

DELAWARE COMPENSATION RATING BUREAU, INC. (DCRB)

ANALYSIS OF EXPERIENCE UNDER THE DELAWARE SCHEDULE RATING PLAN

Schedule rating is a means of providing pricing flexibility by adjusting the loss and / or expense components of an insured risk's premium to reflect characteristics of the risk which are deemed to be not adequately reflected in either prior experience or current rates of the insured risk.

The DCRB has compiled and reviewed aggregate statistical data for schedule rating programs covering Policy Years 2006 (Exhibit I) through 2020 (Exhibit XV) and the total of those years (Exhibit XVI).

Exhibits I through XVI each present 16 statistics (described in the Appendix below) separately for each of the following four groups of policies:

1. Experience for policies subject to schedule rating and receiving **schedule rating credits** during the indicated 12-month experience period (Column (1)).
2. Experience for policies subject to schedule rating and receiving **schedule rating debits** during the indicated 12-month experience period (Column (2)).
3. Experience for policies **not subject to schedule rating** during the indicated 12-month experience period (Column (3)).
4. Experience for all policies during the indicated 12-month experience period (Column (4)). This represents the sum of all risks identified in columns (1), (2) and (3).

Due to the development of a new data management system, the experience of all risks is now included in this report. Prior to last year's report, only the experience of risks that were subject to the safety credit eligibility threshold were included.

The following summary observations are based on a review of Exhibits I through XVI:

- Over the period 2006 to 2020, risks receiving **schedule rating credits** tended to receive larger credits than were indicated by an after-the-fact assessment of their experience. For those risks receiving schedule rating credits, the average credit applied was 27%, while the average credit indicated for those same risks was only 6%.
- Risks receiving **schedule rating debits** tended to receive smaller debits than were indicated by an after-the-fact assessment of their experience. For those risks receiving schedule rating debits, the average debit was 19%, while the average debit indicated for those same risks was 35%.
- The results above suggest that carriers have tended to correctly identify the risks that should receive either schedule rating credits or debits respectively, however carriers then have generally overestimated the appropriate level of credits or underestimated the appropriate level of debits to be applied.

- This update adds Policy Year 2020, which showed similar average policy sizes and consistent average schedule usage compared to the prior years.
- Average schedule rating credits and debits were relatively more stable from year to year than were average indicated adjustments.
- Approximately 55% of eligible total standard premium was subject to schedule rating in 2020. This percentage has decreased four points since 2010, which was the 15-year high.
- The number of risks subject to schedule rating generally increased from 2006 to 2020. Premiums for schedule rated risks also generally increased from 2012 to 2017. Following that, it was relatively flat from 2017 through 2019. 2020 saw a dip in premium which can be attributed to effects from the pandemic. On a percentage basis, use of schedule rating has been fairly consistent since 2010 between 26% to 28% of risks.
- The portion of risks subject to schedule rating that received debits peaked at 22% in 2012, then generally decreased through 2017 before increasing in 2018 through 2020. Respective premiums exhibit a similar pattern, peaking at 13% in 2012 but have been more volatile following 2012. Policy Year 2020 saw a variation in the pattern with the proportion of risks that received debits increasing to 19%, the highest since 2013, but the premiums decreased to 8.3%, the lowest since 2009.
- Over the 15-year period, risks subject to schedule rating were roughly two and a half times larger than risks not subject to the schedule rating, and schedule rated risks with credits tended to be larger than those risks with debits.
- Over the 15-year period, schedule rated risks with credits and non-schedule rated risks showed similar claim frequencies while claim frequency for risks with debits tended to be slightly higher. Policy Year 2019 and 2020 saw larger drops in premium and claim counts as these years were impacted by the pandemic, dropping to the lowest claim counts through the 15 years in Policy Year 2020.
- With respect to claim severity, the overall average for non-schedule rated risks was similar to that of risks with schedule rating credits while risks with schedule rating debits show a slightly higher average claim severity. Schedule rated risks have seen an increase in claim severities in 2019 and 2020 while non-schedule rated risks have remained more stable through the years affected by the pandemic.

APPENDIX

Described below are the 16 statistics used in the analysis shown in Exhibits I through XVI:

- (1) Number of Risks: The number of policies issued to the groups of employers described in each column of Exhibits I through XVI. Note that some Delaware employers may not have a workers compensation policy (i.e., self-insureds or those not subject to mandatory coverage), and some insured employers may change insurers and, thus, may have different policies in effect during a given year(s).
- (2) Standard Premium: The product of reported exposures for each group of employers described in each column of Exhibits I through XVI times approved DCRB loss costs times each employer's experience modification (if applicable).
- (3) Average Premium: Computed by dividing total standard premium by the number of policies reported.
- (4) Schedule Rating Adjustment: The total amount of premium credits or debits given under the schedule rating plan to employers included in each column of Exhibits I through XVI.
- (5) Net Premium: The standard premium less any applicable schedule rating credits or debits. For employers not subject to schedule rating, net premium and standard premium are equal because no schedule rating adjustments were applied.
- (6) Number of Indemnity Claims: The number of indemnity claims reported on the policies described in each column of Exhibits I through XVI. Indemnity claims are cases involving some wage loss or other form of benefit payable to the worker or their dependents in addition to any applicable treatment costs.
- (7) Number of Total Claims: The total number of claims reported on the policies described in each column of Exhibits I through XVI. These counts include both indemnity claims and medical only claims, those cases involving only payment of medical treatment costs.
- (8) Indemnity Claim Frequency: The number of indemnity claims reported per \$1,000 of standard premium in each group of policies presented in Exhibits I through XVI.
- (9) Total Claim Frequency: The number of total claims reported per \$1,000 of standard premium in each group of policies presented in Exhibits I through XVI. Total claim frequency is shown bold-faced and underlined, as this statistic is one of the key bases of comparison between employer groups used in the DCRB's review of the schedule rating plan.
- (10) Incurred Losses: The reported dollar value of losses incurred on the various groups of policies presented on Exhibits I through XVI for indemnity and medical only claims.
- (11) Average Claim: Total incurred losses divided by the total number of claims. Average claim amounts are shown bold-faced and underlined, as this statistic is

another of the key bases of comparison between employer groups used in the DCRB's review of the schedule rating plan.

- (12) Loss Ratio: The total incurred losses divided by the net premium for each group of policies presented on Exhibits I through XVI. Loss ratios are shown bold-faced and underlined, as this statistic is the third key basis of comparison between employer groups used in the DCRB's review of the schedule rating plan.

The last four experience statistics are computed only for Columns (1) and (2) in each exhibit, as those columns represent risks subject to schedule rating. These statistics are described below:

- (13) Net Premium to Balance Schedule Rated Employers with Schedule Rating Credits (Column (1)) or Schedule Rated Employers with Schedule Rating Debits (Column (2)) with Non-Schedule Rated Loss Ratios: This is the amount of net premium which would produce the same loss ratio for the schedule rated employers studied in each exhibit's Columns (1) and (2) as was reported for all non-schedule rated employers (Column (3)).
- (14) Indicated Schedule Rating Credits or Debits to Balance: This is the difference between standard premium for the schedule rated employers studied in each exhibit's Columns (1) and (2) and the balancing net premium computed in Item (13).
- (15) Average Schedule Rating Credit or Debit Factor: This is the average ratio of schedule rating credits or debits actually granted to standard premium for the schedule rated employers studied in each exhibit's Columns (1) and (2). This average schedule rating credit is shown bold-faced and underlined, as this statistic is a key measure of the operation of the schedule rating plan.
- (16) Indicated Schedule Rating Credit or Debit Factor: This is the average schedule rating credit or debit ratio that would have resulted in the balancing schedule rating credits or debits computed in Item (14). This indicated schedule rating credit or debit is shown bold-faced and underlined, as this statistic is a key measure of the operation of the schedule rating plan, especially for purposes of comparison to the actual average schedule rating plan credit or debit shown in Item (15).

**Delaware Schedule Rating Plan Analysis
Policy Year 2006**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	2,811	314	14,447	17,572
(2) Standard Premium	\$161,100,551	\$8,432,511	\$195,180,140	\$364,713,202
(3) Average Premium (2)/(1)	\$57,311	\$26,855	\$13,510	\$20,755
(4) Schedule Rating Credit(Debit)	40,675,337	(\$1,511,717)	\$0	39,163,620
(5) Net Premium (2)-(4)	\$120,425,214	\$9,944,228	\$195,180,140	\$325,549,582
(6) # of Indemnity Claims	1,108	85	1,485	2,678
(7) # of Total Claims	4,258	258	5,142	9,658
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0069	0.0101	0.0076	0.0073
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0264</u>	<u>0.0306</u>	<u>0.0263</u>	<u>0.0265</u>
(10) Incurred Losses	\$34,124,808	\$3,605,033	\$47,149,795	\$84,879,636
(11) Average Claim (10)/(7)	<u>\$8.014</u>	<u>\$13.973</u>	<u>\$9.170</u>	<u>\$8.789</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.2834</u>	<u>0.3625</u>	<u>0.2416</u>	<u>0.2607</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$141,260,371	\$14,920,458	\$195,180,140	\$351,286,325
(14) Indicated SR Adjustment to Balance (2)-(13)	\$19,840,180	(\$6,487,947)	-	\$13,426,877
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2525</u>	<u>(0.1793)</u>	-	<u>0.1074</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.1232</u>	<u>(0.7694)</u>	-	<u>0.0368</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2007**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	3,618	310	14,180	18,108
(2) Standard Premium	\$177,671,740	\$8,025,237	\$185,139,865	\$370,836,842
(3) Average Premium (2)/(1)	\$49,108	\$25,888	\$13,056	\$20,479
(4) Schedule Rating Credit(Debit)	45,813,669	(\$1,322,561)	\$0	44,491,108
(5) Net Premium (2)-(4)	\$131,858,071	\$9,347,798	\$185,139,865	\$326,345,734
(6) # of Indemnity Claims	1,242	63	1,365	2,670
(7) # of Total Claims	4,701	210	4,773	9,684
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0070	0.0079	0.0074	0.0072
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0265</u>	<u>0.0262</u>	<u>0.0258</u>	<u>0.0261</u>
(10) Incurred Losses	\$40,517,788	\$1,617,107	\$49,683,098	\$91,817,993
(11) Average Claim (10)/(7)	<u>\$8.619</u>	<u>\$7.701</u>	<u>\$10.409</u>	<u>\$9.481</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.3073</u>	<u>0.1730</u>	<u>0.2684</u>	<u>0.2814</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$150,968,648	\$6,025,220	\$185,139,865	\$342,152,346
(14) Indicated SR Adjustment to Balance (2)-(13)	\$26,703,092	\$2,000,017	-	\$28,684,496
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2579</u>	<u>(0.1648)</u>	-	<u>0.1200</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.1503</u>	<u>0.2492</u>	-	<u>0.0774</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2008**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	3,904	364	13,866	18,134
(2) Standard Premium	\$152,961,918	\$7,150,842	\$140,630,032	\$300,742,792
(3) Average Premium (2)/(1)	\$39,181	\$19,645	\$10,142	\$16,584
(4) Schedule Rating Credit(Debit)	40,216,821	(\$1,191,893)	\$0	39,024,928
(5) Net Premium (2)-(4)	\$112,745,097	\$8,342,735	\$140,630,032	\$261,717,864
(6) # of Indemnity Claims	1,084	64	1,128	2,276
(7) # of Total Claims	4,281	229	4,051	8,561
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0071	0.0089	0.0080	0.0076
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0280</u>	<u>0.0320</u>	<u>0.0288</u>	<u>0.0285</u>
(10) Incurred Losses	\$42,819,472	\$2,033,383	\$36,489,996	\$81,342,851
(11) Average Claim (10)/(7)	<u>\$10.002</u>	<u>\$8.879</u>	<u>\$9.008</u>	<u>\$9.502</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.3798</u>	<u>0.2437</u>	<u>0.2595</u>	<u>0.3108</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$165,011,899	\$7,834,777	\$140,630,032	\$313,456,309
(14) Indicated SR Adjustment to Balance (2)-(13)	(\$12,049,981)	(\$683,935)	-	(\$12,713,517)
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2629</u>	<u>(0.1667)</u>	-	<u>0.1298</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>(0.0788)</u>	<u>(0.0956)</u>	-	<u>(0.0423)</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2009**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	3,958	567	13,312	17,837
(2) Standard Premium	\$113,034,094	\$10,762,472	\$91,056,359	\$214,852,925
(3) Average Premium (2)/(1)	\$28,558	\$18,981	\$6,840	\$12,045
(4) Schedule Rating Credit(Debit)	31,689,022	(\$2,382,246)	\$0	29,306,776
(5) Net Premium (2)-(4)	\$81,345,072	\$13,144,718	\$91,056,359	\$185,546,149
(6) # of Indemnity Claims	1,112	120	967	2,199
(7) # of Total Claims	4,131	483	3,396	8,010
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0098	0.0111	0.0106	0.0102
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0365</u>	<u>0.0449</u>	<u>0.0373</u>	<u>0.0373</u>
(10) Incurred Losses	\$41,222,213	\$4,396,623	\$36,346,359	\$81,965,195
(11) Average Claim (10)/(7)	<u>\$9.979</u>	<u>\$9.103</u>	<u>\$10.703</u>	<u>\$10.233</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.5068</u>	<u>0.3345</u>	<u>0.3992</u>	<u>0.4418</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$103,270,748	\$11,014,299	\$91,056,359	\$205,346,414
(14) Indicated SR Adjustment to Balance (2)-(13)	\$9,763,346	(\$251,827)	-	\$9,506,511
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2803</u>	<u>(0.2213)</u>	-	<u>0.1364</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.0864</u>	<u>(0.0234)</u>	-	<u>0.0442</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2010**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	4,081	773	13,287	18,141
(2) Standard Premium	\$100,439,867	\$11,304,017	\$77,111,605	\$188,855,489
(3) Average Premium (2)/(1)	\$24,612	\$14,624	\$5,804	\$10,410
(4) Schedule Rating Credit(Debit)	27,666,605	(\$2,314,364)	\$0	25,352,241
(5) Net Premium (2)-(4)	\$72,773,262	\$13,618,381	\$77,111,605	\$163,503,248
(6) # of Indemnity Claims	1,145	134	911	2,190
(7) # of Total Claims	4,081	604	3,191	7,876
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0114	0.0119	0.0118	0.0116
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0406</u>	<u>0.0534</u>	<u>0.0414</u>	<u>0.0417</u>
(10) Incurred Losses	\$44,772,047	\$5,284,473	\$39,201,101	\$89,257,621
(11) Average Claim (10)/(7)	<u>\$10,971</u>	<u>\$8,749</u>	<u>\$12,285</u>	<u>\$11,333</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.6152</u>	<u>0.3880</u>	<u>0.5084</u>	<u>0.5459</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$88,060,800	\$10,393,257	\$77,111,605	\$175,563,381
(14) Indicated SR Adjustment to Balance (2)-(13)	\$12,379,067	\$910,760	-	\$13,292,108
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2755</u>	<u>(0.2047)</u>	-	<u>0.1342</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.1232</u>	<u>0.0806</u>	-	<u>0.0704</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2011**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	4,242	861	14,032	19,135
(2) Standard Premium	\$98,227,569	\$11,107,884	\$82,552,371	\$191,887,824
(3) Average Premium (2)/(1)	\$23,156	\$12,901	\$5,883	\$10,028
(4) Schedule Rating Credit(Debit)	27,173,516	(\$2,158,991)	\$0	25,014,525
(5) Net Premium (2)-(4)	\$71,054,053	\$13,266,875	\$82,552,371	\$166,873,299
(6) # of Indemnity Claims	995	150	936	2,081
(7) # of Total Claims	3,906	551	3,066	7,523
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0101	0.0135	0.0113	0.0108
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0398</u>	<u>0.0496</u>	<u>0.0371</u>	<u>0.0392</u>
(10) Incurred Losses	\$42,118,705	\$6,366,883	\$42,057,571	\$90,543,159
(11) Average Claim (10)/(7)	<u>\$10,783</u>	<u>\$11,555</u>	<u>\$13,717</u>	<u>\$12,036</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.5928</u>	<u>0.4799</u>	<u>0.5095</u>	<u>0.5426</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$82,670,937	\$12,496,120	\$82,552,371	\$177,714,332
(14) Indicated SR Adjustment to Balance (2)-(13)	\$15,556,632	(\$1,388,236)	-	\$14,173,492
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2766</u>	<u>(0.1944)</u>	-	<u>0.1304</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.1584</u>	<u>(0.1250)</u>	-	<u>0.0739</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2012**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	4,054	1,122	14,536	19,712
(2) Standard Premium	\$102,841,847	\$14,721,490	\$87,668,701	\$205,232,038
(3) Average Premium (2)/(1)	\$25,368	\$13,121	\$6,031	\$10,412
(4) Schedule Rating Credit(Debit)	\$26,795,632	(\$3,383,243)	\$0	\$23,412,389
(5) Net Premium (2)-(4)	\$76,046,215	\$18,104,733	\$87,668,701	\$181,819,649
(6) # of Indemnity Claims	866	186	943	1,995
(7) # of Total Claims	3,576	644	3,190	7,410
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0084	0.0126	0.0108	0.0097
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0348</u>	<u>0.0437</u>	<u>0.0364</u>	<u>0.0361</u>
(10) Incurred Losses	\$34,722,062	\$8,987,972	\$35,795,474	\$79,505,508
(11) Average Claim (10)/(7)	<u>\$9.710</u>	<u>\$13.956</u>	<u>\$11.221</u>	<u>\$10.729</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.4566</u>	<u>0.4964</u>	<u>0.4083</u>	<u>0.4373</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$85,042,130	\$22,011,240	\$87,668,701	\$194,733,609
(14) Indicated SR Adjustment to Balance (2)-(13)	\$17,799,717	(\$7,289,750)	-	\$10,498,429
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2606</u>	<u>(0.2298)</u>	-	<u>0.1141</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.1731</u>	<u>(0.4952)</u>	-	<u>0.0512</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2013**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	4,347	1,093	14,780	20,220
(2) Standard Premium	\$117,516,921	\$12,980,405	\$111,078,970	\$241,576,296
(3) Average Premium (2)/(1)	\$27,034	\$11,876	\$7,515	\$11,947
(4) Schedule Rating Credit(Debit)	\$30,851,733	(\$2,729,793)	\$0	\$28,121,940
(5) Net Premium (2)-(4)	\$86,665,188	\$15,710,198	\$111,078,970	\$213,454,356
(6) # of Indemnity Claims	990	152	1,134	2,276
(7) # of Total Claims	3,736	522	3,660	7,918
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0084	0.0117	0.0102	0.0094
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0318</u>	<u>0.0402</u>	<u>0.0329</u>	<u>0.0328</u>
(10) Incurred Losses	\$40,426,926	\$7,338,608	\$45,804,869	\$93,570,403
(11) Average Claim (10)/(7)	<u>\$10.821</u>	<u>\$14.059</u>	<u>\$12.515</u>	<u>\$11.817</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.4665</u>	<u>0.4671</u>	<u>0.4124</u>	<u>0.4384</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$98,034,215	\$17,793,971	\$111,078,970	\$226,911,711
(14) Indicated SR Adjustment to Balance (2)-(13)	\$19,482,706	(\$4,813,566)	-	\$14,664,585
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2625</u>	<u>(0.2103)</u>	-	<u>0.1164</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.1658</u>	<u>(0.3708)</u>	-	<u>0.0607</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2014**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	4,640	1,001	14,812	20,453
(2) Standard Premium	\$131,141,486	\$14,019,582	\$114,346,544	\$259,507,612
(3) Average Premium (2)/(1)	\$28,263	\$14,006	\$7,720	\$12,688
(4) Schedule Rating Credit(Debit)	\$34,537,361	(\$3,107,353)	\$0	\$31,430,008
(5) Net Premium (2)-(4)	\$96,604,125	\$17,126,935	\$114,346,544	\$228,077,604
(6) # of Indemnity Claims	925	94	1,029	2,048
(7) # of Total Claims	3,617	404	3,295	7,316
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0071	0.0067	0.0090	0.0079
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0276</u>	<u>0.0288</u>	<u>0.0288</u>	<u>0.0282</u>
(10) Incurred Losses	\$45,892,281	\$4,628,609	\$39,075,030	\$89,595,920
(11) Average Claim (10)/(7)	<u>\$12,688</u>	<u>\$11,457</u>	<u>\$11,859</u>	<u>\$12,247</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.4751</u>	<u>0.2703</u>	<u>0.3417</u>	<u>0.3928</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$134,318,466	\$13,548,172	\$114,346,544	\$262,185,785
(14) Indicated SR Adjustment to Balance (2)-(13)	(\$3,176,980)	\$471,410	-	(\$2,678,173)
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2634</u>	<u>(0.2216)</u>	-	<u>0.1211</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>(0.0242)</u>	<u>0.0336</u>	-	<u>(0.0103)</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2015**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	4,433	1,002	15,809	21,244
(2) Standard Premium	\$125,380,668	\$16,763,754	\$124,753,076	\$266,897,498
(3) Average Premium (2)/(1)	\$28,283	\$16,730	\$7,891	\$12,563
(4) Schedule Rating Credit(Debit)	\$34,270,328	(\$3,259,753)	\$0	\$31,010,575
(5) Net Premium (2)-(4)	\$91,110,340	\$20,023,507	\$124,753,076	\$235,886,923
(6) # of Indemnity Claims	922	162	1,117	2,201
(7) # of Total Claims	3,324	534	3,754	7,612
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0074	0.0097	0.0090	0.0082
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0265</u>	<u>0.0319</u>	<u>0.0301</u>	<u>0.0285</u>
(10) Incurred Losses	\$37,564,393	\$8,234,954	\$57,644,465	\$103,443,812
(11) Average Claim (10)/(7)	<u>\$11,301</u>	<u>\$15,421</u>	<u>\$15,355</u>	<u>\$13,590</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.4123</u>	<u>0.4113</u>	<u>0.4621</u>	<u>0.4385</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$81,291,481	\$17,822,265	\$124,753,076	\$223,839,896
(14) Indicated SR Adjustment to Balance (2)-(13)	\$44,089,187	(\$1,058,511)	-	\$43,057,602
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2733</u>	<u>(0.1945)</u>	-	<u>0.1162</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.3516</u>	<u>(0.0631)</u>	-	<u>0.1613</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2016**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	5,058	911	15,931	21,900
(2) Standard Premium	\$148,520,896	\$16,834,447	\$139,146,719	\$304,502,062
(3) Average Premium (2)/(1)	\$29,364	\$18,479	\$8,734	\$13,904
(4) Schedule Rating Credit(Debit)	\$41,229,918	(\$3,122,220)	\$0	\$38,107,698
(5) Net Premium (2)-(4)	\$107,290,978	\$19,956,667	\$139,146,719	\$266,394,364
(6) # of Indemnity Claims	997	125	1,012	2,134
(7) # of Total Claims	3,521	467	3,610	7,598
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0067	0.0074	0.0073	0.0070
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0237</u>	<u>0.0277</u>	<u>0.0259</u>	<u>0.0250</u>
(10) Incurred Losses	\$37,270,462	\$11,941,890	\$41,281,017	\$90,493,369
(11) Average Claim (10)/(7)	<u>\$10.585</u>	<u>\$25.571</u>	<u>\$11.435</u>	<u>\$11.910</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.3474</u>	<u>0.5984</u>	<u>0.2967</u>	<u>0.3397</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$125,624,826	\$40,249,645	\$139,146,719	\$305,002,243
(14) Indicated SR Adjustment to Balance (2)-(13)	\$22,896,070	(\$23,415,198)	-	(\$500,181)
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2776</u>	<u>(0.1855)</u>	-	<u>0.1251</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.1542</u>	<u>(1.3909)</u>	-	<u>(0.0016)</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2017**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	5,360	883	16,802	23,045
(2) Standard Premium	\$157,674,613	\$16,678,968	\$156,146,894	\$330,500,475
(3) Average Premium (2)/(1)	\$29,417	\$18,889	\$9,293	\$14,342
(4) Schedule Rating Credit(Debit)	\$44,138,406	(\$3,037,958)	\$0	\$41,100,448
(5) Net Premium (2)-(4)	\$113,536,207	\$19,716,926	\$156,146,894	\$289,400,027
(6) # of Indemnity Claims	1,094	120	1,079	2,293
(7) # of Total Claims	3,589	487	3,717	7,793
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0069	0.0072	0.0069	0.0069
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0228</u>	<u>0.0292</u>	<u>0.0238</u>	<u>0.0236</u>
(10) Incurred Losses	\$39,378,601	\$5,592,045	\$39,855,141	\$84,825,787
(11) Average Claim (10)/(7)	<u>\$10.972</u>	<u>\$11.483</u>	<u>\$10.722</u>	<u>\$10.885</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.3468</u>	<u>0.2836</u>	<u>0.2552</u>	<u>0.2931</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$154,288,231	\$21,911,129	\$156,146,894	\$332,379,106
(14) Indicated SR Adjustment to Balance (2)-(13)	\$3,386,382	(\$5,232,161)	-	(\$1,878,631)
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2799</u>	<u>(0.1821)</u>	-	<u>0.1244</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.0215</u>	<u>(0.3137)</u>	-	<u>(0.0057)</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2018**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	5,519	953	17,572	24,044
(2) Standard Premium	\$156,099,008	\$17,414,814	\$151,222,666	\$324,736,488
(3) Average Premium (2)/(1)	\$28,284	\$18,274	\$8,606	\$13,506
(4) Schedule Rating Credit(Debit)	\$44,018,178	(\$2,871,371)	\$0	\$41,146,807
(5) Net Premium (2)-(4)	\$112,080,830	\$20,286,185	\$151,222,666	\$283,589,681
(6) # of Indemnity Claims	1,076	149	957	2,182
(7) # of Total Claims	3,509	503	3,417	7,429
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0069	0.0086	0.0063	0.0067
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0225</u>	<u>0.0289</u>	<u>0.0226</u>	<u>0.0229</u>
(10) Incurred Losses	\$41,695,701	\$5,161,818	\$36,557,709	\$83,415,228
(11) Average Claim (10)/(7)	<u>\$11,883</u>	<u>\$10,262</u>	<u>\$10,699</u>	<u>\$11,228</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.3720</u>	<u>0.2544</u>	<u>0.2417</u>	<u>0.2941</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$172,503,388	\$21,352,112	\$151,222,666	\$345,071,267
(14) Indicated SR Adjustment to Balance (2)-(13)	(\$16,404,380)	(\$3,937,298)	-	(\$20,334,779)
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2820</u>	<u>(0.1649)</u>	-	<u>0.1267</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>(0.1051)</u>	<u>(0.2261)</u>	-	<u>(0.0626)</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2019**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	5,480	1,144	18,374	24,998
(2) Standard Premium	\$153,155,680	\$21,168,506	\$143,228,506	\$317,552,692
(3) Average Premium (2)/(1)	\$27,948	\$18,504	\$7,795	\$12,703
(4) Schedule Rating Credit(Debit)	\$43,136,917	(\$3,211,607)	\$0	\$39,925,310
(5) Net Premium (2)-(4)	\$110,018,763	\$24,380,113	\$143,228,506	\$277,627,382
(6) # of Indemnity Claims	965	135	979	2,079
(7) # of Total Claims	3,225	439	3,286	6,950
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0063	0.0064	0.0068	0.0065
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0211</u>	<u>0.0207</u>	<u>0.0229</u>	<u>0.0219</u>
(10) Incurred Losses	\$42,147,485	\$5,778,058	\$35,010,387	\$82,935,930
(11) Average Claim (10)/(7)	<u>\$13.069</u>	<u>\$13.162</u>	<u>\$10.654</u>	<u>\$11.933</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.3831</u>	<u>0.2370</u>	<u>0.2444</u>	<u>0.2987</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$172,455,761	\$23,641,926	\$143,228,506	\$339,309,734
(14) Indicated SR Adjustment to Balance (2)-(13)	(\$19,300,081)	(\$2,473,420)	-	(\$21,757,042)
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2817</u>	<u>(0.1517)</u>	-	<u>0.1257</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>(0.1260)</u>	<u>(0.1168)</u>	-	<u>(0.0685)</u>

**Delaware Schedule Rating Plan Analysis
Policy Year 2020**

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	5,759	1,347	18,454	25,560
(2) Standard Premium	\$152,016,131	\$13,785,410	\$137,421,815	\$303,223,356
(3) Average Premium (2)/(1)	\$26,396	\$10,234	\$7,447	\$11,863
(4) Schedule Rating Credit(Debit)	\$42,184,650	(\$2,986,411)	\$0	\$39,198,239
(5) Net Premium (2)-(4)	\$109,831,481	\$16,771,821	\$137,421,815	\$264,025,117
(6) # of Indemnity Claims	1,034	144	925	2,103
(7) # of Total Claims	2,941	361	2,719	6,021
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0068	0.0104	0.0067	0.0069
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0193</u>	<u>0.0262</u>	<u>0.0198</u>	<u>0.0199</u>
(10) Incurred Losses	\$45,630,411	\$5,290,733	\$32,028,034	\$82,949,178
(11) Average Claim (10)/(7)	<u>\$15,515</u>	<u>\$14,656</u>	<u>\$11,779</u>	<u>\$13,777</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.4155</u>	<u>0.3155</u>	<u>0.2331</u>	<u>0.3142</u>
Loss Ratio-Standard (10)/(2)	0.3002	0.3838	0.2331	
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$195,774,261	\$22,700,599	\$137,421,815	\$355,884,564
(14) Indicated SR Adjustment to Balance (2)-(13)	(\$43,758,130)	(\$8,915,189)	-	(\$52,661,208)
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2775</u>	<u>(0.2166)</u>	-	<u>0.1293</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>(0.2879)</u>	<u>(0.6467)</u>	-	<u>(0.1737)</u>

Delaware Schedule Rating Plan Analysis
Policy Year (2006 - 2020)

Statistic	(1) Schedule Rated Risks With Credit Adjustment	(2) Schedule Rated Risks With Debit Adjustment	(3) Non - Schedule Rated Risks	(4) All Risks
(1) Number of Risks	67,264	12,645	230,194	310,103
(2) Standard Premium	\$2,047,782,989	\$201,150,339	\$1,936,684,263	\$4,185,617,591
(3) Average Premium (2)/(1)	\$30,444	\$15,908	\$8,413	\$13,498
(4) Schedule Rating Credit(Debit)	554,398,093	(\$38,591,481)	\$0	515,806,612
(5) Net Premium (2)-(4)	\$1,493,384,896	\$239,741,820	\$1,936,684,263	\$3,669,810,979
(6) # of Indemnity Claims	15,555	1,883	15,967	33,405
(7) # of Total Claims	56,396	6,696	54,267	117,359
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0076	0.0094	0.0082	0.0080
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0275</u>	<u>0.0333</u>	<u>0.0280</u>	<u>0.0280</u>
(10) Incurred Losses	\$610,303,355	\$86,258,189	\$613,980,046	\$1,310,541,590
(11) Average Claim (10)/(7)	<u>\$10.822</u>	<u>\$12.882</u>	<u>\$11.314</u>	<u>\$11.167</u>
(12) Loss Ratio-Net (10)/(5)	<u>0.4087</u>	<u>0.3598</u>	<u>0.3170</u>	<u>0.3571</u>
(13) Net Premium to Balance SR LR to Non-SR LRs: Col(x)Line(5)*Col(x)Line(12)/Col(3)Line(12)	\$1,925,382,987	\$272,110,747	\$1,936,684,263	\$4,134,036,279
(14) Indicated SR Adjustment to Balance (2)-(13)	\$122,400,002	(\$70,960,408)	-	\$51,581,312
(15) Average Schedule Rating Credit(Debit) (4)/(2)	<u>0.2707</u>	<u>(0.1919)</u>	-	<u>0.1232</u>
(16) Indicated SR Adjustment Credit(Debit) (14)/(2)	<u>0.0598</u>	<u>(0.3528)</u>	-	<u>0.0123</u>