

DELAWARE COMPENSATION RATING BUREAU, INC.

Delaware Workplace Safety Program and Merit Rating Plan

Effective July 1, 1999, a revised Workplace Safety Program was introduced in the State of Delaware. All experience rated risks are eligible to participate, removing the previously imposed upper limit of \$60,000. The credit is equal to 20% of the complement of their experience rating plan credibility. Page 29.1 shows Workplace Safety Program data for eligible and participating risks under the new program.

Also effective July 1, 1999, a Merit Rating Plan was established in the State of Delaware. This Plan is for risks not eligible for Experience Rating. In order to qualify for a Merit Rating discount, a risk must have no indemnity claims during the last three completed policy periods. The program is revenue neutral with one indemnity claim and the risk receives a surcharge for two or more indemnity claims.

Page 29.2 shows the surcharge to manual residual market rates and voluntary market loss costs for the Merit Rating Plan and Workplace Safety Program.

**DELAWARE COMPENSATION RATING BUREAU, INC.**

**DELAWARE WORKPLACE SAFETY PROGRAM  
RATING YEAR 2007**

Policy Size		Participating				Eligible		% Participating	
From	To	# Risks	Std Premium	Credit	% Credit	# Risks	Std Premium	# Risks	SEP
3,161	5,000	50	206,015	39,147	19.0%	1,339	5,340,908	3.7%	3.9%
5,001	7,500	95	589,524	112,010	19.0%	1,168	7,158,208	8.1%	8.2%
7,501	10,000	95	835,890	158,246	18.9%	785	6,807,413	12.1%	12.3%
10,001	12,500	80	907,568	169,428	18.7%	571	6,408,528	14.0%	14.2%
12,501	15,000	66	905,377	166,903	18.4%	413	5,650,678	16.0%	16.0%
15,001	17,500	60	972,164	176,819	18.2%	346	5,604,650	17.3%	17.3%
17,501	20,000	77	1,448,204	259,010	17.9%	301	5,665,244	25.6%	25.6%
20,001	25,000	105	2,355,122	413,135	17.5%	417	9,295,857	25.2%	25.3%
25,001	30,000	100	2,741,160	468,044	17.1%	303	8,281,403	33.0%	33.1%
30,001	35,000	65	2,080,933	347,510	16.7%	221	7,100,054	29.4%	29.3%
35,001	40,000	52	1,941,480	315,257	16.2%	183	6,814,141	28.4%	28.5%
40,001	45,000	50	2,130,498	335,351	15.7%	130	5,528,939	38.5%	38.5%
45,001	50,000	43	2,032,242	312,876	15.4%	100	4,723,424	43.0%	43.0%
50,001	55,000	41	2,151,370	328,116	15.3%	102	5,343,559	40.2%	40.3%
55,001	60,000	31	1,789,794	266,686	14.9%	85	4,873,792	36.5%	36.7%
60,001	70,000	60	3,865,352	555,740	14.4%	166	10,723,366	36.1%	36.0%
70,001	80,000	50	3,757,700	514,315	13.7%	124	9,314,501	40.3%	40.3%
80,001	90,000	37	3,137,149	423,139	13.5%	106	8,967,905	34.9%	35.0%
90,001	100,000	28	2,666,642	331,562	12.4%	74	7,029,594	37.8%	37.9%
100,001	200,000	165	22,933,003	2,528,665	11.0%	364	50,568,920	45.3%	45.3%
200,001	300,000	55	13,522,045	1,133,368	8.4%	135	32,981,978	40.7%	41.0%
300,001	400,000	20	6,870,144	484,544	7.1%	55	18,906,754	36.4%	36.3%
400,001	500,000	12	5,370,422	360,355	6.7%	35	15,603,714	34.3%	34.4%
500,001	1,000,000	23	14,717,472	726,035	4.9%	68	46,002,578	33.8%	32.0%
1,000,001	& higher	5	8,748,177	174,158	2.0%	45	93,061,558	11.1%	9.4%
3,161	60,000	1,010	23,087,341	3,868,538	16.8%	6,464	94,596,798	15.6%	24.4%
60,001	& higher	455	85,588,106	7,231,881	8.4%	1,172	293,160,868	38.8%	29.2%
Grand Total		1,465	108,675,447	11,100,419	10.2%	7,636	387,757,666	19.2%	28.0%

Average Credit - All Eligible Risks

**2.86%**

**Delaware Compensation Rating Bureau, Inc.**

**Offset for Merit Rating Plan and Workplace Safety Program - December 1, 2008**

<b>Risk Type</b>	<b>Manual Premium</b>	<b>Merit Rating Adjustment</b>	<b>%</b>	<b>Workplace Safety Adjustment</b>	<b>%</b>	<b>Combined Adjustment</b>	<b>%</b>
<b>Non-Rated Risks</b>							
1. Not Qualified for MRP	9,799,241	-	0.00%			-	0.00%
2. Qualified for MRP Discount	9,683,382	(484,289)	-5.00%			(484,289)	-5.00%
3. Qualified for MRP No Adjustment	1,210,129	-	0.00%			-	0.00%
4. Qualified for MRP Surcharge	339,384	16,968	5.00%			16,968	5.00%
Total Non-Rated Risks	21,032,136	(467,321)	-2.22%			(467,321)	-2.22%
<b>Experience Rated Risks</b>	254,158,737			(7,268,940)	-2.86%	(7,268,940)	-2.86%
<b>All Risks</b>	275,190,873	(467,321)	-0.17%	(7,268,940)	-2.64%	(7,736,261)	-2.81%
<b>Adjustment to Manual Premium *</b>							<b>2.89% *</b>

\* .0289 = 275,190,873 / (275,190,873-7,736,261) - 1.0