

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 2012**

Policy Size		Participating				Eligible		% Participating	
From	To	# Risks	Std Premium	Credit	% Credit	# Risks	Std Premium	# Risks	SEP
3,161	5,000	144	602,177	114,418	19.0%	1,255	5,051,669	11.5%	11.9%
5,001	7,500	167	1,027,726	195,040	19.0%	963	5,884,108	17.3%	17.5%
7,501	10,000	152	1,329,981	248,851	18.7%	598	5,193,106	25.4%	25.6%
10,001	12,500	113	1,273,549	233,950	18.4%	411	4,620,945	27.5%	27.6%
12,501	15,000	96	1,320,187	238,112	18.0%	276	3,767,983	34.8%	35.0%
15,001	17,500	75	1,225,976	217,609	17.7%	239	3,879,217	31.4%	31.6%
17,501	20,000	63	1,190,082	207,910	17.5%	158	2,963,463	39.9%	40.2%
20,001	25,000	106	2,373,051	402,742	17.0%	252	5,611,622	42.1%	42.3%
25,001	30,000	69	1,892,084	312,304	16.5%	170	4,639,697	40.6%	40.8%
30,001	35,000	63	2,020,735	324,295	16.0%	140	4,520,075	45.0%	44.7%
35,001	40,000	40	1,482,697	231,212	15.6%	86	3,211,753	46.5%	46.2%
40,001	45,000	38	1,607,200	244,964	15.2%	100	4,239,877	38.0%	37.9%
45,001	50,000	33	1,554,021	231,347	14.9%	62	2,936,462	53.2%	52.9%
50,001	55,000	22	1,156,694	166,955	14.4%	38	1,995,487	57.9%	58.0%
55,001	60,000	20	1,140,379	162,643	14.3%	63	3,613,484	31.7%	31.6%
60,001	70,000	44	2,857,742	386,673	13.5%	94	6,102,168	46.8%	46.8%
70,001	80,000	29	2,159,448	273,328	12.7%	67	5,026,859	43.3%	43.0%
80,001	90,000	20	1,701,644	216,103	12.7%	47	4,001,554	42.6%	42.5%
90,001	100,000	18	1,707,301	212,634	12.5%	48	4,572,357	37.5%	37.3%
100,001	200,000	87	12,193,102	1,244,558	10.2%	194	26,672,887	44.8%	45.7%
200,001	300,000	19	4,586,823	375,830	8.2%	57	13,932,903	33.3%	32.9%
300,001	400,000	16	5,694,590	403,061	7.1%	49	16,836,369	32.7%	33.8%
400,001	500,000	1	425,259	41,675	9.8%	11	4,781,862	9.1%	8.9%
500,001	1,000,000	11	7,453,345	344,233	4.6%	35	23,524,137	31.4%	31.7%
1,000,001	& higher	2	2,042,436	55,158	2.7%	23	48,632,207	8.7%	4.2%
3,161	60,000	1,201	21,196,539	3,532,352	16.7%	4,811	62,128,948	25.0%	34.1%
60,001	& higher	247	40,821,690	3,553,253	8.7%	625	154,083,303	39.5%	26.5%
Grand Total		1,448	62,018,229	7,085,605	11.4%	5,436	216,212,251	26.6%	28.7%

Average Credit - All Eligible Risks

3.28%

Delaware Compensation Rating Bureau, Inc.

Offset for Merit Rating Plan and Workplace Safety Program - December 1, 2013

Risk Type	Manual Premium	Merit Rating Adjustment	%	Workplace Safety Adjustment	%	Combined Adjustment	%
Non-Rated Risks							
1. Not Qualified for MRP	5,558,787	-	0.00%			-	0.00%
2. Qualified for MRP Discount	7,882,979	(394,149)	-5.00%			(394,149)	-5.00%
3. Qualified for MRP No Adjustment	880,774	-	0.00%			-	0.00%
4. Qualified for MRP Surcharge	292,332	14,616	5.00%			14,616	5.00%
Total Non-Rated Risks	14,614,872	(379,533)	-2.60%			(379,533)	-2.60%
Experience Rated Risks	150,164,181			(4,925,385)	-3.28%	(4,925,385)	-3.28%
All Risks	164,779,053	(379,533)	-0.23%	(4,925,385)	-2.99%	(5,304,918)	-3.22%
Adjustment to Manual Premium *							3.33% *

* .0333 = 164,779,053 / (164,779,053-5,304,918) - 1.0