

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 2005**

Policy Size		Participating				Eligible		% Participating	
From	To	# Risks	Std Premium	Credit	% Credit	# Risks	Std Premium	# Risks	SEP
3,161	5,000	54	220,371	41,869	19.0%	1,288	5,128,837	4.2%	4.3%
5,001	7,500	99	619,837	117,771	19.0%	1,095	6,760,302	9.0%	9.2%
7,501	10,000	84	730,745	137,675	18.8%	676	5,883,469	12.4%	12.4%
10,001	12,500	66	743,647	137,879	18.5%	474	5,291,896	13.9%	14.1%
12,501	15,000	67	930,716	169,516	18.2%	375	5,137,691	17.9%	18.1%
15,001	17,500	66	1,079,260	193,282	17.9%	312	5,065,616	21.2%	21.3%
17,501	20,000	60	1,127,078	198,838	17.6%	233	4,363,868	25.8%	25.8%
20,001	25,000	100	2,242,818	387,125	17.3%	359	8,006,069	27.9%	28.0%
25,001	30,000	67	1,832,230	307,352	16.8%	222	6,084,680	30.2%	30.1%
30,001	35,000	53	1,707,940	278,868	16.3%	182	5,896,418	29.1%	29.0%
35,001	40,000	67	2,503,131	394,867	15.8%	159	5,937,791	42.1%	42.2%
40,001	45,000	37	1,577,175	241,486	15.3%	117	4,979,191	31.6%	31.7%
45,001	50,000	33	1,579,109	235,384	14.9%	94	4,478,240	35.1%	35.3%
50,001	55,000	31	1,626,301	237,185	14.6%	92	4,827,265	33.7%	33.7%
55,001	60,000	26	1,495,934	211,830	14.2%	67	3,849,333	38.8%	38.9%
60,001	70,000	49	3,148,409	434,887	13.8%	122	7,837,380	40.2%	40.2%
70,001	80,000	33	2,469,789	327,882	13.3%	86	6,453,709	38.4%	38.3%
80,001	90,000	30	2,522,560	321,751	12.8%	70	5,890,005	42.9%	42.8%
90,001	100,000	21	1,969,583	242,902	12.3%	68	6,448,540	30.9%	30.5%
100,001	200,000	108	14,916,789	1,498,584	10.0%	281	38,928,203	38.4%	38.3%
200,001	300,000	36	8,672,242	667,312	7.7%	100	24,069,146	36.0%	36.0%
300,001	400,000	15	5,388,486	365,455	6.8%	39	13,690,106	38.5%	39.4%
400,001	500,000	6	2,712,504	144,224	5.3%	24	10,506,303	25.0%	25.8%
500,001	1,000,000	10	6,661,200	312,655	4.7%	51	34,455,220	19.6%	19.3%
1,000,001	& higher	0	-	-	#DIV/0!	31	55,215,940	0.0%	0.0%
3,161	60,000	910	20,016,292	3,290,927	16.4%	5,745	81,690,666	15.8%	24.5%
60,001	& higher	308	48,461,562	4,315,652	8.9%	872	203,494,552	35.3%	23.8%
Grand Total		1,218	68,477,854	7,606,579	11.1%	6,617	285,185,218	18.4%	24.0%

Average Credit - All Eligible Risks

2.67%

Delaware Compensation Rating Bureau, Inc.

Offset for Merit Rating Plan and Workplace Safety Program - December 1, 2006

Risk Type	Manual Premium	Merit Rating Adjustment	%	Workplace Safety Adjustment	%	Combined Adjustment	%
Non-Rated Risks							
1. Not Qualified for MRP	7,673,149	-	0.00%			-	0.00%
2. Qualified for MRP Discount	9,119,040	(456,016)	-5.00%			(456,016)	-5.00%
3. Qualified for MRP No Adjustment	1,080,593	-	0.00%			-	0.00%
4. Qualified for MRP Surcharge	514,435	25,724	5.00%			25,724	5.00%
Total Non-Rated Risks	18,387,217	(430,292)	-2.34%			(430,292)	-2.34%
Experience Rated Risks	199,111,145			(5,316,268)	-2.67%	(5,316,268)	-2.67%
All Risks	217,498,362	(430,292)	-0.20%	(5,316,268)	-2.44%	(5,746,560)	-2.64%
Adjustment to Manual Premium *							2.71% *

* .0271 = 217,498,362 / (217,498,362-5,746,560) - 1.0