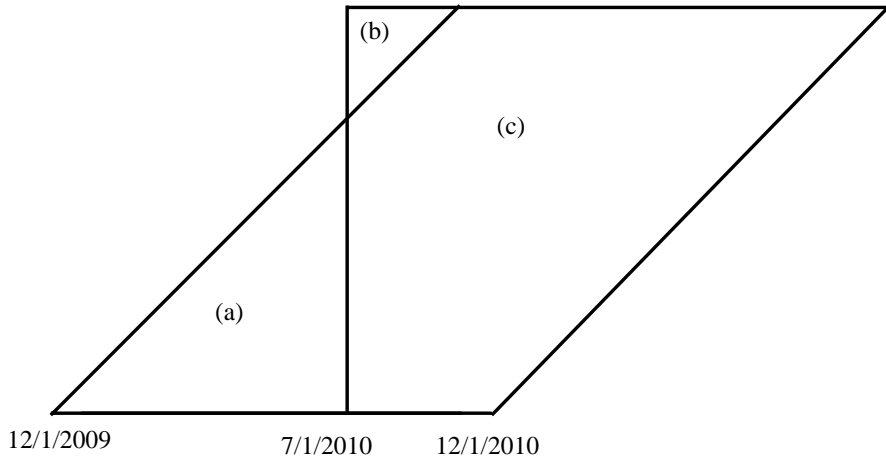


DELAWARE COMPENSATION RATING BUREAU, INC.

Effect of 7/1/10 Benefit Change

Effect of 7/1/2010 Benefit Change on a 12/1/09 Effective Date



(a) This portion of the graph reflects the exposure of the 7/4/2009 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 7/1/2010 Benefit Level on outstanding policie 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 7/1/2010 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) = 0.9991

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

(f) Overall effect of 7/1/2010 Benefit Change $(1+(e)[(d)-1.0])$ = 0.9992

DELAWARE BENEFIT CHANGES

<u>Injury Type</u>	<u>Five Year Losses From Table II (1)</u>	<u>Increase Factor (2)</u>	<u>Losses at 7/01/09 Level (1)*(2) (3)</u>
DEATH	\$13,849,800	0.9972	\$13,811,021
PERMANENT TOTAL	36,130,900	0.9972	36,029,733
MAJOR			
Specific Loss	242,968,965	0.9972	242,288,652
Loss of Earnings	21,824,835	0.9999	21,822,653
MINOR			
Specific Loss	67,362,240	0.9972	67,173,626
Loss of Earnings	4,208,260	0.9999	4,207,839
TEMPORARY	47,709,600	0.9972	47,576,013
INDEMNITY	434,054,600	0.9974	432,909,537
MEDICAL	908,779,700	1.0000	908,779,700
TOTAL	\$1,342,834,300		\$1,341,689,237

Total Effect of 07/01/2010 Benefit Change:

[Total of (3) ÷ Total of (1)] = 0.9991

Calculation of Delaware Statewide Average Weekly Wage

<u>Calendar Year</u>	<u>Quarter</u>		<u>Average Quarterly Employment (+)</u>	<u>Total Quarterly Wages (+)</u>
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	421,772	5,061,360,578
2008	1	Actual	411,143	5,274,748,854
2008	2	Actual	419,207	4,689,159,751
2008	3	Actual	417,754	4,766,264,832
2008	4	Actual	412,288	5,040,127,568
2009	1	Projected	411,143	5,355,452,511 = \$5,274,748,854.00 * 1.0153 (++)
2009	2	Projected	419,207	4,760,903,895 = \$4,689,159,751.00 * 1.0153 (++)
2009	3	Projected	417,754	4,839,188,684 = \$4,766,264,832.00 * 1.0153 (++)
2009	4	Projected	412,288	5,117,241,520 = \$5,040,127,568.00 * 1.0153 (++)

(1) Sum of Qtrs 1 Through 4 of Projected Total Qtrly Wages for Calendar Year 2009 = 20,072,786,610

(2) Average of Qtrs 1 Through 4 of Projected Average Qtrly Employment for CY 2009 = 415,098

(3) Calendar Year 2009 Projected Average Weekly Wage = (1)/(2)*52 = 929.94

(+) 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

(++) 1.0153 is an estimate for annual rate of wage inflation.

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2010

EFFECT ON SECTION 2330 BENEFITS - DEATH CASES

Statewide Average Weekly Wage = 929.94

	PRESENT	2009
(I) Workers Capped at Maximum > 2/3 SAWW		
(1) Maximum Weekly Compensation	623.61	619.96
(2) Statewide Average Weekly Wage	929.94	929.94
(3) Min. Wage to be Limited to Maximum Benefit	935.42	929.95
(4) Ratio: (3) ÷ (2)	1.0059	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	227.3058	225.9754
(II) Workers at 2/3 Wages		
(9) Maximum Wage; SAWW	935.41	929.94
(10) Minimum Wage; 1/3 SAWW	311.81	309.99
(11) (9) ÷ (2)	1.0059	1.0000
(12) (10) ÷ (2)	0.3353	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	259.5773	259.5773
(III) Workers Raised to Minimum < 2/9 SAWW		
(19) Minimum Weekly Compensation	207.87	206.65
(20) Maximum Wage to be Limited to Minimum Benefit	311.80	309.98
(21) (19) ÷ (2)	0.2235	0.2222
(22) (21) to Nearest 5%	0.20	0.20
(23) (A) for (22)	1.3600	1.3600
(24) [(19)] * (23) ÷ 100	2.8270	2.8104
(25) [(8) + (18) + (24)]	489.7101	488.3631

Effect of Change: $488.36 \div 489.71 = 0.9972$

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2010
EFFECT ON SECTION 2324 and 2326 BENEFITS - TOTAL DISABILITY CASES
(TEMPORARY & PERMANENT), and PERMANENT PARTIAL SCHEDULED CASES

Statewide Average Weekly Wage = 929.94

(I) Workers Capped at Maximum > 2/3 SAWW	PRESENT	2009
(1) Maximum Weekly Compensation	623.61	619.96
(2) Statewide Average Weekly Wage	929.94	929.94
(3) Min. Wage to be Limited to Maximum Benefit	935.42	929.95
(4) Ratio: (3) ÷ (2)	1.0059	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	227.3058	225.9754
(II) Workers at 2/3 Wages		
(9) Maximum Wage; SAWW	935.41	929.94
(10) Minimum Wage; 1/3 SAWW	311.81	309.99
(11) (9) ÷ (2)	1.0059	1.0000
(12) (10) ÷ (2)	0.3353	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	259.5773	259.5773
(III) Workers at Intermediate Minimum < 2/9 SAWW		
(19) Intermediate Minimum Weekly Compensation	207.87	206.65
(20) Maximum Wage; 1/3 SAWW	311.80	309.98
(21) Minimum Wage; 2/9 SAWW	207.88	206.66
(22) (20) ÷ (2)	0.3353	0.3333
(23) (21) ÷ (2)	0.2235	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	9.6452	9.5886
(IV) Workers at 100% of Wages		
(30) Maximum Wage;> 2/9 SAWW	207.87	206.65
(31) (30) ÷ (2)	0.2235	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	1.7669	1.7669
(35) [(8) + (18) + (29) + (34)]	498.2952	496.9082

Effect of Change: 496.91 ÷ 498.30 = 0.9972

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2010

EFFECT OF SECTION 2325 BENEFITS - MAJOR CASES

Statewide Average Weekly Wage = 929.94

	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	623.61	619.96
(5) Eff. Wkly. Wage for Max. Benefits: (4)÷(3)	2335.62	2321.95
(6) Average Weekly Wage	929.94	929.94
(7) Ratio to Average %: (5)÷(6)	2.5116	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)	2.0595	2.0475
(13) Limit Factor: [(9)+(12)] %	98.8495	98.8375
(14) Effective Average Weekly Wage: (13)*(6)÷100	919.24	919.13
(15) Average Benefit: (14)*(3)	245.44	245.41

Effect of Change: $245.41 \div 245.44 = 0.9999$

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2010

EFFECT OF SECTION 2325 BENEFITS - MINOR CASES

Statewide Average Weekly Wage = 929.94

	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	623.61	619.96
(5) Eff. Wkly. Wage for Max. Benefits: (4)÷(3)	3734.19	3712.34
(6) Average Weekly Wage	929.94	929.94
(7) Ratio to Average %: (5)÷(6)	4.0155	3.9920
(8) Line (7) adjusted to nearest 5%	4.00	4.00
(9) (B) for (8) from Wage Table	98.9600	98.9600
(10) (A) for (8) from Wage Table	99.9000	99.9000
(11) Difference: 100.00-(10)	0.1000	0.1000
(12) Product: (7)*(11)	0.4015	0.3992
(13) Limit Factor: [(9)+(12)] %	99.3615	99.3592
(14) Effective Average Weekly Wage: (13)*(6)÷100	924.00	923.98
(15) Average Benefit: (14)*(3)	154.31	154.30

Effect of Change: $154.30 \div 154.31 = 0.9999$

**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			