%
99	8,196	31.39%	82,741	6.87%	13,102	18.57%

SOURCE: UNIT STATSTICAL DATA

DELAWARE COMPENSATION RATING BUREAU, INC.

**AVERAGE CLOSED, OPEN & INCURRED MEDICAL CLAIMS
(EXCLUDING "MEDICAL ONLY" CLAIMS)**

<u>POLICY YEAR</u>	<u>AVERAGE CLOSED</u>	<u>% CHANGE</u>	<u>AVERAGE OPEN</u>	<u>% CHANGE</u>	<u>AVERAGE INCURRED</u>	<u>% CHANGE</u>
*****	*****	*****	FIRST REPORT	*****	*****	*****
96	2,321		16,621		7,289	
97	2,703	16.46%	16,365	-1.54%	7,209	-1.10%
98	2,621	-3.03%	19,336	18.15%	8,403	16.56%
99	2,903	10.76%	19,166	-0.88%	9,258	10.17%
00	3,223	11.02%	19,682	2.69%	9,559	3.25%
01	3,815	18.37%	23,016	16.94%	11,579	21.13%
02	4,530	18.74%	34,758	51.02%	15,937	37.64%
03	4,604	1.63%	28,268	-18.67%	13,335	-16.33%
*****	*****	*****	SECOND REPORT	*****	*****	*****
95	3,536		24,178		7,621	
96	3,996	13.01%	26,710	10.47%	8,405	10.29%
97	3,937	-1.48%	26,022	-2.58%	8,001	-4.81%
98	4,116	4.55%	32,369	24.39%	9,406	17.56%
99	4,520	9.82%	33,935	4.84%	10,800	14.82%
00	4,788	5.93%	34,987	3.10%	11,645	7.82%
01	5,925	23.75%	39,471	12.82%	13,953	19.82%
02	6,703	13.13%	62,856	59.25%	19,502	39.77%
*****	*****	*****	THIRD REPORT	*****	*****	*****
94	4,377		28,883		7,116	
95	4,720	7.84%	36,082	24.92%	8,503	19.49%
96	4,912	4.07%	39,891	10.56%	9,211	8.33%
97	4,766	-2.97%	37,252	-6.62%	8,612	-6.50%
98	5,261	10.39%	45,389	21.84%	10,016	16.30%
99	6,171	17.30%	49,949	10.05%	11,939	19.20%
00	6,036	-2.19%	54,915	9.94%	13,399	12.23%
01	7,578	25.55%	65,588	19.44%	16,462	22.86%
*****	*****	*****	FOURTH REPORT	*****	*****	*****
93	5,068		42,162		8,285	
94	4,959	-2.15%	37,393	-11.31%	7,328	-11.55%
95	5,418	9.26%	45,448	21.54%	8,565	16.88%
96	5,744	6.02%	46,832	3.05%	9,400	9.75%
97	6,146	7.00%	45,344	-3.18%	9,144	-2.72%
98	6,286	2.28%	54,547	20.30%	10,453	14.32%
99	7,243	15.22%	69,740	27.85%	12,589	20.43%
00	7,486	3.35%	82,243	17.93%	15,472	22.90%
*****	*****	*****	FIFTH REPORT	*****	*****	*****
92	4,991		77,720		8,753	
93	5,679	13.78%	55,008	-29.22%	8,736	-0.19%
94	5,501	-3.13%	43,443	-21.02%	7,544	-13.64%
95	5,832	6.02%	70,126	61.42%	9,304	23.33%
96	6,335	8.62%	58,890	-16.02%	9,936	6.79%
97	6,605	4.26%	58,491	-0.68%	9,669	-2.69%
98	6,977	5.63%	68,384	16.91%	11,128	15.09%
99	8,397	20.35%	92,085	34.66%	13,905	24.96%

SOURCE: UNIT STATISTICAL DATA