

DELAWARE COMPENSATION RATING BUREAU, INC.

Closure Rates, Payout Ratios and Average Claim Costs

Page 1 lists the indemnity closure rates - the ratio of number of claims closed to number of claims reported - by policy year and report level. Page 2 lists the claim frequency per \$1,000,000 of payroll - the ratio of number of indemnity claims reported to payroll. These values are taken from the unit statistical data.

Pages 3 thru 6 list the ratios of reported paid losses to incurred losses, by policy year and maturity level separately for indemnity and medical losses. Pages 3 and 4 relate paid losses to reported case incurred losses. Losses on page 3 are unlimited and losses on page 4 are limited. Pages 5 and 6 relate payments to projected ultimate incurred losses with ultimate losses derived using the average of paid and incurred methods for indemnity and medical which is the basis for staff loss development projections in this proposal. Losses on page 5 are unlimited and losses on page 6 are limited.

Pages 7 and 8 show the average costs for open, closed and incurred claims by policy year and report level. Page 7 is for indemnity and page 8 is for medical on indemnity. These values are calculated from the unit statistical data.

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIO OF NUMBER OF CLOSED INDEMNITY CLAIMS
TO NUMBER OF REPORTED INDEMNITY CLAIMS

POLICY					
YEAR	FIRST	SECOND	THIRD	FOURTH	FIFTH
1991	0.7209	0.8197	0.8789	0.9155	0.9423
1992	0.6917	0.8102	0.8747	0.9217	0.9483
1993	0.6598	0.7997	0.8682	0.9133	0.9380
1994	0.6689	0.8047	0.8883	0.9270	0.9461
1995	0.6579	0.8021	0.8794	0.9214	0.9460
1996	0.6525	0.8059	0.8771	0.9110	0.9315
1997	0.6702	0.8160	0.8816	0.9235	0.9410
1998	0.6541	0.8128	0.8815	0.9137	0.9324
1999	0.6092	0.7865	0.8682	0.9145	0.9342
2000	0.6151	0.7730	0.8494	0.8932	0.9180
2001	0.5956	0.7607	0.8469	0.8984	
2002	0.6226	0.7721	0.8628		
2003	0.6310	0.7654			
2004	0.6279				

DELAWARE COMPENSATION RATING BUREAU, INC.

CLAIM FREQUENCY PER \$1,000,000 OF PAYROLL

POLICY					
YEAR	FIRST	SECOND	THIRD	FOURTH	FIFTH
1991	0.7811	0.7922	0.7958	0.7976	0.7974
1992	0.7254	0.7343	0.7403	0.7390	0.7405
1993	0.7301	0.7436	0.7467	0.7478	0.7490
1994	0.6783	0.6876	0.6906	0.6928	0.6926
1995	0.6500	0.6580	0.6447	0.6442	0.6442
1996	0.5894	0.5971	0.5896	0.5919	0.5924
1997	0.5130	0.5234	0.5278	0.5301	0.5318
1998	0.4332	0.4436	0.4502	0.4516	0.4515
1999	0.4314	0.4360	0.4392	0.4398	0.4387
2000	0.4043	0.4154	0.4195	0.4195	0.4208
2001	0.3472	0.3512	0.3546	0.3535	
2002	0.3437	0.3543	0.3560		
2003	0.3065	0.3176			
2004	0.2823				

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIO OF PAID LOSSES TO REPORTED INCURRED LOSSES - UNLIMITED LOSSES

Policy Year	Maturity (in months)																							
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252			
INDEMNITY																								
Prior																				0.9564	0.9607	0.9565	NA	
1986																				0.9155	0.9094	0.9179	0.9246	0.9314
1987																0.9588	0.9710	0.9732	0.9750	0.9744				
1988															0.9330	0.9027	0.9136	0.9483	0.9477					
1989														0.9501	0.9677	0.9732	0.9670	0.9701						
1990													0.9173	0.9139	0.9070	0.9389	0.9446							
1991											0.9360	0.9328	0.9205	0.9418	0.9452									
1992											0.9323	0.9372	0.9413	0.9500	0.9673									
1993										0.8976	0.9131	0.9211	0.9196	0.9262										
1994								0.8928	0.9388	0.9331	0.9543	0.9573												
1995								0.8898	0.8758	0.8802	0.9358	0.9514												
1996								0.8808	0.8958	0.9064	0.9030	0.9028												
1997						0.8637	0.8584	0.8398	0.8062	0.8505														
1998					0.8500	0.8636	0.8759	0.8925	0.8923															
1999				0.7250	0.8354	0.8300	0.8713	0.8976																
2000			0.5630	0.6795	0.7631	0.7953	0.8368																	
2001		0.4011	0.5731	0.6749	0.7589	0.8256																		
2002	0.2173	0.3723	0.5939	0.7057	0.7507																			
2003	0.2490	0.3938	0.5619	0.7044																				
2004	0.2189	0.3345	0.5515																					
2005	0.2753	0.3572																						
2006	0.2286																							
MEDICAL																								
Prior																				0.8689	0.8753	0.8893	NA	
1986																				0.9364	0.9253	0.9213	0.9018	0.9011
1987																0.8934	0.9250	0.8939	0.8995	0.8549				
1988															0.9748	0.9069	0.9132	0.8994	0.8556					
1989														0.8794	0.8884	0.8832	0.8664	0.8532						
1990														0.9535	0.9094	0.8924	0.8839	0.8773						
1991											0.9367	0.9163	0.8875	0.8860	0.8915									
1992											0.8126	0.8094	0.7528	0.7694	0.7923									
1993										0.9091	0.8747	0.8491	0.8146	0.8122										
1994									0.9073	0.8968	0.8249	0.8210	0.8450											
1995									0.9180	0.8261	0.7662	0.7768	0.8229											
1996									0.8809	0.8731	0.8533	0.8212	0.8159											
1997						0.9106	0.8506	0.8377	0.8259	0.8621														
1998					0.8913	0.8982	0.8809	0.8452	0.8361															
1999				0.8887	0.8895	0.8622	0.8606	0.8242																
2000			0.8214	0.8281	0.7700	0.7439	0.7416																	
2001		0.6965	0.8284	0.7826	0.7765	0.7668																		
2002	0.3237	0.5275	0.6159	0.6527	0.7566																			
2003	0.4813	0.7214	0.8069	0.8273																				
2004	0.3920	0.6122	0.7328																					
2005	0.4629	0.6950																						
2006	0.4500																							

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIO OF PAID LOSSES TO REPORTED INCURRED LOSSES - LIMITED LOSSES

Policy Year	12	24	36	48	60	72	84	96	108	Maturity (in months)										240	252
										120	132	144	156	168	180	192	204	216	228	240	252
INDEMNITY																					
Prior																		0.9748	0.9785	0.9751	NA
1986																	0.9544	0.9545	0.9583	0.9687	0.9728
1987															0.9803	0.9893	0.9921	0.9952	0.9942		
1988														0.9464	0.9186	0.9274	0.9650	0.9648			
1989													0.9736	0.9846	0.9914	0.9886	0.9993				
1990													0.9253	0.9169	0.9124	0.9693	0.9761				
1991												0.9547	0.9543	0.9520	0.9679	0.9701					
1992										0.9546	0.9684	0.9714	0.9739	0.9814							
1993									0.9211	0.9218	0.9325	0.9319	0.9392								
1994								0.8950	0.9414	0.9451	0.9657	0.9696									
1995								0.9046	0.8979	0.9085	0.9601	0.9783									
1996							0.8817	0.8958	0.9121	0.9157	0.9156										
1997						0.8655	0.8715	0.8639	0.8421	0.8894											
1998					0.8542	0.8681	0.8820	0.8993	0.8953												
1999				0.7579	0.8330	0.8385	0.8852	0.9041													
2000			0.5630	0.6817	0.7637	0.7999	0.8522														
2001		0.4011	0.5731	0.6759	0.7600	0.8267															
2002	0.2377	0.4087	0.6062	0.7162	0.7556																
2003	0.2655	0.4005	0.5601	0.7034																	
2004	0.2221	0.3506	0.5729																		
2005	0.2753	0.3656																			
2006	0.2286																				
MEDICAL																					
Prior																		0.9676	0.9755	0.9641	NA
1986																	0.9805	0.9752	0.9765	0.9676	0.9699
1987																0.9479	0.9456	0.9411	0.9473	0.9546	
1988														0.9878	0.9808	0.9840	0.9897	0.9789			
1989													0.9759	0.9803	0.9699	0.9697	0.9625				
1990													0.9663	0.9410	0.9201	0.9369	0.9358				
1991												0.9472	0.9389	0.9161	0.9190	0.9246					
1992										0.9626	0.9602	0.9529	0.9649	0.9603							
1993										0.9520	0.9142	0.9302	0.9053	0.9031							
1994									0.9414	0.9392	0.8887	0.8684	0.8875								
1995								0.9287	0.9133	0.8929	0.9042	0.9241									
1996							0.8809	0.8731	0.8715	0.8427	0.8397										
1997						0.9089	0.8631	0.8600	0.8612	0.9013											
1998					0.8989	0.9060	0.8908	0.8616	0.8504												
1999				0.8945	0.8982	0.8668	0.8692	0.8621													
2000			0.8214	0.8334	0.7840	0.7672	0.7675														
2001		0.6965	0.8284	0.7856	0.7792	0.7814															
2002	0.3675	0.6827	0.7905	0.8047	0.7976																
2003	0.4708	0.7209	0.8036	0.8247																	
2004	0.3955	0.6669	0.8029																		
2005	0.4629	0.7075																			
2006	0.4500																				

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIOS OF REPORTED PAID LOSSES TO PROJECTED ULTIMATE INCURRED LOSSES - UNLIMITED LOSSES

INDEMNITY - AVERAGE OF INCURRED AND PAID TO 20th

Policy Year	Maturity (in months)																		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228
1988															0.9190	0.9244	0.9331	0.9447	0.9520
1989														0.9342	0.9393	0.9489	0.9538	0.9579	
1990													0.8920	0.9076	0.9152	0.9247	0.9396		
1991												0.8952	0.9142	0.9200	0.9285	0.9331			
1992											0.8815	0.8898	0.9077	0.9239	0.9359				
1993										0.8266	0.8522	0.8735	0.8911	0.9071					
1994									0.8530	0.8849	0.8882	0.8735	0.8911	0.9071					
1995								0.8259	0.8458	0.8608	0.8780	0.8965							
1996							0.7901	0.8145	0.8356	0.8493	0.8597								
1997						0.6349	0.6993	0.7342	0.7799	0.8181									
1998					0.6539	0.7165	0.7602	0.7935	0.8188										
1999				0.5639	0.6622	0.7182	0.7627	0.7974											
2000			0.3567	0.4893	0.6131	0.6781	0.7410												
2001		0.1862	0.3832	0.5369	0.6258	0.6990													
2002	0.0414	0.1992	0.4027	0.5499	0.6177														
2003	0.0447	0.1984	0.3671	0.5294															
2004	0.0416	0.1676	0.3701																
2005	0.0418	0.1808																	

MEDICAL - AVERAGE OF INCURRED AND PAID TO 20th

Policy Year	Maturity (in months)																		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228
1988															0.7196	0.7345	0.7413	0.7489	0.7546
1989														0.6950	0.7060	0.7186	0.7313	0.7440	
1990													0.6993	0.7049	0.7163	0.7252	0.7437		
1991												0.6949	0.7035	0.7137	0.7209	0.7379			
1992											0.6070	0.6260	0.6456	0.6618	0.6835				
1993											0.6321	0.6433	0.6560	0.6679	0.6791				
1994										0.6281	0.6376	0.6436	0.6550	0.6783					
1995									0.5553	0.5785	0.5899	0.6046	0.6538						
1996							0.5756	0.5909	0.6006	0.6151	0.6343								
1997						0.5449	0.5732	0.5956	0.6114	0.6338									
1998					0.5198	0.5462	0.5732	0.5900	0.6045										
1999				0.4739	0.5081	0.5281	0.5554	0.5791											
2000			0.3531	0.4130	0.4515	0.4962	0.5265												
2001		0.2856	0.3947	0.4512	0.4780	0.5126													
2002	0.0645	0.2747	0.3751	0.4411	0.4833														
2003	0.0898	0.3085	0.4110	0.4736															
2004	0.0684	0.2948	0.3958																
2005	0.0731	0.3060																	

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIOS OF REPORTED PAID LOSSES TO PROJECTED ULTIMATE INCURRED LOSSES - LIMITED LOSSES

INDEMNITY - AVERAGE OF INCURRED AND PAID TO 20th

Policy Year	Maturity (in months)																		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228
1988															0.9546	0.9595	0.9674	0.9783	0.9842
1989														0.9822	0.9861	0.9938	0.9972	0.9989	
1990													0.9390	0.9551	0.9625	0.9722	0.9841		
1991												0.9388	0.9580	0.9639	0.9726	0.9772			
1992										0.9476	0.9522	0.9667	0.9753	0.9779					
1993										0.8744	0.8956	0.9177	0.9353	0.9509					
1994									0.9057	0.9393	0.9419	0.9573	0.9587						
1995								0.8928	0.9112	0.9255	0.9402	0.9535							
1996							0.8376	0.8634	0.8858	0.9003	0.9114								
1997						0.6859	0.7556	0.7933	0.8428	0.8841									
1998					0.6949	0.7607	0.8071	0.8424	0.8693										
1999				0.6000	0.7063	0.7669	0.8151	0.8504											
2000			0.3831	0.5255	0.6585	0.7282	0.7958												
2001		0.1983	0.4081	0.5718	0.6665	0.7444													
2002	0.0468	0.2252	0.4331	0.5832	0.6586														
2003	0.0475	0.2105	0.3880	0.5608															
2004	0.0457	0.1840	0.4003																
2005	0.0451	0.1949																	

MEDICAL - AVERAGE OF INCURRED AND PAID TO 20th

Policy Year	Maturity (in months)																		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228
1988															0.9099	0.9278	0.9337	0.9399	0.9423
1989														0.8909	0.9010	0.9105	0.9206	0.9290	
1990													0.8629	0.8692	0.8822	0.8923	0.9096		
1991												0.8461	0.8557	0.8677	0.8762	0.8967			
1992										0.8623	0.8781	0.8916	0.8980	0.9052					
1993									0.8152	0.8271	0.8433	0.8562	0.8677						
1994								0.7957	0.8075	0.8140	0.8267	0.8486							
1995							0.7705	0.7976	0.8107	0.8261	0.8530								
1996							0.7234	0.7425	0.7547	0.7730	0.7971								
1997						0.6923	0.7297	0.7592	0.7801	0.8093									
1998					0.6591	0.6918	0.7260	0.7473	0.7656										
1999				0.6042	0.6508	0.6813	0.7180	0.7478											
2000			0.4541	0.5311	0.5806	0.6382	0.6770												
2001		0.3638	0.5028	0.5748	0.6089	0.6530													
2002	0.0893	0.3800	0.4971	0.5753	0.6232														
2003	0.1061	0.3810	0.5082	0.5874															
2004	0.0897	0.3865	0.5153																
2005	0.0923	0.3865																	

DELAWARE COMPENSATION RATING BUREAU, INC.

AVERAGE CLOSED, OPEN & INCURRED INDEMNITY CLAIMS

<u>POLICY YEAR</u>	<u>AVERAGE CLOSED</u>	<u>% CHANGE</u>	<u>AVERAGE OPEN</u>	<u>% CHANGE</u>	<u>AVERAGE INCURRED</u>	<u>% CHANGE</u>
*****	*****	*****	FIRST REPORT	*****	*****	*****
97	1,510		15,928		6,265	
98	1,603	6.16%	16,722	4.98%	6,832	9.05%
99	1,795	11.98%	16,102	-3.71%	7,386	8.11%
00	1,905	6.13%	19,401	20.49%	8,640	16.98%
01	2,169	13.86%	21,956	13.17%	10,170	17.71%
02	2,369	9.22%	22,475	2.36%	9,956	-2.10%
03	2,288	-3.42%	24,697	9.89%	10,556	6.03%
04	2,469	7.91%	25,288	2.39%	10,959	3.82%
*****	*****	*****	SECOND REPORT	*****	*****	*****
96	3,065		32,587		8,796	
97	2,957	-3.52%	32,434	-0.47%	8,382	-4.71%
98	3,168	7.14%	30,742	-5.22%	8,331	-0.61%
99	3,540	11.74%	33,076	7.59%	9,847	18.20%
00	3,808	7.57%	40,654	22.91%	12,174	23.63%
01	4,676	22.79%	42,294	4.03%	13,678	12.35%
02	4,377	-6.39%	46,722	10.47%	14,029	2.57%
03	4,558	4.14%	45,515	-2.58%	14,167	0.98%
*****	*****	*****	THIRD REPORT	*****	*****	*****
95	4,384		47,175		9,545	
96	4,526	3.24%	47,677	1.06%	9,829	2.98%
97	4,594	1.50%	47,218	-0.96%	9,640	-1.92%
98	4,504	-1.96%	46,890	-0.69%	9,526	-1.18%
99	5,162	14.61%	53,996	15.15%	11,596	21.73%
00	5,731	11.02%	62,892	16.48%	14,341	23.67%
01	7,140	24.59%	65,190	3.65%	16,030	11.78%
02	7,037	-1.44%	75,927	16.47%	16,488	2.86%
*****	*****	*****	FOURTH REPORT	*****	*****	*****
94	4,791		58,451		8,710	
95	5,330	11.25%	64,759	10.79%	10,001	14.82%
96	5,679	6.55%	59,056	-8.81%	10,428	4.27%
97	5,947	4.72%	57,757	-2.20%	9,909	-4.98%
98	5,496	-7.58%	62,829	8.78%	10,446	5.42%
99	7,074	28.71%	71,928	14.48%	12,621	20.82%
00	7,867	11.21%	81,811	13.74%	15,767	24.93%
01	9,019	14.64%	88,055	7.63%	17,049	8.13%
*****	*****	*****	FIFTH REPORT	*****	*****	*****
93	5,899		77,324		10,325	
94	5,660	-4.05%	67,335	-12.92%	8,981	-13.02%
95	6,077	7.37%	84,575	25.60%	10,316	14.86%
96	6,420	5.64%	69,135	-18.26%	10,717	3.89%
97	6,679	4.03%	66,916	-3.21%	10,236	-4.49%
98	6,238	-6.60%	77,423	15.70%	11,050	7.95%
99	8,196	31.39%	82,741	6.87%	13,102	18.57%
00	9,559	16.63%	104,013	25.71%	17,308	32.10%

SOURCE: UNIT STATSTICAL DATA

DELAWARE COMPENSATION RATING BUREAU, INC.

**AVERAGE CLOSED, OPEN & INCURRED MEDICAL CLAIMS
(EXCLUDING "MEDICAL ONLY" CLAIMS)**

<u>POLICY YEAR</u>	<u>AVERAGE CLOSED</u>	<u>% CHANGE</u>	<u>AVERAGE OPEN</u>	<u>% CHANGE</u>	<u>AVERAGE INCURRED</u>	<u>% CHANGE</u>
*****	*****	*****	FIRST REPORT	*****	*****	*****
97	2,703		16,365		7,209	
98	2,621	-3.03%	19,336	18.15%	8,403	16.56%
99	2,903	10.76%	19,166	-0.88%	9,258	10.17%
00	3,223	11.02%	19,682	2.69%	9,559	3.25%
01	3,815	18.37%	23,016	16.94%	11,579	21.13%
02	4,530	18.74%	34,758	51.02%	15,937	37.64%
03	4,604	1.63%	28,268	-18.67%	13,335	-16.33%
04	5,463	18.66%	36,581	29.41%	17,041	27.79%
*****	*****	*****	SECOND REPORT	*****	*****	*****
96	3,996		26,710		8,405	
97	3,937	-1.48%	26,022	-2.58%	8,001	-4.81%
98	4,116	4.55%	32,369	24.39%	9,406	17.56%
99	4,520	9.82%	33,935	4.84%	10,800	14.82%
00	4,788	5.93%	34,987	3.10%	11,645	7.82%
01	5,925	23.75%	39,471	12.82%	13,953	19.82%
02	6,703	13.13%	62,856	59.25%	19,502	39.77%
03	6,635	-1.01%	49,848	-20.69%	16,774	-13.99%
*****	*****	*****	THIRD REPORT	*****	*****	*****
95	4,720		36,082		8,503	
96	4,912	4.07%	39,891	10.56%	9,211	8.33%
97	4,766	-2.97%	37,252	-6.62%	8,612	-6.50%
98	5,261	10.39%	45,389	21.84%	10,016	16.30%
99	6,171	17.30%	49,949	10.05%	11,939	19.20%
00	6,036	-2.19%	54,915	9.94%	13,399	12.23%
01	7,578	25.55%	65,588	19.44%	16,462	22.86%
02	9,124	20.40%	96,861	47.68%	21,160	28.54%
*****	*****	*****	FOURTH REPORT	*****	*****	*****
94	4,959		37,393		7,328	
95	5,418	9.26%	45,448	21.54%	8,565	16.88%
96	5,744	6.02%	46,832	3.05%	9,400	9.75%
97	6,146	7.00%	45,344	-3.18%	9,144	-2.72%
98	6,286	2.28%	54,547	20.30%	10,453	14.32%
99	7,243	15.22%	69,740	27.85%	12,589	20.43%
00	7,486	3.35%	82,243	17.93%	15,472	22.90%
01	9,135	22.03%	98,366	19.60%	18,200	17.63%
*****	*****	*****	FIFTH REPORT	*****	*****	*****
93	5,679		55,008		8,736	
94	5,501	-3.13%	43,443	-21.02%	7,544	-13.64%
95	5,832	6.02%	70,126	61.42%	9,304	23.33%
96	6,335	8.62%	58,890	-16.02%	9,936	6.79%
97	6,605	4.26%	58,491	-0.68%	9,669	-2.69%
98	6,977	5.63%	68,384	16.91%	11,128	15.09%
99	8,397	20.35%	92,085	34.66%	13,905	24.96%
00	8,653	3.05%	119,005	29.23%	17,706	27.34%