

August 19, 2021

**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. 2104  
 Workers Compensation Residual Market Rate and Voluntary Market Loss Cost Filing  
**Proposed Effective December 1, 2021 (Selected Portions Effective June 1, 2022)**

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 information. The following summarizes the annualized overall impact of the proposed changes:

Indicated and Proposed Changes	
Residual Market Rate	Voluntary Market Loss Costs
+8.21%	-19.40%

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, 2021. 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, 2022.

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 a variety of actuarial and economic analytical techniques that collectively support the

proposal. The Actuarial Memorandum also includes several proposed methodology changes affecting the paid tail bridge factors and the tail factors, including the Tail Attachment Point. Also, claim counts were developed to an ultimate basis in the frequency calculations rather than using claim counts at the 1<sup>st</sup> report level. 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. The approach used for the legislative adjustments was also revised and is explained in the Actuarial Memorandum.

Please direct any questions to me, Brent Otto, Vice President of Actuarial Services, or Chief Actuary, or Ken Creighton, 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

**Superseded**