

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 2004**

Policy Size		Participating				Eligible		% Participating	
From	To	# Risks	Std Premium	Credit	% Credit	# Risks	Std Premium	# Risks	SEP
3,161	5,000	39	164,052	31,174	19.0%	1,302	5,198,984	3.0%	3.2%
5,001	7,500	94	598,128	113,440	19.0%	1,069	6,556,232	8.8%	9.1%
7,501	10,000	69	596,199	111,414	18.7%	692	5,955,662	10.0%	10.0%
10,001	12,500	66	749,940	137,222	18.3%	449	5,018,073	14.7%	14.9%
12,501	15,000	60	823,719	147,939	18.0%	376	5,124,755	16.0%	16.1%
15,001	17,500	73	1,181,249	207,994	17.6%	297	4,808,407	24.6%	24.6%
17,501	20,000	47	876,160	151,682	17.3%	204	3,803,039	23.0%	23.0%
20,001	25,000	80	1,795,185	302,317	16.8%	304	6,782,844	26.3%	26.5%
25,001	30,000	60	1,634,288	265,088	16.2%	216	5,898,315	27.8%	27.7%
30,001	35,000	56	1,823,554	286,504	15.7%	176	5,701,892	31.8%	32.0%
35,001	40,000	46	1,718,198	263,185	15.3%	130	4,862,892	35.4%	35.3%
40,001	45,000	44	1,850,782	274,929	14.9%	131	5,539,888	33.6%	33.4%
45,001	50,000	34	1,620,359	227,932	14.1%	98	4,658,701	34.7%	34.8%
50,001	55,000	35	1,838,968	257,185	14.0%	82	4,316,991	42.7%	42.6%
55,001	60,000	29	1,676,252	223,618	13.3%	79	4,531,666	36.7%	37.0%
60,001	70,000	49	3,204,125	414,547	12.9%	112	7,270,630	43.8%	44.1%
70,001	80,000	23	1,718,249	210,954	12.3%	78	5,816,888	29.5%	29.5%
80,001	90,000	26	2,212,458	258,609	11.7%	74	6,258,266	35.1%	35.4%
90,001	100,000	17	1,616,390	176,820	10.9%	55	5,208,312	30.9%	31.0%
100,001	200,000	96	13,343,179	1,201,678	9.0%	247	34,298,738	38.9%	38.9%
200,001	300,000	31	7,433,629	519,886	7.0%	86	21,077,630	36.0%	35.3%
300,001	400,000	7	2,413,234	154,894	6.4%	34	11,739,083	20.6%	20.6%
400,001	500,000	5	2,333,953	93,515	4.0%	19	8,634,771	26.3%	27.0%
500,001	1,000,000	8	5,341,884	217,065	4.1%	48	33,205,190	16.7%	16.1%
1,000,001	& higher	2	3,401,632	66,340	2.0%	20	36,154,967	10.0%	9.4%
3,161	60,000	832	18,947,033	3,001,623	15.8%	5,605	78,758,341	14.8%	24.1%
60,001	& higher	264	43,018,733	3,314,308	7.7%	773	169,664,475	34.2%	25.4%
Grand Total		1,096	61,965,766	6,315,931	10.2%	6,378	248,422,816	17.2%	24.9%

Average Credit - All Eligible Risks

**2.54%**

**Delaware Compensation Rating Bureau, Inc.**

**Offset for Merit Rating Plan and Workplace Safety Program - December 1, 2005**

<b>Risk Type</b>	<b>Manual Premium</b>	<b>Merit Rating Adjustment</b>	<b>%</b>	<b>Workplace Safety Adjustment</b>	<b>%</b>	<b>Combined Adjustment</b>	<b>%</b>
<b>Non-Rated Risks</b>							
1. Not Qualified for MRP	6,706,580	-	0.00%			-	0.00%
2. Qualified for MRP Discount	9,314,907	(465,837)	-5.00%			(465,837)	-5.00%
3. Qualified for MRP No Adjustment	1,209,024	-	0.00%			-	0.00%
4. Qualified for MRP Surcharge	546,083	27,305	5.00%			27,305	5.00%
Total Non-Rated Risks	17,776,594	(438,532)	-2.47%			(438,532)	-2.47%
<b>Experience Rated Risks</b>	173,090,004			(4,396,486)	-2.54%	(4,396,486)	-2.54%
<b>All Risks</b>	190,866,598	(438,532)	-0.23%	(4,396,486)	-2.30%	(4,835,018)	-2.53%
<b>Adjustment to Manual Premium *</b>							<b>2.60% *</b>

\* .0260 = 190,866,598 / (190,866,598-4,835,018) - 1.0