

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. through f. remain the same..

Note: Premium for Code 9740, [Terrorism Risk Insurance Act of 2002 – Certified Losses]Foreign Terrorism, 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.

(4) [Terrorism Risk Insurance Act of 2002 – Certified Losses]Foreign Terrorism - **Code 9740**
Premium charge for [the Terrorism Risk Insurance Act of 2002– Certified Losses]Foreign Terrorism is reported on a hard copy unit subsequent to experience modification after the expense constant, if applicable. 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]Foreign Terrorism is not included in Total Standard Premium. Non-payroll exposures are not subject to premium charges for [the Terrorism Risk Insurance Act of 2002 – Certified Losses]Foreign Terrorism.

(5) remains the same.

SECTION IV – CODES

B. Exposure Information Codes

3. Premium Codes

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

(4) [Terrorism Risk Insurance Act of 2002– Certified Losses]Foreign Terrorism **Code 9740**

(5) remains the same.

SECTION VI – EXAMPLES

Illustration 21 – Anniversary Rated Policy with the Premium Charge for [Terrorism Risk Insurance Act of 2002 – Certified Losses]Foreign Terrorism

In this illustration it is assumed that more than one experience modification applies during the policy period and the premium charge for [the Terrorism Risk Insurance Act of 2002]Foreign Terrorism is applicable.

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

The premium charge for [the Terrorism Risk Insurance Act of 2002 – Certified Losses]Foreign Terrorism, **Code 9740**, is derived by adding up all payroll exposures for a given split period divided by \$100 and multiplying the result times the carrier's rating value for [the Terrorism Risk Insurance Act of 2002 – Certified Losses (]**Code 9740**)] - Foreign Terrorism. The resulting premium charge should be reported on lines "J" through "K" under Code 9740.

As with most pricing programs in the state of Delaware (e.g., Construction Credit - 9046, Merit Rating Credit – 9885) the [Terrorism Risk Insurance Act of 2002 – Certified Losses –]premium charge for Foreign Terrorism, Code 9740, is applicable as of each risk's Anniversary Rating Date.

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]Foreign Terrorism 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]Foreign Terrorism, **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]premium charge for Foreign Terrorism, Code 9740, and Domestic Terrorism, Earthquakes, and Catastrophic Industrial Accidents, Code 9741, are applicable as of the individual risk's Anniversary Rating Date.