



August 2, 2023

VIA SERFF

The Honorable Trinidad Navarro
Insurance Commissioner
Insurance Department
State of Delaware
1351 West North Street, Suite 101
Dover, DE 19904

Attention: Tanisha Merced, Deputy Insurance Commissioner

RE: DCRB Filing No. 2304
Workers Compensation Residual Market Rate and Voluntary Market Loss Cost Filing
Proposed Effective December 1, 2023 (Selected Portions Effective June 1, 2024)
and Revisions to Designated Auditable Payrolls

Dear Commissioner Navarro:

On behalf of the members of the Delaware Compensation Rating Bureau, Inc. (DCRB), enclosed is a filing of proposed changes to Residual Market Rates and Voluntary Market Loss Costs in Delaware, along with changes to associated rating values and supplementary rate and rule information. This filing includes revisions to the Designated Auditable Payroll language with updated manual pages in Section 1 of the Basic Manual. Previously, this change was always coordinated with the Annual Filing, but filed separately. It was considered logical to combine these two filings given that Annual Filing already contains both rate and rule revisions, interdependencies between them, and a common effective date. Also, this filing includes updates to the Hazard Groups by class, as explained in the Actuarial Memorandum. The following summarizes the annualized overall impact of the proposed changes:

Indicated and Proposed Changes	
Residual Market Rates	Voluntary Market Loss Costs
-11.18%	-7.24%

This filing is made in compliance with provisions of House Bill 241, workers compensation insurance legislation enacted in 1993. Most of these revisions are proposed to be effective on a new and renewal basis for workers compensation insurance policies with effective dates on or after 12:01 a.m., December 1, 2023. The portions of this filing updating the table of qualifying wages and credits for the Delaware Construction Classification Premium Adjustment Program are proposed to be effective on a new and renewal basis for workers compensation policies with effective dates on or after 12:01 a.m., June 1, 2024.

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Similar to last year, the filing includes considerations related to the COVID-19 pandemic, such as the treatment of COVID-19 claims and COVID-19 economic-related adjustments. These considerations are described in the Actuarial Memorandum.

In preparing this filing, the DCRB has carefully considered current Delaware experience and has applied various actuarial and economic analytical techniques that collectively support the proposal. The Actuarial Memorandum also includes some proposed methodology changes affecting tail factors and the Profit and Contingency load used in the rates. A detailed discussion of the considerations, methods, and exhibits can be found there.

The anticipated impact of House Bill 373 of 2014 is fully incorporated in the calculations underlying the proposed change.

Please direct any questions to Brent Otto, Vice President of Actuarial Services and Chief Actuary, or Jesse Marass, Director of Actuarial Services. DCRB staff will be pleased to cooperate with and assist the Insurance Department in its prompt consideration of these proposals.

Sincerely,

William V. Taylor
President