

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 2003**

Policy Size		Policy Size	Participating				Eligible				% Participating	
From	To		# Risks	Std Premium	Credit	% Credit	# Risks	Std Premium	Credit	% Credit	# Risks	SEP
3,161	5,000	1	36	147,418	28,010	19.0%	1,227	4,886,440	928,426	19.0%	2.9%	3.0%
5,001	7,500	2	84	539,919	101,544	18.8%	1,051	6,515,323	1,227,251	18.8%	8.0%	8.3%
7,501	10,000	3	76	667,148	122,674	18.4%	618	5,378,537	991,004	18.4%	12.3%	12.4%
10,001	12,500	4	73	820,444	147,752	18.0%	437	4,896,766	882,917	18.0%	16.7%	16.8%
12,501	15,000	5	57	787,697	138,661	17.6%	373	5,111,839	901,826	17.6%	15.3%	15.4%
15,001	17,500	6	61	980,339	169,231	17.3%	268	4,328,847	747,244	17.3%	22.8%	22.6%
17,501	20,000	7	42	789,126	132,981	16.9%	215	4,025,862	679,412	16.9%	19.5%	19.6%
20,001	25,000	8	79	1,769,719	291,326	16.5%	301	6,721,545	1,101,994	16.4%	26.2%	26.3%
25,001	30,000	9	53	1,466,555	230,620	15.7%	191	5,262,792	825,947	15.7%	27.7%	27.9%
30,001	35,000	10	59	1,902,355	288,553	15.2%	175	5,657,442	855,637	15.1%	33.7%	33.6%
35,001	40,000	11	40	1,485,858	217,494	14.6%	125	4,684,606	679,334	14.5%	32.0%	31.7%
40,001	45,000	12	44	1,877,891	264,630	14.1%	115	4,881,110	687,376	14.1%	38.3%	38.5%
45,001	50,000	13	30	1,416,656	190,094	13.4%	85	4,014,724	537,045	13.4%	35.3%	35.3%
50,001	55,000	14	24	1,253,166	165,085	13.2%	89	4,641,622	606,904	13.1%	27.0%	27.0%
55,001	60,000	15	22	1,271,271	158,711	12.5%	54	3,124,379	393,365	12.6%	40.7%	40.7%
60,001	70,000	16	20	1,296,399	159,110	12.3%	79	5,115,976	621,424	12.1%	25.3%	25.3%
70,001	80,000	17	36	2,726,090	315,186	11.6%	88	6,598,227	748,456	11.3%	40.9%	41.3%
80,001	90,000	18	23	1,929,252	211,450	11.0%	72	6,061,193	650,192	10.7%	31.9%	31.8%
90,001	100,000	19	14	1,332,675	130,780	9.8%	53	5,033,841	504,108	10.0%	26.4%	26.5%
100,001	200,000	20	80	10,925,084	937,786	8.6%	236	33,091,186	2,700,889	8.2%	33.9%	33.0%
200,001	300,000	21	26	6,323,488	380,521	6.0%	78	18,960,223	1,116,417	5.9%	33.3%	33.4%
300,001	400,000	22	6	2,132,941	104,753	4.9%	35	12,100,554	559,873	4.6%	17.1%	17.6%
400,001	500,000	23	5	2,171,040	141,498	6.5%	23	10,103,262	431,501	4.3%	21.7%	21.5%
500,001	1,000,000	24	5	2,864,388	101,204	3.5%	38	25,473,197	705,304	2.8%	13.2%	11.2%
1,000,001	& higher	25	2	3,085,258	61,653	2.0%	16	29,323,488	379,643	1.3%	12.5%	10.5%
3,161	60,000	Total 1	780	17,175,562	2,647,366	15.4%	5,324	74,131,834	12045682	16.2%	14.7%	23.2%
60,001	& higher	Total 2	217	34,786,615	2,543,941	7.3%	718	151,861,147	8417807	5.5%	30.2%	22.9%
Grand Total		Total	997	51,962,177	5,191,307	10.0%	6,042	225,992,981	20463489	9.1%	16.5%	23.0%

Average Credit - All Eligible Risks

2.30%

Delaware Compensation Rating Bureau, Inc.

Offset for Merit Rating Plan and Workplace Safety Program - December 1, 2004

Risk Type	Manual Premium	Merit Rating Adjustment	%	Workplace Safety Adjustment	%	Combined Adjustment	%
Non-Rated Risks							
1. Not Qualified for MRP	5,974,232	-	0.00%			-	0.00%
2. Qualified for MRP Discount	8,327,482	(416,479)	-5.00%			(416,479)	-5.00%
3. Qualified for MRP No Adjustment	1,241,581	-	0.00%			-	0.00%
4. Qualified for MRP Surcharge	629,329	31,468	5.00%			31,468	5.00%
Total Non-Rated Risks	16,172,624	(385,011)	-2.38%			(385,011)	-2.38%
Experience Rated Risks	145,415,834			(3,344,564)	-2.30%	(3,344,564)	-2.30%
All Risks	161,588,458	(385,011)	-0.24%	(3,344,564)	-2.07%	(3,729,575)	-2.31%
Adjustment to Manual Premium *							2.36% *

* .0236 = 161,588,458 / (161,588,458-3,729,575) - 1.0