

DELAWARE COMPENSATION RATING BUREAU, INC.

Excess Loss Ratios and Loss Limitations

Page 1 shows the calculation of the excess loss ratio consistent with a loss limitation of \$1,500,000 per claim in the current filing. Excess ratios, prior to adjustments for expense and risk load, are weighted with standard premiums by hazard group to get an average excess ratio of 0.0757.

Page 2 shows periods when excess loss factors have been revised dating back to 1981. Also shown are loss limits consistent with an excess loss ratio of 0.0757 for those filings. An exponential curve fit to the loss limitations showed an average annual change of 6.37% in loss limits. A graph of loss limits by effective date is shown on page 3.

Page 4 shows the calculation of loss limits by policy year tied to a limit of \$1,500,000 for policies effective during the twelve months beginning December 1, 2004 and with an underlying annual change in the loss limit of 6.37% per year.

**Delaware December 1, 2004 Rate & Loss Cost Filing
Average Excess Ratio for Losses Limited at \$1,500,000**

Hazard Group	Standard Earned Premium *	Average Excess Ratio ** \$1,500,000
I	1,569,978	0.0509
II	250,774,314	0.0580
III	219,476,835	0.0932
IV	12,410,708	0.1285
TOTAL	484,231,835	0.0757

* Exhibit 17-A, page 2, exhibit I - three year premiums

** Exhibit 17-A, pages exhibits VIII a-d, column (1)
before adjustment for PLR and risk load

**Delaware December 1, 2004 Rate & Loss Cost Filing
Loss Limitations for Excess Loss Factor = .0757**

Effective Date	Time (t)	Loss Limit at ELF = 0.0757
3/1/81	1.0000	201,016
2/1/88	2.5000	450,001
8/1/94	9.0000	829,030
8/1/97	12.0000	833,573
10/1/98	13.1667	650,000
12/1/99	14.3333	655,000
3/1/01	15.5833	681,000
12/1/01	16.3333	685,000
12/1/02	17.3333	781,000
12/1/03	18.3333	1,081,000
12/1/04	19.3333	1,500,000

Annual Trend = .0637

Note: The values for Time (t) shown above were posted incorrectly although all other values including the annual trend factor of 0.0637 are accurate. A corrected page 2 immediately follows this page.

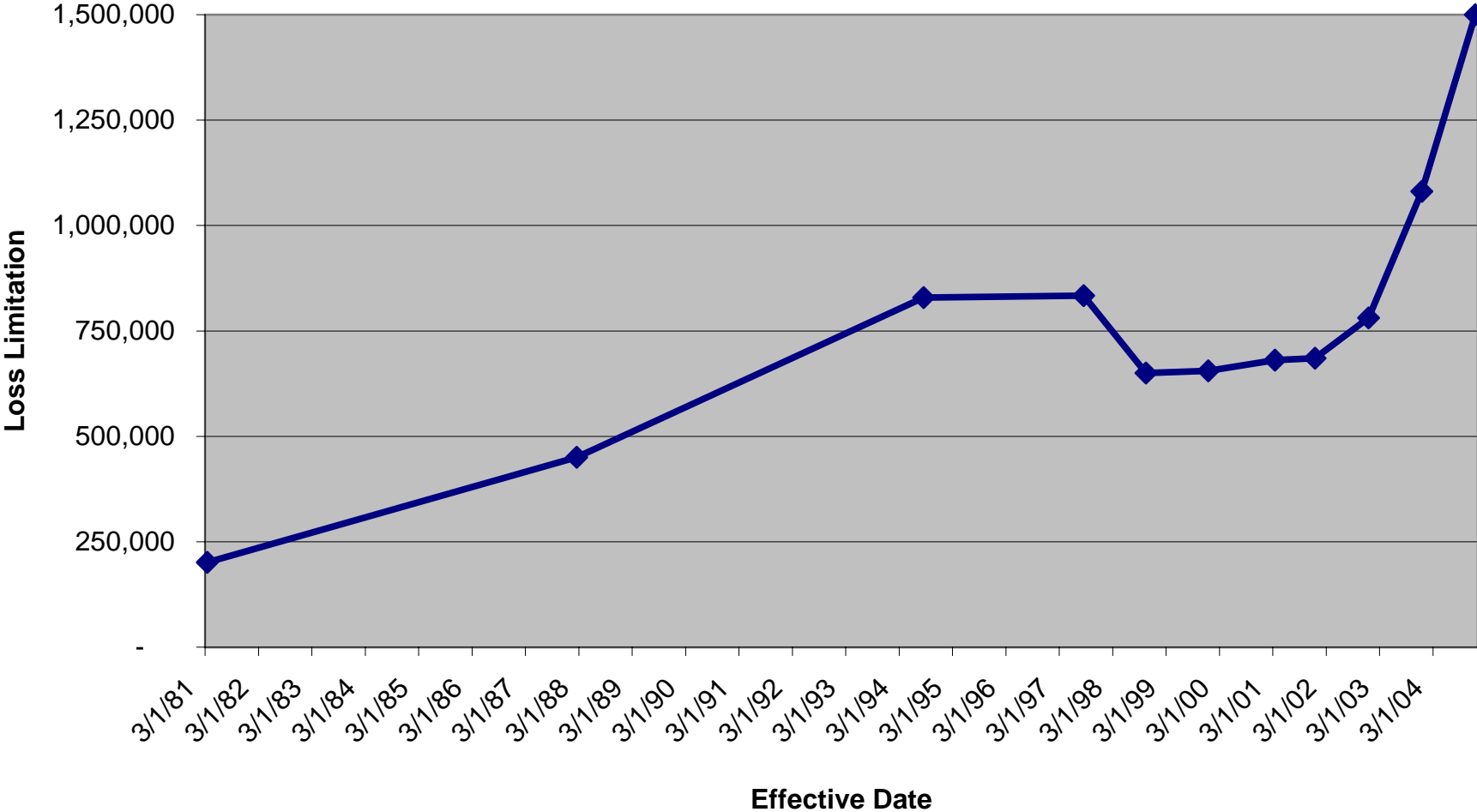
**Delaware December 1, 2004 Rate & Loss Cost Filing
Loss Limitations for Excess Loss Factor = .0757**

Effective Date	Time (t)	Loss Limit at ELF = 0.0757
3/1/81	1.0000	201,016
2/1/88	7.9167	450,001
8/1/94	14.4167	829,030
8/1/97	17.4167	833,573
10/1/98	18.5833	650,000
12/1/99	19.7500	655,000
3/1/01	21.0000	681,000
12/1/01	21.7500	685,000
12/1/02	22.7500	781,000
12/1/03	23.7500	1,081,000
12/1/04	24.7500	1,500,000

Annual Trend = .0637

Note: This page replaces the original page 2 which was submitted as part of Filing No. 0404. While all calculations associated with the original page 2 were accurate, the values in the column titled Time (t) were incorrectly posted. This page includes the correct values for Time (t).

Delaware Compensation Rating Bureau, Inc. Loss Limitation for Pure Loss ELF = 0.0757



**Delaware December 1, 2004 Rate & Loss Cost Filing
Calculation of Policy Year Loss Limitations**

Annual Trend Factor (f) = 0.0637

Policy Year Begin 1/1	Midpoint	Time (t)	Trend Factor (1+f)^t	Ratio to t = 37.9167	Loss Limit ratio * 1,500,000
1983	01/01/84	1	1.063700	0.258353	387,530
1984	01/01/85	2	1.131458	0.274810	412,215
1985	01/01/86	3	1.203532	0.292315	438,473
1986	01/01/87	4	1.280197	0.310935	466,403
1987	01/01/88	5	1.361745	0.330742	496,113
1988	01/01/89	6	1.448488	0.351810	527,715
1989	01/01/90	7	1.540757	0.374220	561,330
1990	01/01/91	8	1.638903	0.398058	597,087
1991	01/01/92	9	1.743301	0.423414	635,121
1992	01/01/93	10	1.854350	0.450386	675,579
1993	01/01/94	11	1.972472	0.479076	718,614
1994	01/01/95	12	2.098118	0.509593	764,390
1995	01/01/96	13	2.231768	0.542054	813,081
1996	01/01/97	14	2.373932	0.576583	864,875
1997	01/01/98	15	2.525151	0.613311	919,967
1998	01/01/99	16	2.686003	0.652379	978,569
1999	01/01/00	17	2.857102	0.693936	1,040,904
2000	01/01/01	18	3.039099	0.738140	1,107,210
2001	01/01/02	19	3.232690	0.785160	1,177,740
2002	01/01/03	20	3.438612	0.835175	1,252,763
2003	01/01/04	21	3.657652	0.888376	1,332,564

Policy Year Begin 12/1	Midpt				
2004	12/01/05	22.9167	4.117244	1.000000	1,500,000