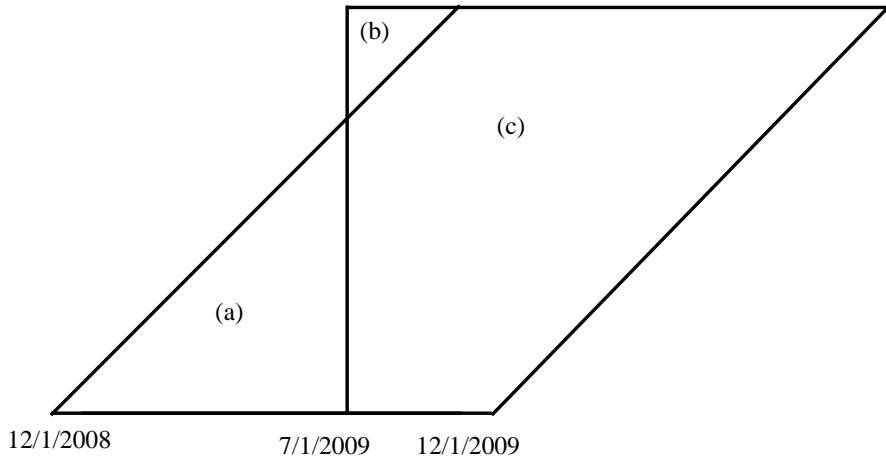


DELAWARE COMPENSATION RATING BUREAU, INC.

Effect of 7/1/09 Benefit Change

Effect of 7/1/2009 Benefit Change on a 12/1/08 Effective Date



(a) This portion of the graph reflects the exposure of the 6/3/2008 Benefit Level on new and renewal policies as respects the current loss cost filing. This area covers 0.17014 policy years.

(b) This portion of the graph reflects the exposure of the 7/1/2009 Benefit Level on outstanding policies as respects the current loss cost filing. This area covers 0.08681 policy years.

(c) This portion of the graph reflects the exposure of the 7/1/2009 Benefit Level on new and renewal policies as respects the current loss cost filing. This area covers 0.82986 policy years.

(d) Benefit Change (Page 10.2) = 1.0010

(e) Adjustment to reflect one-year period available to collect premium on 0.9167 years of exposure = 0.9167

(f) Overall effect of 7/1/2009 Benefit Change $(1+(e)[(d)-1.0])$ = 1.0009

DELAWARE BENEFIT CHANGES

<u>Injury Type</u>	Five Year Losses From Table II <u>(1)</u>	Increase Factor <u>(2)</u>	Losses at 7/01/09 Level (1)*(2) <u>(3)</u>
DEATH	\$14,688,500	1.0032	\$14,735,503
PERMANENT TOTAL	56,185,100	1.0033	56,370,511
MAJOR			
Specific Loss	298,839,923	1.0033	299,826,095
Loss of Earnings	26,843,477	1.0002	26,848,846
MINOR			
Specific Loss	54,316,062	1.0033	54,495,305
Loss of Earnings	3,393,238	0.9997	3,392,220
TEMPORARY	42,920,000	1.0033	43,061,636
INDEMNITY	497,186,300	1.0031	498,730,116
MEDICAL	1,109,500,500	1.0000	1,109,500,500
TOTAL	\$1,606,686,800		\$1,608,230,616

Total Effect of 07/01/2009 Benefit Change:

$$\text{[Total of (3) } \div \text{ Total of (1)]} = 1.0010$$

Calculation of Delaware Statewide Average Weekly Wage

<u>Calendar Year</u>	<u>Quarter</u>		<u>Average Quarterly Employment (+)</u>	<u>Total Quarterly Wages (+)</u>	
2006	1	Actual	407,711	5,116,522,297	
2006	2	Actual	419,165	4,623,481,158	
2006	3	Actual	419,787	4,625,628,127	
2006	4	Actual	420,466	4,888,020,451	
2007	1	Actual	408,352	5,232,640,659	
2007	2	Actual	420,277	4,729,265,678	
2007	3	Actual	421,390	4,702,738,283	
2007	4	Actual	421,058	5,054,822,487	
2008	1	Projected	408,352	5,392,236,199	= \$5,232,640,659.00 * 1.0305 (++)
2008	2	Projected	420,277	4,873,508,281	= \$4,729,265,678.00 * 1.0305 (++)
2008	3	Projected	421,390	4,846,171,801	= \$4,702,738,283.00 * 1.0305 (++)
2008	4	Projected	421,058	5,208,994,573	= \$5,054,822,487.00 * 1.0305 (++)

(1) Sum of Qtrs 1 Through 4 of Projected Total Qtrly Wages for Calendar Year 2008 = 20,320,910,854

(2) Average of Qtrs 1 Through 4 of Projected Average Qtrly Employment for CY 2008 = 417,769

(3) Calendar Year 2008 Projected Average Weekly Wage = (1)/((2)*52) = 935.41

(+) Source: Office of Occupational and Labor Market Information, ES202 data underlying the Statewide Average Weekly Wage set forth in June by the Secretary of Labor

(++) 1.0305 is an estimate for annual rate of wage inflation.

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2009

EFFECT ON SECTION 2330 BENEFITS - DEATH CASES

Statewide Average Weekly Wage = 935.41

	PRESENT	2009
(I) Workers Capped at Maximum > 2/3 SAWW		
(1) Maximum Weekly Compensation	619.32	623.61
(2) Statewide Average Weekly Wage	935.41	935.41
(3) Min. Wage to be Limited to Maximum Benefit	928.99	935.42
(4) Ratio: (3) ÷ (2)	0.9931	1.0000
(5) (4) to Nearest 5%	1.00	1.00
(6) (A) for (5)	63.5500	63.5500
(7) 100 - (6)	36.4500	36.4500
(8) [(1)] * (7) ÷ 100	225.7421	227.3058
(II) Workers at 2/3 Wages		
(9) Maximum Wage; SAWW	928.98	935.41
(10) Minimum Wage; 1/3 SAWW	309.67	311.81
(11) (9) ÷ (2)	0.9931	1.0000
(12) (10) ÷ (2)	0.3311	0.3333
(13) (11) to Nearest 5%	1.00	1.00
(14) (12) to Nearest 5%	0.35	0.35
(15) (B) for (13)	43.4800	43.4800
(16) (B) for (14)	1.6100	1.6100
(17) (15) - (16)	41.8700	41.8700
(18) [2/3 * (2)] * (17) ÷ 100	261.1041	261.1041
(III) Workers Raised to Minimum < 2/9 SAWW		
(19) Minimum Weekly Compensation	206.44	207.87
(20) Maximum Wage to be Limited to Minimum Benefit	309.66	311.80
(21) (19) ÷ (2)	0.2207	0.2222
(22) (21) to Nearest 5%	0.20	0.20
(23) (A) for (22)	1.3600	1.3600
(24) [(19)] * (23) ÷ 100	2.8076	2.8270
(25) [(8) + (18) + (24)]	489.6538	491.2369

Effect of Change: $491.24 \div 489.65 = 1.0032$

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2009
EFFECT ON SECTION 2324 and 2326 BENEFITS - TOTAL DISABILITY CASES
(TEMPORARY & PERMANENT), and PERMANENT PARTIAL SCHEDULED CASES

Statewide Average Weekly Wage = 935.41

(I) Workers Capped at Maximum > 2/3 SAWW	PRESENT	2009
(1) Maximum Weekly Compensation	619.32	623.61
(2) Statewide Average Weekly Wage	935.41	935.41
(3) Min. Wage to be Limited to Maximum Benefit	928.99	935.42
(4) Ratio: (3) ÷ (2)	0.9931	1.0000
(5) (4) to Nearest 5%	1.00	1.00
(6) (A) for (5)	63.5500	63.5500
(7) 100 - (6)	36.4500	36.4500
(8) [(1)] * (7) ÷ 100	225.7421	227.3058
(II) Workers at 2/3 Wages		
(9) Maximum Wage; SAWW	928.98	935.41
(10) Minimum Wage; 1/3 SAWW	309.67	311.81
(11) (9) ÷ (2)	0.9931	1.0000
(12) (10) ÷ (2)	0.3311	0.3333
(13) (11) to Nearest 5%	1.00	1.00
(14) (12) to Nearest 5%	0.35	0.35
(15) (B) for (13)	43.4800	43.4800
(16) (B) for (14)	1.6100	1.6100
(17) (15) - (16)	41.8700	41.8700
(18) [2/3 * (2)] * (17) ÷ 100	261.1041	261.1041
(III) Workers at Intermediate Minimum < 2/9 SAWW		
(19) Intermediate Minimum Weekly Compensation	206.44	207.87
(20) Maximum Wage; 1/3 SAWW	309.66	311.80
(21) Minimum Wage; 2/9 SAWW	206.45	207.88
(22) (20) ÷ (2)	0.3310	0.3333
(23) (21) ÷ (2)	0.2207	0.2222
(24) (22) to Nearest 5%	0.35	0.35
(25) (23) to Nearest 5%	0.20	0.20
(26) (A) for (24)	6.0000	6.0000
(27) (A) for (25)	1.3600	1.3600
(28) (26) - (27)	4.6400	4.6400
(29) [(19)] * (28) ÷ 100	9.5788	9.6452
(IV) Workers at 100% of Wages		
(30) Maximum Wage;> 2/9 SAWW	206.44	207.87
(31) (30) ÷ (2)	0.2207	0.2222
(32) (31) to Nearest 5%	0.20	0.20
(33) (B) for (32)	0.1900	0.1900
(34) [1.0 * (2)] * (33) ÷ 100	1.7773	1.7773
(35) [(8) + (18) + (29) + (34)]	498.2023	499.8324

Effect of Change: 499.83 ÷ 498.20 = 1.0033

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2009

EFFECT OF SECTION 2325 BENEFITS - MAJOR CASES

Statewide Average Weekly Wage = 935.41

	PRESENT	2009
(1) % of Lost Earnings Compensated	2/3	2/3
(2) Average Loss of Earning Power	0.40	0.40
(3) Nominal % of Compensation: (1)*(2)	0.267	0.267
(4) Maximum Weekly Compensation	619.32	623.61
(5) Eff. Wkly. Wage for Max. Benefits: (4)÷(3)	2319.55	2335.62
(6) Average Weekly Wage	935.41	935.41
(7) Ratio to Average %: (5)÷(6)	2.4797	2.4969
(8) Line (7) adjusted to nearest 5%	2.50	2.50
(9) (B) for (8) from Wage Table	96.7900	96.7900
(10) (A) for (8) from Wage Table	99.1800	99.1800
(11) Difference: 100.00-(10)	0.8200	0.8200
(12) Product: (7)*(11)	2.0334	2.0475
(13) Limit Factor: [(9)+(12)] %	98.8234	98.8375
(14) Effective Average Weekly Wage: (13)*(6)÷100	924.40	924.54
(15) Average Benefit: (14)*(3)	246.81	246.85

Effect of Change: $246.85 \div 246.81 = 1.0002$

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2009

EFFECT OF SECTION 2325 BENEFITS - MINOR CASES

Statewide Average Weekly Wage = 935.41

	PRESENT	2009
(1) % of Lost Earnings Compensated	2/3	2/3
(2) Average Loss of Earning Power	0.25	0.25
(3) Nominal % of Compensation: (1)*(2)	0.167	0.167
(4) Maximum Weekly Compensation	619.32	623.61
(5) Eff. Wkly. Wage for Max. Benefits: (4)÷(3)	3708.50	3734.19
(6) Average Weekly Wage	935.41	935.41
(7) Ratio to Average %: (5)÷(6)	3.9646	3.9920
(8) Line (7) adjusted to nearest 5%	3.95	4.00
(9) (B) for (8) from Wage Table	98.9500	98.9600
(10) (A) for (8) from Wage Table	99.8900	99.9000
(11) Difference: 100.00-(10)	0.1100	0.1000
(12) Product: (7)*(11)	0.4361	0.3992
(13) Limit Factor: [(9)+(12)] %	99.3861	99.3592
(14) Effective Average Weekly Wage: (13)*(6)÷100	929.67	929.42
(15) Average Benefit: (14)*(3)	155.25	155.21

Effect of Change: $155.21 \div 155.25 = 0.9997$

**STANDARD WAGE DISTRIBUTION TABLE
(1991 DCI STATES)**

R = Ratio to Average Wage

A = Percentage of workers receiving not more than the percentage of the average wage indicated by Column R

B = Percentage of wages received by the percentage of workers in Column A

R	A	B	R	A	B	R	A	B
0.05	0.2400	0.0100	2.40	98.9500	96.2100	4.75	100.0000	100.0000
0.10	0.3900	0.0200	2.45	99.0800	96.5400	4.80	100.0000	100.0000
0.15	0.7100	0.0600	2.50	99.1800	96.7900	4.85	100.0000	100.0000
0.20	1.3600	0.1900	2.55	99.2700	97.0400	4.90	100.0000	100.0000
0.25	2.6100	0.4900	2.60	99.3500	97.2500	4.95	100.0000	100.0000
0.30	4.0800	0.9300	2.65	99.4100	97.4100	5.00	100.0000	100.0000
0.35	6.0000	1.6100	2.70	99.4800	97.6000	5.05	100.0000	100.0000
0.40	8.8000	2.7600	2.75	99.5200	97.7100	5.10	100.0000	100.0000
0.45	13.1000	4.7400	2.80	99.5700	97.8700	5.15	100.0000	100.0000
0.50	17.6600	7.1000	2.85	99.6100	97.9900	5.20	100.0000	100.0000
0.55	22.4100	9.7900	2.90	99.6400	98.0800	5.25	100.0000	100.0000
0.60	27.6600	13.0700	2.95	99.6700	98.1700	5.30	100.0000	100.0000
0.65	32.7900	16.5200	3.00	99.7000	98.2600	5.35	100.0000	100.0000
0.70	37.8200	20.2000	3.05	99.7300	98.3500	5.40	100.0000	100.0000
0.75	42.7100	24.0300	3.10	99.7600	98.4300	5.45	100.0000	100.0000
0.80	47.4600	28.0000	3.15	99.7700	98.4900	5.50	100.0000	100.0000
0.85	52.0300	32.0700	3.20	99.7900	98.5700	5.55	100.0000	100.0000
0.90	56.2400	36.0400	3.25	99.8000	98.6100	5.60	100.0000	100.0000
0.95	60.0300	39.8100	3.30	99.8100	98.6500	5.65	100.0000	100.0000
1.00	63.5500	43.4800	3.35	99.8200	98.6800	5.70	100.0000	100.0000
1.05	66.8200	47.0500	3.40	99.8400	98.7300	5.75	100.0000	100.0000
1.10	69.7500	50.3900	3.45	99.8400	98.7500	5.80	100.0000	100.0000
1.15	72.5100	53.7300	3.50	99.8500	98.7800	5.85	100.0000	100.0000
1.20	75.1200	56.9900	3.55	99.8600	98.8000	5.90	100.0000	100.0000
1.25	77.6400	60.2900	3.60	99.8600	98.8200	5.95	100.0000	100.0000
1.30	79.9700	63.4400	3.65	99.8700	98.8500	6.00	100.0000	100.0000
1.35	82.0200	66.3300	3.70	99.8800	98.8900	6.05	100.0000	100.0000
1.40	83.9600	69.1500	3.75	99.8800	98.9000	6.10	100.0000	100.0000
1.45	85.6300	71.6700	3.80	99.8900	98.9200	6.15	100.0000	100.0000
1.50	87.2000	74.1200	3.85	99.8900	98.9400	6.20	100.0000	100.0000
1.55	88.6700	76.4900	3.90	99.8900	98.9400	6.25	100.0000	100.0000
1.60	90.0900	78.8400	3.95	99.8900	98.9500	6.30	100.0000	100.0000
1.65	91.3100	80.9100	4.00	99.9000	98.9600	6.35	100.0000	100.0000
1.70	92.4600	82.9400	4.05	100.0000	100.0000	6.40	100.0000	100.0000
1.75	93.3900	84.6300	4.10	100.0000	100.0000	6.45	100.0000	100.0000
1.80	94.2200	86.1800	4.15	100.0000	100.0000	6.50	100.0000	100.0000
1.85	94.9000	87.4900	4.20	100.0000	100.0000	6.55	100.0000	100.0000
1.90	95.5500	88.7600	4.25	100.0000	100.0000	6.60	100.0000	100.0000
1.95	96.1800	90.0300	4.30	100.0000	100.0000	6.65	100.0000	100.0000
2.00	96.6900	91.1000	4.35	100.0000	100.0000	6.70	100.0000	100.0000
2.05	97.1700	92.1000	4.40	100.0000	100.0000	6.75	100.0000	100.0000
2.10	97.5500	92.9400	4.45	100.0000	100.0000	6.80	100.0000	100.0000
2.15	97.9300	93.7700	4.50	100.0000	100.0000	6.85	100.0000	100.0000
2.20	98.2200	94.4400	4.55	100.0000	100.0000	6.90	100.0000	100.0000
2.25	98.4600	95.0000	4.60	100.0000	100.0000	6.95	100.0000	100.0000
2.30	98.6600	95.4800	4.65	100.0000	100.0000	7.00	100.0000	100.0000
2.35	98.8300	95.9000	4.70	100.0000	100.0000			