

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 \$1,600,000 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 0.0954.

Page 2 shows the calculation of loss limits by policy year tied to a limit of \$1,600,000 for policies effective during the twelve months beginning December 1, 2005 and with an underlying annual change in the loss limit of 6.37% per year. The 6.37% annual change in loss limits for a given excess loss factor level was derived in the December 1, 2004 filing. Those resulting policy year loss limits are continued and extended forward for the current filing.

Delaware December 1, 2005 Rate & Loss Cost Filing
Average Excess Ratio for Losses Limited at \$1,600,000

Hazard Group	Standard Earned Premium *	Average Excess Ratio ** \$1,600,000
I	1,724,681	0.0651
II	271,218,276	0.0744
III	233,012,080	0.1165
IV	13,358,515	0.1570
TOTAL	519,313,552	0.0954

* 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, 2005 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
2004	01/01/05	22	3.890644	0.944965	1,417,448
Policy Year					
Begin 12/1	Midpt				
2004	12/01/05	22.9167	4.117244	1.000000	1,500,000
2005	12/01/06	23.9167	4.379513	1.063700	1,595,550
					1,600,000 (Selected)