

## DELAWARE COMPENSATION RATING BUREAU

### Claim Frequencies

The attached exhibits examine historical Workers Compensation claim frequencies in Delaware.

Claim frequencies per \$1 million of on-level expected losses are shown on page 1 based on statistics gathered by the DCRB. The indicated annual decrease in claim frequency (2002-2008) is 8.6 percent. More recent statistics show that claim frequency increased significantly to a rate of +1.3 percent for the first 9 months of 2009 and an estimated +1.5 percent for the full policy year. The Bureau has therefore selected a frequency trend rate of -8.6 percent for periods prior to 1/1/2009 and subsequent to 12/31/09. For the period 1/1/09–12/31/09, frequency trend is +1.5 percent.

The second page shows a graph of the frequencies appearing in column (5) of page 1.

The third page shows annual changes in average quarterly wages over the last eight available calendar quarters.

**Delaware W.C - Claim Frequencies**

DCRB Unit Statistical Plan  
Excluding Deductible Business

Policy Year	# of Claim Indemnity (1)	% Change Counts (2)	Expected Losses (3)	% Change Exp Loss (4)	Claim Frequency (#Claims per \$1 million) (5)	% Change Frequency (6)
1995	2,738		83,026,464		32.98	
1996	2,728	-0.4%	88,002,791	6.0%	31.00	-6.0%
1997	2,545	-6.7%	90,309,501	2.6%	28.18	-9.1%
1998	2,415	-5.1%	96,236,896	6.6%	25.09	-11.0%
1999	2,451	1.5%	98,868,937	2.7%	24.79	-1.2%
2000	2,301	-6.1%	102,297,905	3.5%	22.49	-9.3%
2001	1,973	-14.3%	100,609,460	-1.7%	19.61	-12.8%
2002	1,931	-2.1%	97,232,593	-3.4%	19.86	1.3%
2003	1,846	-4.4%	97,286,992	0.1%	18.97	-4.5%
2004	1,735	-6.0%	103,615,635	6.5%	16.74	-11.8%
2005	1,648	-5.0%	109,905,245	6.1%	14.99	-10.5%
2006	1,602	-2.8%	113,534,576	3.3%	14.11	-5.9%
2007	1,484	-7.4%	113,026,277	-0.4%	13.13	-6.9%
2008	1,288	-13.2%	111,091,906	-1.7%	11.59	-11.7%
2009 *	1,043	-19.0%	88,870,295	-20.0%	11.74	1.3%
2009 **					11.76	1.5%

\* Includes approximately 1st 9 months of PY2009.

\*\* Projected value for complete PY 2009 is 11.76 based on an annual change in claim frequency of 1.5%.

Policy Year	SAWW	% Change SAWW	SAWW Index	Adj Claim Freq. (1) (#Claims per \$1 million)	% Change Adj Claim Frequency
1995	573.52		1.0000	32.98	
1996	602.68	5.1%	1.0508	32.57	-1.2%
1997	634.35	5.3%	1.1061	31.17	-4.3%
1998	663.21	4.6%	1.1564	29.01	-6.9%
1999	689.03	3.9%	1.2014	29.78	2.7%
2000	720.50	4.6%	1.2563	28.25	-5.1%
2001	748.78	3.9%	1.3056	25.60	-9.4%
2002	772.98	3.2%	1.3478	26.77	4.6%
2003	800.52	3.6%	1.3958	26.48	-1.1%
2004	836.38	4.5%	1.4583	24.41	-7.8%
2005	872.92	4.4%	1.5220	22.81	-6.6%
2006	898.06	2.9%	1.5659	22.09	-3.2%
2007	911.83	1.5%	1.5899	20.88	-5.5%
2008	915.33	0.4%	1.5960	18.50	-11.4%
2009 (2)	922.83	0.8%	1.6091	18.89	
2009	923.91		1.6109	18.95	2.4%

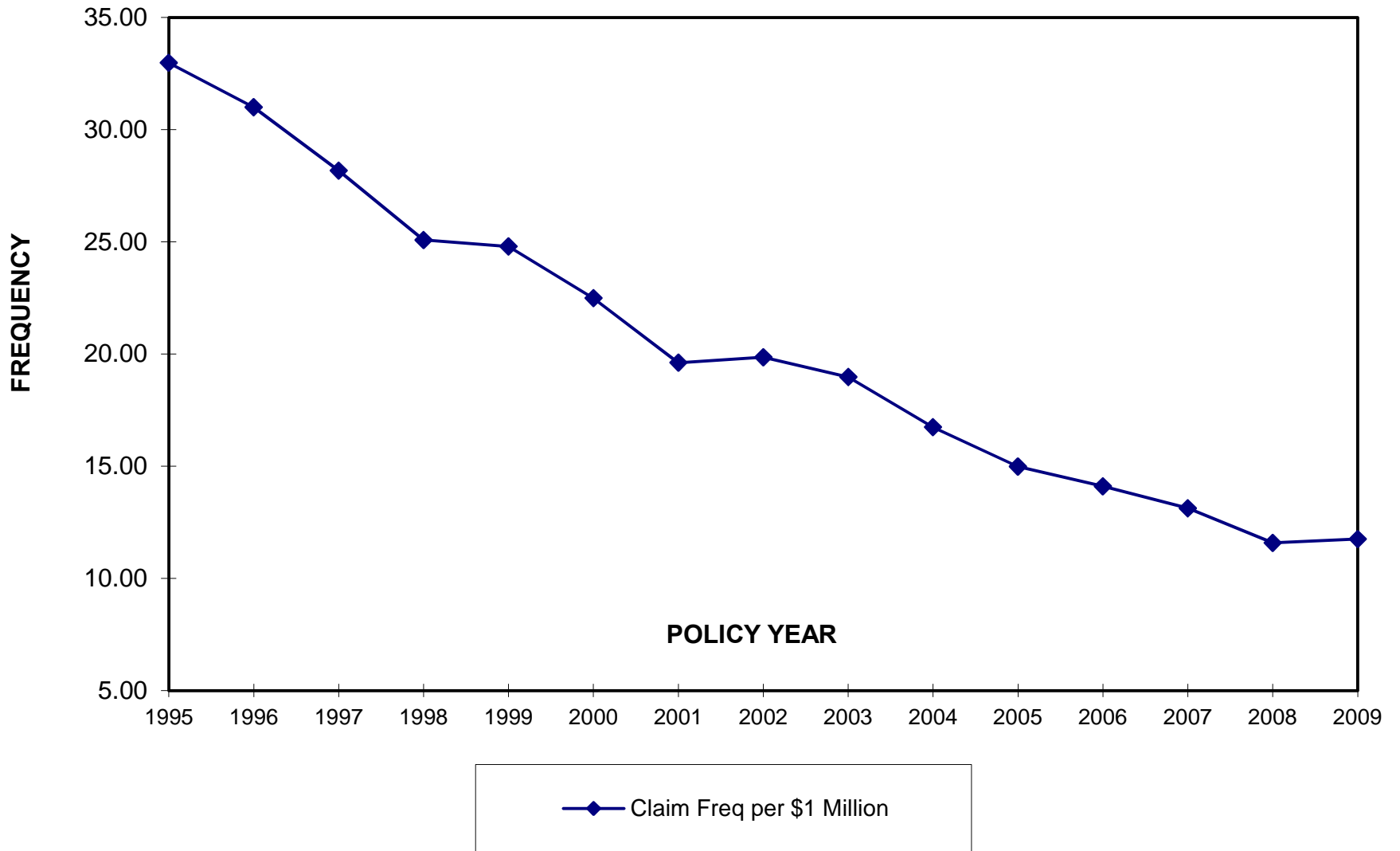
(1) Adjusted claim frequency is claim frequency per \$1 million expected losses at constant (1993) wages

(2) Includes approximately 1st 9 months of PY 2009. ( Full Year=923.91-Average of CY 2009 and 2010 )

Period	Annual % Change In Claim Frequency	Period	Annual % Change In Claim Frequency
PY95-PY09	-7.3%	PY95-PY08	-7.5%
PY96-PY09	-7.3%	PY96-PY08	-7.5%
PY97-PY09	-7.3%	PY97-PY08	-7.4%
PY98-PY09	-7.3%	PY98-PY08	-7.4%
PY99-PY09	-7.4%	PY99-PY08	-7.7%
PY00-PY09	-7.3%	PY00-PY08	-7.6%
PY01-PY09	-7.3%	PY01-PY08	-7.7%
PY02-PY09	-7.9%	PY02-PY08	-8.6%
PY03-PY09	-7.9%	PY03-PY08	-8.9%
PY04-PY09	-7.2%	PY04-PY08	-8.3%
PY05-PY09	-6.6%	PY05-PY08	-8.1%
PY06-PY09	-6.5%	PY06-PY08	-9.4%
PY07-PY09	-5.4%	PY07-PY08	-11.7%
PY08-PY09	1.5%		

Period	Annual % Change In Adjusted Claim Frequency	Period	Annual % Change in SAWW
PY95-PY09	-4.0%	PY95-PY09	3.6%
PY96-PY09	-4.1%	PY96-PY09	3.5%
PY97-PY09	-4.2%	PY97-PY09	3.4%
PY98-PY09	-4.2%	PY98-PY09	3.3%
PY99-PY09	-4.5%	PY99-PY09	3.1%
PY00-PY09	-4.6%	PY00-PY09	3.0%
PY01-PY09	-4.7%	PY01-PY09	2.8%
PY02-PY09	-5.5%	PY02-PY09	2.7%
PY03-PY09	-5.7%	PY03-PY09	2.4%
PY04-PY09	-5.4%	PY04-PY09	1.9%
PY05-PY09	-5.3%	PY05-PY09	1.3%
PY06-PY09	-5.6%	PY06-PY09	0.9%
PY07-PY09	-4.7%	PY07-PY09	0.7%
PY08-PY09	2.4%	PY08-PY09	0.9%

# DE W.C- CLAIM FREQUENCIES DCRB Unit Statistical Plan (Excluding Deductible Business)



**DELAWARE COMPENSATION RATING BUREAU, INC.  
DERIVATION OF WAGE TREND**

<b>YEAR</b>	<b>QUARTER</b>	<b>SOURCE*</b>	<b>STATEWIDE AVERAGE QUARTERLY WAGE</b>	<b>ESTIMATE FOR YEARLY RATE OF WAGE INFLATION</b>
2008	1	ACTUAL	12,829	
	2	ACTUAL	11,186	
	3	ACTUAL	11,409	
	4	ACTUAL	12,225	
2009	1	ACTUAL	12,653	0.9863
	2	ACTUAL	11,097	0.9920
	3	ACTUAL	11,400	0.9992
	4	ACTUAL	12,431	1.0169
2010	1	ACTUAL	12,576	0.9939
	2	ACTUAL	11,305	1.0187
	3	ACTUAL	11,672	1.0239
	4	ACTUAL	12,982	1.0443

Latest Eight Quarter Average = 1.0094

Selected Annual Wage Trend = 1.0094

\*\* Delaware Department of Labor