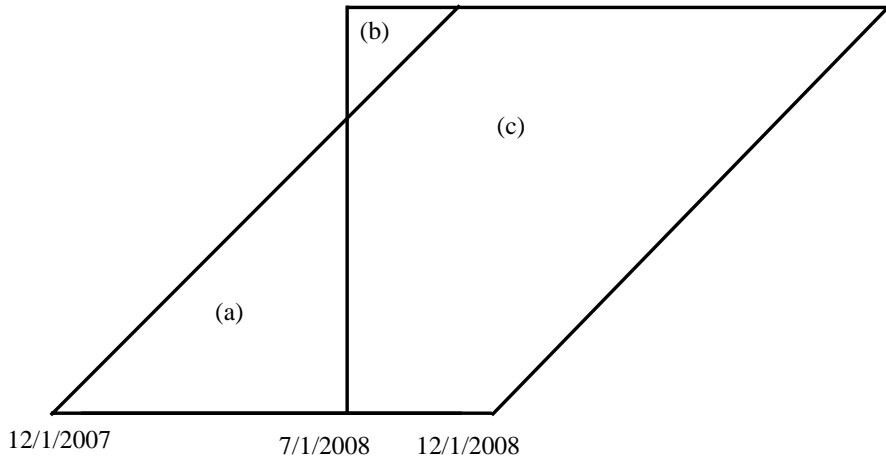


DELAWARE COMPENSATION RATING BUREAU, INC.

Effect of 7/1/08 Benefit Change

Effect of 7/1/2008 Benefit Change on a 12/1/07 Effective Date



(a) This portion of the graph reflects the exposure of the 6/7/2007 Benefit Level on new and renewal policies as respects the current loss cost filing. This area covers 0.17014 policy years.

(b) This portion of the graph reflects the exposure of the 7/1/2008 Benefit Level on outstanding policies as respects the current loss cost filing. This area covers 0.08681 policy years.

(c) This portion of the graph reflects the exposure of the 7/1/2008 Benefit Level on new and renewal policies as respects the current loss cost filing. This area covers 0.82986 policy years.

(d) Benefit Change (Page 10.2) = 1.0046

(e) Adjustment to reflect one-year period available to collect premium on 0.9167 years of exposure = 0.9167

(f) Overall effect of 7/1/2008 Benefit Change $(1+(e)[(d)-1.0])$ = 1.0042

DELAWARE BENEFIT CHANGES

<u>Injury Type</u>	<u>Five Year Losses From Table II (1)</u>	<u>Increase Factor (2)</u>	<u>Losses at 7/01/08 Level (1)*(2) (3)</u>
DEATH	\$8,247,500	1.0120	\$8,346,470
PERMANENT TOTAL	41,947,100	1.0202	42,794,431
MAJOR			
Specific Loss	238,970,436	1.0202	243,797,639
Loss of Earnings	21,465,664	1.0012	21,491,423
MINOR			
Specific Loss	64,294,960	1.0202	65,593,718
Loss of Earnings	4,016,640	1.0000	4,016,640
TEMPORARY	60,728,400	1.0202	61,955,114
INDEMNITY	439,670,700	1.0189	447,995,435
MEDICAL	1,387,752,700	1.0000	1,387,752,700
TOTAL	\$1,827,423,400		\$1,835,748,135

Total Effect of 07/01/2008 Benefit Change:

[Total of (3) ÷ Total of (1)] = 1.0046

Calculation of Delaware Statewide Average Weekly Wage

<u>Calendar Year</u>	<u>Quarter</u>		<u>Average(+) Quarterly Wages</u>
2005	1	Actual	11,424
2005	2	Actual	10,328
2005	3	Actual	10,667
2005	4	Actual	12,136
2006	1	Actual	12,549
2006	2	Actual	11,030
2006	3	Actual	11,019
2006	4	Actual	11,625
2007	1	Projected	13,115 = \$12,549.00 * 1.0451 (++)
2007	2	Projected	11,527 = \$11,030.00 * 1.0451 (++)
2007	3	Projected	11,516 = \$11,019.00 * 1.0451 (++)
2007	4	Projected	12,149 = \$11,625.00 * 1.0451 (++)

Calendar Year 2007 Projected Average Annual Wage =	\$13,115.00
	11,527.00
	11,516.00
	12,149.00
	<hr/>
	\$48,307.00

Calendar Year 2007 Projected Average Weekly Wage = $\$48,307.00 / 52 = 928.98$

(+) Source: Office of Occupational and Labor Market Information, ES202 data underlying the Statewide Average Weekly Wage set forth in June by the Secretary of Labor

(++) 1.0451 is an estimate for annual rate of wage inflation.

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2008

EFFECT ON SECTION 2330 BENEFITS - DEATH CASES

Statewide Average Weekly Wage = 928.98

	PRESENT	2006
(I) Workers Capped at Maximum > 2/3 SAWW		
(1) Maximum Weekly Compensation	596.93	619.32
(2) Statewide Average Weekly Wage	928.98	928.98
(3) Min. Wage to be Limited to Maximum Benefit	895.41	928.99
(4) Ratio: (3) ÷ (2)	0.9639	1.0000
(5) (4) to Nearest 5%	0.95	1.00
(6) (A) for (5)	60.0300	63.5500
(7) 100 - (6)	39.9700	36.4500
(8) [(1)] * (7) ÷ 100	238.5929	225.7421
(II) Workers at 2/3 Wages		
(9) Maximum Wage; SAWW	895.40	928.98
(10) Minimum Wage; 1/3 SAWW	298.48	309.67
(11) (9) ÷ (2)	0.9639	1.0000
(12) (10) ÷ (2)	0.3213	0.3333
(13) (11) to Nearest 5%	0.95	1.00
(14) (12) to Nearest 5%	0.30	0.35
(15) (B) for (13)	39.8100	43.4800
(16) (B) for (14)	0.9300	1.6100
(17) (15) - (16)	38.8800	41.8700
(18) [2/3 * (2)] * (17) ÷ 100	240.7916	259.3093
(III) Workers Raised to Minimum < 2/9 SAWW		
(19) Minimum Weekly Compensation	198.98	206.44
(20) Maximum Wage to be Limited to Minimum Benefit	298.47	309.66
(21) (19) ÷ (2)	0.2142	0.2222
(22) (21) to Nearest 5%	0.20	0.20
(23) (A) for (22)	1.3600	1.3600
(24) [(19)] * (23) ÷ 100	2.7061	2.8076
(25) [(8) + (18) + (24)]	482.0906	487.8590

Effect of Change: 487.86 ÷ 482.09 = 1.0120

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2008
EFFECT ON SECTION 2324 and 2326 BENEFITS - TOTAL DISABILITY CASES
(TEMPORARY & PERMANENT), and PERMANENT PARTIAL SCHEDULED CASES

Statewide Average Weekly Wage = 928.98

(I) Workers Capped at Maximum > 2/3 SAWW	PRESENT	2006
(1) Maximum Weekly Compensation	596.93	619.32
(2) Statewide Average Weekly Wage	928.98	928.98
(3) Min. Wage to be Limited to Maximum Benefit	895.41	928.99
(4) Ratio: (3) ÷ (2)	0.9639	1.0000
(5) (4) to Nearest 5%	0.95	1.00
(6) (A) for (5)	60.0300	63.5500
(7) 100 - (6)	39.9700	36.4500
(8) [(1)] * (7) ÷ 100	238.5929	225.7421
(II) Workers at 2/3 Wages		
(9) Maximum Wage; SAWW	895.40	928.98
(10) Minimum Wage; 1/3 SAWW	298.48	309.67
(11) (9) ÷ (2)	0.9639	1.0000
(12) (10) ÷ (2)	0.3213	0.3333
(13) (11) to Nearest 5%	0.95	1.00
(14) (12) to Nearest 5%	0.30	0.35
(15) (B) for (13)	39.8100	43.4800
(16) (B) for (14)	0.9300	1.6100
(17) (15) - (16)	38.8800	41.8700
(18) [2/3 * (2)] * (17) ÷ 100	240.7916	259.3093
(III) Workers at Intermediate Minimum < 2/9 SAWW		
(19) Intermediate Minimum Weekly Compensation	198.98	206.44
(20) Maximum Wage; 1/3 SAWW	298.47	309.66
(21) Minimum Wage; 2/9 SAWW	198.99	206.45
(22) (20) ÷ (2)	0.3213	0.3333
(23) (21) ÷ (2)	0.2142	0.2222
(24) (22) to Nearest 5%	0.30	0.35
(25) (23) to Nearest 5%	0.20	0.20
(26) (A) for (24)	4.0800	6.0000
(27) (A) for (25)	1.3600	1.3600
(28) (26) - (27)	2.7200	4.6400
(29) [(19)] * (28) ÷ 100	5.4123	9.5788
(IV) Workers at 100% of Wages		
(30) Maximum Wage;> 2/9 SAWW	198.98	206.44
(31) (30) ÷ (2)	0.2142	0.2222
(32) (31) to Nearest 5%	0.20	0.20
(33) (B) for (32)	0.1900	0.1900
(34) [1.0 * (2)] * (33) ÷ 100	1.7651	1.7651
(35) [(8) + (18) + (29) + (34)]	486.5619	496.3953

Effect of Change: $496.40 \div 486.56 = 1.0202$

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2008

EFFECT OF SECTION 2325 BENEFITS - MAJOR CASES

Statewide Average Weekly Wage = 928.98

	<u>PRESENT</u>	<u>2006</u>
(1) % of Lost Earnings Compensated	2/3	2/3
(2) Average Loss of Earning Power	0.40	0.40
(3) Nominal % of Compensation: (1)*(2)	0.267	0.267
(4) Maximum Weekly Compensation	596.93	619.32
(5) Eff. Wkly. Wage for Max. Benefits: (4)÷(3)	2235.69	2319.55
(6) Average Weekly Wage	928.98	928.98
(7) Ratio to Average %: (5)÷(6)	2.4066	2.4969
(8) Line (7) adjusted to nearest 5%	2.35	2.50
(9) (B) for (8) from Wage Table	95.9000	96.7900
(10) (A) for (8) from Wage Table	98.8300	99.1800
(11) Difference: 100.00-(10)	1.1700	0.8200
(12) Product: (7)*(11)	2.8157	2.0475
(13) Limit Factor: [(9)+(12)] %	98.7157	98.8375
(14) Effective Average Weekly Wage: (13)*(6)÷100	917.05	918.18
(15) Average Benefit: (14)*(3)	244.85	245.15

Effect of Change: $245.15 \div 244.85 = 1.0012$

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2008

EFFECT OF SECTION 2325 BENEFITS - MINOR CASES

Statewide Average Weekly Wage = 928.98

	PRESENT	2006
(1) % of Lost Earnings Compensated	2/3	2/3
(2) Average Loss of Earning Power	0.25	0.25
(3) Nominal % of Compensation: (1)*(2)	0.167	0.167
(4) Maximum Weekly Compensation	596.93	619.32
(5) Eff. Wkly. Wage for Max. Benefits: (4)÷(3)	3574.43	3708.50
(6) Average Weekly Wage	928.98	928.98
(7) Ratio to Average %: (5)÷(6)	3.8477	3.9920
(8) Line (7) adjusted to nearest 5%	3.85	4.00
(9) (B) for (8) from Wage Table	98.9400	98.9600
(10) (A) for (8) from Wage Table	99.8900	99.9000
(11) Difference: 100.00-(10)	0.1100	0.1000
(12) Product: (7)*(11)	0.4232	0.3992
(13) Limit Factor: [(9)+(12)] %	99.3632	99.3592
(14) Effective Average Weekly Wage: (13)*(6)÷100	923.06	923.03
(15) Average Benefit: (14)*(3)	154.15	154.15

Effect of Change: $154.15 \div 154.15 = 1.0000$

**STANDARD WAGE DISTRIBUTION TABLE
(1991 DCI STATES)**

R = Ratio to Average Wage

A = Percentage of workers receiving not more than the percentage of the average wage indicated by Column R

B = Percentage of wages received by the percentage of workers in Column A

R	A	B	R	A	B	R	A	B
0.05	0.2400	0.0100	2.40	98.9500	96.2100	4.75	100.0000	100.0000
0.10	0.3900	0.0200	2.45	99.0800	96.5400	4.80	100.0000	100.0000
0.15	0.7100	0.0600	2.50	99.1800	96.7900	4.85	100.0000	100.0000
0.20	1.3600	0.1900	2.55	99.2700	97.0400	4.90	100.0000	100.0000
0.25	2.6100	0.4900	2.60	99.3500	97.2500	4.95	100.0000	100.0000
0.30	4.0800	0.9300	2.65	99.4100	97.4100	5.00	100.0000	100.0000
0.35	6.0000	1.6100	2.70	99.4800	97.6000	5.05	100.0000	100.0000
0.40	8.8000	2.7600	2.75	99.5200	97.7100	5.10	100.0000	100.0000
0.45	13.1000	4.7400	2.80	99.5700	97.8700	5.15	100.0000	100.0000
0.50	17.6600	7.1000	2.85	99.6100	97.9900	5.20	100.0000	100.0000
0.55	22.4100	9.7900	2.90	99.6400	98.0800	5.25	100.0000	100.0000
0.60	27.6600	13.0700	2.95	99.6700	98.1700	5.30	100.0000	100.0000
0.65	32.7900	16.5200	3.00	99.7000	98.2600	5.35	100.0000	100.0000
0.70	37.8200	20.2000	3.05	99.7300	98.3500	5.40	100.0000	100.0000
0.75	42.7100	24.0300	3.10	99.7600	98.4300	5.45	100.0000	100.0000
0.80	47.4600	28.0000	3.15	99.7700	98.4900	5.50	100.0000	100.0000
0.85	52.0300	32.0700	3.20	99.7900	98.5700	5.55	100.0000	100.0000
0.90	56.2400	36.0400	3.25	99.8000	98.6100	5.60	100.0000	100.0000
0.95	60.0300	39.8100	3.30	99.8100	98.6500	5.65	100.0000	100.0000
1.00	63.5500	43.4800	3.35	99.8200	98.6800	5.70	100.0000	100.0000
1.05	66.8200	47.0500	3.40	99.8400	98.7300	5.75	100.0000	100.0000
1.10	69.7500	50.3900	3.45	99.8400	98.7500	5.80	100.0000	100.0000
1.15	72.5100	53.7300	3.50	99.8500	98.7800	5.85	100.0000	100.0000
1.20	75.1200	56.9900	3.55	99.8600	98.8000	5.90	100.0000	100.0000
1.25	77.6400	60.2900	3.60	99.8600	98.8200	5.95	100.0000	100.0000
1.30	79.9700	63.4400	3.65	99.8700	98.8500	6.00	100.0000	100.0000
1.35	82.0200	66.3300	3.70	99.8800	98.8900	6.05	100.0000	100.0000
1.40	83.9600	69.1500	3.75	99.8800	98.9000	6.10	100.0000	100.0000
1.45	85.6300	71.6700	3.80	99.8900	98.9200	6.15	100.0000	100.0000
1.50	87.2000	74.1200	3.85	99.8900	98.9400	6.20	100.0000	100.0000
1.55	88.6700	76.4900	3.90	99.8900	98.9400	6.25	100.0000	100.0000
1.60	90.0900	78.8400	3.95	99.8900	98.9500	6.30	100.0000	100.0000
1.65	91.3100	80.9100	4.00	99.9000	98.9600	6.35	100.0000	100.0000
1.70	92.4600	82.9400	4.05	100.0000	100.0000	6.40	100.0000	100.0000
1.75	93.3900	84.6300	4.10	100.0000	100.0000	6.45	100.0000	100.0000
1.80	94.2200	86.1800	4.15	100.0000	100.0000	6.50	100.0000	100.0000
1.85	94.9000	87.4900	4.20	100.0000	100.0000	6.55	100.0000	100.0000
1.90	95.5500	88.7600	4.25	100.0000	100.0000	6.60	100.0000	100.0000
1.95	96.1800	90.0300	4.30	100.0000	100.0000	6.65	100.0000	100.0000
2.00	96.6900	91.1000	4.35	100.0000	100.0000	6.70	100.0000	100.0000
2.05	97.1700	92.1000	4.40	100.0000	100.0000	6.75	100.0000	100.0000
2.10	97.5500	92.9400	4.45	100.0000	100.0000	6.80	100.0000	100.0000
2.15	97.9300	93.7700	4.50	100.0000	100.0000	6.85	100.0000	100.0000
2.20	98.2200	94.4400	4.55	100.0000	100.0000	6.90	100.0000	100.0000
2.25	98.4600	95.0000	4.60	100.0000	100.0000	6.95	100.0000	100.0000
2.30	98.6600	95.4800	4.65	100.0000	100.0000	7.00	100.0000	100.0000
2.35	98.8300	95.9000	4.70	100.0000	100.0000			