PROPOSED REVISIONS

DELAWARE STATISTICAL PLAN MANUAL

1. Section II – Reporting Requirements
    Section IV – Codes
    Section VI – Examples

2. Illustration 22

3. Premium Algorithm

Delaware Statistical Plan Manual Changes
Proposed Effective January 1, 2006

SECTION II - REPORTING REQUIREMENTS

B. Exposure Information

5. **Exposure-Other Than Payroll**

For a number of classifications the Manual provides bases of exposure other than payroll. The following method of reporting shall be used in such instances:

a. and b remain unchanged.

Note: Premium for **[**the**]**Code 9740, Terrorism Risk Insurance Act of 2002 – Certified Losses, and Code 9741, Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents, does not apply to these classifications.

9. **Miscellaneous Statistical Codes**

c. Premium Not Subject ……………………………………………………………………… Report.

(1) through (3) remain the same.

(4) Terrorism Risk Insurance Act of 2002 – Certified Losses - **Code 9740**
Premium **[**debit earned under**]**charge for the Terrorism Risk Insurance Act of 2002 – Certified Losses is reported on a hard copy unit subsequent to experience modification after the expense constant, if applicable**[**, but prior to employer assessment**]**. The premium charge for Code 9740 is calculated by dividing a risk's total payroll by $100 and multiplying the result times the carrier's rating value for Code 9740. Premium developed under the Terrorism Risk Insurance Act of 2002- Certified Losses is not included in Total Standard Premium. Non-payroll exposures are not subject to premium **[**under**]**charges for the Terrorism Risk Insurance Act of 2002 – Certified Losses.

(5) Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents (DTEC) - **Code 9741**
Premium charge for Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents is reported on a hard copy unit subsequent to experience modification after the expense constant, if applicable. The premium charge for Code 9741 is calculated by dividing a risk's total payroll by $100 and multiplying the result times the carrier's rating value for Code 9741. Premium developed under Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents is not included in Total Standard Premium. Non-payroll exposures are not subject to premium charges for Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents.

SECTION IV – CODES

B. Exposure Information Code

3. **Premium Codes**

c. Premium Not Subject to …………………………………………………lines "H", "I" or "J")

(5) Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents - **Code 9741**

SECTION VI – EXAMPLES

Illustration 22 – Anniversary Rated Policy with the Premium Charge for Terrorism Risk Insurance Act of 2002 – Certified Losses and Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents

In this illustration it is assumed that more than one experience modification applies during the policy period, and the premium charges for the Terrorism Risk Insurance Act of 2002 and Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents are applicable.

Note: In the following example all premiums are calculated in the same sequence outlined in example 16 (combination example).

The premium charges for the Terrorism Risk Insurance Act of 2002 – Certified Losses, **Code 9740,** and Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents, **Code 9741**, are derived by adding up all payroll exposures for a given split period, dividing by $100 and multiplying the result times the carrier's rating value for each of these codes. The resulting premium charges should be reported on lines "J" through "K" under Code 9740 and Code 9741.

As with most pricing programs in the state of Delaware (e.g., Construction Credit – Code 9046, Merit Rating Credit – Code 9885) the Terrorism Risk Insurance Act of 2002 – Certified Losses, Code 9740, and Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents, Code 9741, are applicable as of the individual risk's Anniversary Rating Date.

SECTION X - ALGORITHM

Delaware Premium Algorithm Preface:

[Optional use November 26, 2002.] Mandatory use for policies effective on or after [October]January 1, 200[4]6.

UNIT STATISTICAL REPORT

POLICY INFORMATION

Report No.	Corr. No.	Corr. Type	Replace Rpt. Ind.	Carrier Code	Policy Number	Policy Effective Date	Policy Expiration Date	Expos. State	State Effective Date	Certificate No.	Card Serial No.	Risk ID Number	Page No.	Last Page No.
01				00200	WC123456789	01/01/06	01/01/07	07					1	2

Insured's Name: A. B. C. INC.
Insured's Address:

Pending File No.
F.E.I.N.: 123456789

Mod Effective Date	Rate Effective Date
12/01/05	12/01/05

Policy Conditions

3 Yr F/R Policy	Multistate Policy	Interstate Rating	Estimated Exposure	Retro Policy	Canceled Mid-Term
N	Y		N	N	N

Policy Type ID

Type Cov.	Plan Ind.	Non-Std.
01	01	01

MCO Indicator: N

Deduct. Type	Deduct. Percent	Deductible Amount Per Claim/Accident	Deductible Amount Aggregate
0301		1000	

Reserved — For Bureau Use — For Carrier Use

EXPOSURE INFORMATION

*Upd Type	Exp. Cov.	Class Code	Exposure Amount	Manual Rate		Premium Rate
	01	0665	255000	7.84		19992
	01	0953	48000	.24		115
	01	9664				3277
A.		Total Subject Premium				16830
B.		Experience Mod (XX.XXX)				0.930
C.		Total Modified Premium				15652
D.		9887				3913
E.		9880		.10		1174
F.		9046		.25		2935
G.		Total Standard Exposure	Total Standard Premium			
H.		0063_	Premium Discount Amt.			261
I.		0900	Expense Constant Amt			119
J.		9740		.03		91
K.						
L.						

LOSS INFORMATION

Repeated claim record blocks with fields:

*Upd Type	Claim Number	Acc. Date/ No. Claims	Incurred Indemnity	Incurred Medical	Class Code	Injury	Status		Loss Conditions						Jurisdic State	Cat. No.	MCO Type
	Social Security Number		Part	Nature	Cause	Occupation Description		Voc.	Act	Type	Lump	Fraud	Recov	Deduct	Cov	Settl	
	Claimant's Attorney Fees	Employer's Attorney Fees				Reversed for Future Use						Paid Indemnity			Paid Medical	
												ALAE Paid			ALAE Incurred	

(Five additional claim blocks follow the same structure, all blank.)

LOSS TOTALS

Reserved for Future Use	Total No. Claims	Total Incurred Indemnity	Total Incurred Medical	Reserved for Future Use	Total Paid Indemnity	Total Paid Medical
Tol. Claimant's Attny. Fees	Tol. Employer's Attny. Fees			Reserved for Future Use	Total ALAE Paid	Total ALAE Incurred

UNIT STATISTICAL REPORT

Report No.	Corr. No.	Corr. Type	Replace Rpt. Ind.	Carrier Code	Policy Number			Page No.	Last Page No.
01				00200	WC123456789			2	2

Insured's Name: A. B. C. INC.

Insured's Address:

F.E.I.N. 123456789

Pending File No.

For Bureau Use

POLICY INFORMATION

Mod Effective Date	Rate Effective Date	Policy Effective Date	Policy Expiration Date	Expos. State	State Effective Date	Certificate No.	Card Serial No.	Risk ID Number
12/01/06	12/01/06	01/01/06	01/01/07	07				

Mod Effective Date: 12/01/06

Policy Conditions

3 Yr F/R Policy	Multistate Policy	Interstate Rating	Estimated Exposure	Retro Policy	Canceled Mid-Term
N	Y		N	N	N

Deductible Amount Per Claim/Accident	Deductible Amount Aggregate	Reserved	For Carrier Use
1000			

Policy Type ID

MCO Indicator	Type Cov.	Plan Ind.	Non-Std.	Deduct. Type	Deduct. Percent
N	01	01	01	0301	07

EXPOSURE INFORMATION

Upd Type	Exp. Cov.	Class Code	Exposure Amount	Manual Rate	Premium Rate
	01	0665	255000	7.54	19227
	01	0953	48000	.20	96
	01	9664			2126
A.		Total Subject Premium			17197
B.		Mod (XX.XXX)			0.953
C.		Total Modified Premium			16389
D.		9887			4097
E.		9046		.30	3688
F.					
G.		Total Standard Exposure 606000	Total Standard Premium		16234
H.		0063_	Premium Discount Amt.		90
I.		0900	Expense Constant Amt		41
J.		9740		.03	91
K.		9741		.02	61
L.					

LOSS INFORMATION

(repeating loss record blocks — each with fields:)

Upd Type | Claim Number | Acc. Date/No. Claims | Incurred Indemnity | Incurred Medical | Class Code | Occupation Description | Injury | Status | Jurisdic State | Cat. No. | MCO Type

Social Security Number | Part | Nature | Cause

Loss Conditions: Act | Type | Lump | Fraud | Voc. | Recov | Deduct | Cov | Settl

Claimant's Attorney Fees | Employer's Attorney Fees | Paid Indemnity | Paid Medical

Claimant's Attorney Fees | Reversed for Future Use | ALAE Paid | ALAE Incurred

LOSS TOTALS

		Total Incurred Indemnity	Total Incurred Medical	Total No. Claims	Total Paid Indemnity	Total Paid Medical
Reserved for Future Use						

Reserved for Future Use | Tot. Claimant's Attny. Fees | Tot. Employer's Attny Fees | Total ALAE Paid | Total ALAE Incurred

Premium Calculation Algorithm

Line #	Item Name	Associated Statistical Code	Line #	Source & Derivation
(1)	Classification	xxxx	(1)	Carrier value
(2)	Exposure	xxxx	(2)	Risk characteristic
(3)	Carrier Rating Value	xxxx	(3)	Carrier value
(4)	Classification Manual Premium		(4)	(2)/100x(3) if classification has payroll exposure. Special procedures apply to non-payroll classes
(5)	Total Policy Manual Premium		(5)	Sum of (4) for all classifications on the policy
(6)	Employer Liability Increased Limits Factor	xxxx	(6)	Carrier value
(7)	Employer Liability Increased Limits Premium Charge		(7)	(5)x[(6) expressed as a decimal]
(8)	Minimum Premium Employer Liability Increased Limits	9848	(8)	Carrier value
(9)	Minimum Premium Employer Liability Increased Limits Premium Charge	9848	(9)	[(8)-(7)] if (7)<(8) and (6) >0, otherwise zero
(10)	Subject Deductible Credit Percentage	9664	(10)	Carrier value
(11)	Subject Deductible Premium Credit	9664	(11)	[(5)+(7)+(9)]x[(-10) expressed as a decimal]
(12)	Waiver of Subrogation Charge	0930	(12)	Carrier value - subject to experience modification
(13)	Waiver of Subrogation Premium	0930	(13)	Value from Line (12)
(14)	Total Subject Premium		(14)	[(5)+(7)+(9)+(11)+(13)]
(15)	Experience Modification	9898	(15)	Zero for non-experience-rated risks
(16)	Modified Premium		(16)	(14)x(15)
(17)	Merit Rating Credit Factor	9885	(17)	Zero if Merit Rating Credit does not apply
(18)	Merit Rating Credit	9885	(18)	(14)x[(-17) expressed as a decimal]
(19)	Merit Rating Neutral Factor	9884	(19)	Zero whether Merit Rating Neutral Adjustment (no credit or debit) does or does not apply
(20)	Merit Rating Neutral Adjustment	9884	(20)	(14)x[(19) expressed as a decimal]
(21)	Merit Rating Debit Factor	9886	(21)	Zero if Merit Rating Debit does not apply
(22)	Merit Rating Charge	9886	(22)	(14)x[(21) expressed as a decimal]
(23)	Premium After Experience Modification or Merit Rating		(23)	(16) if Experience-Rated, [(14)+(18)+(20)+(22)] if Merit-Rated, (14) if Non-Rated
(24)	Non-Ratable Classifications	xxxx	(24)	Carrier Value
(25)	Non-Ratable Classifications Exposure		(25)	Portion of payroll exposure subject to Non-Ratable Classifications
(26)	Non-Ratable Classification Rating Value	xxxx	(26)	Carrier Value
(27)	Non-Ratable Classification Premium		(27)	(25)/100x(26) [based on applicable Non-Ratable Classification exposure]

Premium Calculation Algorithm

Line #	Item Name	Associated Statistical Code	Line #	Source & Derivation
(28)	Aircraft Seat Surcharge Exposure (# of seats)	9108	(28)	Actual number of seats for insured risk. Subject to maximum 10 seats per aircraft
(29)	Aircraft Seat Surcharge	9108	(29)	Carrier Value
(30)	Aircraft Seat Surcharge Premium Charge	9108	(30)	(28) x (29)
(31)	Workfare Program Employees Exposure (PA)	0982	(31)	Number of person weeks. A partial workweek for any worker to be counted as 1 person week.
(32)	Workfare Program Employees Rating Value (PA)	0982	(32)	Carrier Value
(33)	Workfare Program Employees Premium (PA)	0982	(33)	(31) x (32)
(34)	Non-Ratable Classification Premium Total		(34)	Sum of all (27)+(30)+(33) premiums
(35)	Non-Ratable Classification Increased Limits Factor	xxxx	(35)	Carrier value
(36)	Non-Ratable Classification Increased Limits Premium Charge	xxxx	(36)	(34)x [(35) expressed as a decimal]
(37)	Minimum Premium Non-Ratable Classification Increased Limits	9848	(37)	Carrier value
(38)	Minimum Premium Non-Ratable Classification Increased Limits Premium Charge	9848	(38)	[(37)-(36)] if (36) < (37) and (35) > 0, otherwise zero
(39)	Premium Before Schedule Rating		(39)	(23)+(34)+(36)+(38)
(40)	Schedule Rating Plan Adjustment Factor	9887/9889	(40)	Carrier value - use 9887 for schedule credits and 9889 for schedule debits
(41)	Schedule Rating Plan Premium Adjustment	9887/9889	(41)	(39)x[(40) expressed as a decimal]. For schedule credits Line (41) will be negative
(42)	Certified Safety Committee Credit Factor (PA)	9890	(42)	Credit applies if insured is certified.
(43)	Certified Safety Committee Premium Credit (PA)	9890	(43)	[(39)+(41)]x[(-42) expressed as a decimal]
(44)	Workplace Safety Program Credit Factor (DE)	9880	(44)	Credit applies if insured qualifies
(45)	Workplace Safety Program Premium Credit (DE)	9880	(45)	[(39)+(41)]x[(-44) expressed as a decimal]
(46)	Construction Classification Premium Adjustment Program Credit Factor	9046	(46)	Based on wage level(s), application to rating organization
(47)	Construction Classification Premium Adjustment Program Premium Credit	9046	(47)	[(39)+(41)]x[(-46) expressed as a decimal]
(48)	Drug-Free Workplace Factor (DE)	9846	(48)	Carrier value
(49)	Drug-Free Workplace Credit (DE)	9846	(49)	[(39)+(41)+(45)+(47)]x[(-48) expressed as a decimal]

Premium Calculation Algorithm

Line #	Item Name	Associated Statistical Code	Line #	Source & Derivation
(50)	Managed Care Factor (DE)	9874	(50)	Carrier value
(51)	Managed Care Credit (DE)	9874	(51)	[(39)+(41)+(45)+(47)+(49)]x[(-50) expressed as a decimal]
(52)	Package Credit Factor (DE)	9721	(52)	Carrier value
(53)	Package Credit (DE)	9721	(53)	[(39)+(41)+(45)+(47)+(49)+(51)]x[(-52) expressed as a decimal]
(54)	Premium After Managed Care and Package Credit If Applicable		(54)	[(39)+(41)+(43)+(45)+(47)+(49)+(51)+(53)]
(55)	Assigned Risk Surcharge Factor (DE)	0277	(55)	May apply to some or all assigned risks based on plan and characteristics of individual insured
(56)	Assigned Risk Premium Surcharge (DE)	0277	(56)	(54)x[(55) expressed as a decimal]
(57)	Deductible Credit Factor	9663	(57)	Carrier value
(58)	Deductible Premium Credit	9663	(58)	[(54)+(56)]x[(-57) expressed as a decimal]
(59)	Loss Constant	0032	(59)	Carrier value - may vary based on risk premium size
(60)	Loss Constant Charge	0032	(60)	Line (59) if applicable
(61)	Short Rate Cancellation Factor	0931	(61)	Carrier value - zero if short rate cancellation does not apply
(62)	Short Rate Premium	0931	(62)	[(54)+(56)+(58)+(60)]x[(61)-1.0000] if (61)>0, otherwise zero
(63)	Expense Constant	0900	(63)	Carrier value if applicable
(64)	Expense Constant Charge	0900	(64)	Line (63)
(65)	Minimum Premium	0990	(65)	Carrier value
(66)	Minimum Premium Charge	0990	(66)	If (65)>[(54)+(56)+(58)+(60)+(62)+ (64)], (65)-[(54)+(56)+(58)+(60)+(62)+(64)], otherwise zero
(67)	Unit Statistical Report Total Standard Premium		(67)	[(54)+(56)+(58)+(60)+(62)+(66)]
(68)	Premium Discount Amount	0063/0064	(68)	Carrier value based on [(54)+(56)+(58)+(60)+ (62)+(66)]
(69)	Additional premium Waiver of Subrogation (flat charge)	9115	(69)	Carrier value(s)
(70)	Terrorism [Premium Charge] Risk Insurance Act (TRIA) of 2002-Certified Losses	9740	(70)	(Total payroll/100) x carrier rating value
(71)	Domestic Terrorism, Earthquakes and Catastrophic Industrial Accidents (DTEC)	9741	(71)	(Total payroll/100) x carrier rating value

Line #	Item Name	Associated Statistical Code	Line #	Source & Derivation
(72)	Total Policy Premium Subject to Employer Assessment		(72)	(64)+(67)-(68)+(69)+(70)**+(71)**
(73)	Employer Assessment Factor Pursuant to Act 57 of 1997 (PA)	0938	(73)	Bureau value for the specific purpose of computing employer assessments
(74)	Employer Assessment Amount Pursuant to Act 57 of 1997 (PA)	0938	(74)	[(**72**)-(11)-(58)]x(**73**) NOTE: Cells (11) and (58) are credits. Subtracting these credits as shown effectively adds the premium reduction given for deductible coverage back into the premium for purposes of calculating employer assessments