

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 2002**

Policy Size		Participating				Eligible		% Participating	
From	To	# Risks	Std Premium	Credit	% Credit	# Risks	Std Premium	# Risks	SEP
3,161	5,000	35	148016	28125	19.0%	1,049	4,205,945	3.3%	3.5%
5,001	7,500	92	582487	109307	18.8%	950	5,847,904	9.7%	10.0%
7,501	10,000	77	666933	122484	18.4%	603	5,257,046	12.8%	12.7%
10,001	12,500	80	907198	162343	17.9%	423	4,734,246	18.9%	19.2%
12,501	15,000	64	873274	152908	17.5%	313	4,279,479	20.4%	20.4%
15,001	17,500	51	841723	144339	17.1%	226	3,675,046	22.6%	22.9%
17,501	20,000	37	697449	116542	16.7%	164	3,073,753	22.6%	22.7%
20,001	25,000	49	1099858	179321	16.3%	229	5,106,473	21.4%	21.5%
25,001	30,000	50	1360123	212633	15.6%	187	5,118,448	26.7%	26.6%
30,001	35,000	36	1180257	175908	14.9%	116	3,768,855	31.0%	31.3%
35,001	40,000	34	1280215	185325	14.5%	122	4,581,654	27.9%	27.9%
40,001	45,000	29	1244538	172514	13.9%	89	3,789,846	32.6%	32.8%
45,001	50,000	22	1050395	141797	13.5%	65	3,076,675	33.8%	34.1%
50,001	55,000	20	1032324	132455	12.8%	58	3,009,409	34.5%	34.3%
55,001	60,000	19	1084369	137470	12.7%	52	2,987,587	36.5%	36.3%
60,001	70,000	30	1961223	227236	11.6%	98	6,354,350	30.6%	30.9%
70,001	80,000	11	817659	95134	11.6%	64	4,791,049	17.2%	17.1%
80,001	90,000	14	1189304	129901	10.9%	50	4,234,217	28.0%	28.1%
90,001	100,000	13	1238703	123182	9.9%	44	4,182,203	29.5%	29.6%
100,001	200,000	61	8239973	694430	8.4%	214	29,549,534	28.5%	27.9%
200,001	300,000	20	4958513	296189	6.0%	78	19,295,289	25.6%	25.7%
300,001	400,000	2	708533	38680	5.5%	26	9,024,215	7.7%	7.9%
400,001	500,000	3	1290525	47297	3.7%	13	5,892,552	23.1%	21.9%
500,001	1,000,000	2	1328470	49808	3.7%	27	18,839,043	7.4%	7.1%
1,000,001	& higher	1	2692127	51150	1.9%	10	17,066,958	10.0%	15.8%
3,161	60,000	695	14,049,159	2,173,471	15.5%	4,646	62,512,366	15.0%	22.5%
60,001	& higher	157	24,425,030	1,753,007	7.2%	624	119,229,410	25.2%	20.5%
Grand Total		852	38,474,189	3,926,478	10.2%	5,270	181,741,776	16.2%	21.2%

Average Credit - All Eligible Risks

2.16%

Delaware Compensation Rating Bureau, Inc.

Offset for Merit Rating Plan and Workplace Safety Program - December 1, 2003

Risk Type	Manual Premium	Merit Rating Adjustment	%	Workplace Safety Adjustment	%	Combined Adjustment	%
Non-Rated Risks							
1. Not Qualified for MRP	6,726,450	-	0.00%			-	0.00%
2. Qualified for MRP Discount	8,124,000	(406,332)	-5.00%			(406,332)	-5.00%
3. Qualified for MRP No Adjustment	1,217,723	-	0.00%			-	0.00%
4. Qualified for MRP Surcharge	585,818	29,296	5.00%			29,296	5.00%
Total Non-Rated Risks	16,653,991	(377,036)	-2.26%			(377,036)	-2.26%
Experience Rated Risks	142,331,972			(3,074,371)	-2.16%	(3,074,371)	-2.16%
All Risks	158,985,963	(377,036)	-0.24%	(3,074,371)	-1.93%	(3,451,407)	-2.17%
Adjustment to Manual Premium *							2.22% *

* .0222 = 158,985,963 / (158,985,963-3,451,407) - 1.0