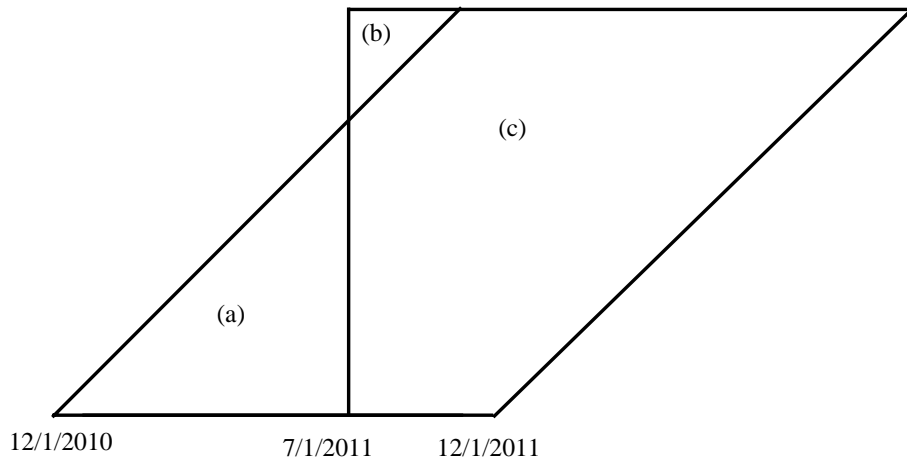


DELAWARE COMPENSATION RATING BUREAU, INC.

Effect of 7/1/11 Benefit Change

Effect of 7/1/2011 Benefit Change on a 12/1/10 Effective Date



(a) This portion of the graph reflects the exposure of the 5/25/2010 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 7/1/2011 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 7/1/2011 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) = 0.9981

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

(f) Overall effect of 7/1/2011 Benefit Change $(1+(e)[(d)-1.0])$ = 0.9983

DELAWARE BENEFIT CHANGES

<u>Injury Type</u>	<u>Five Year Losses From Table II (1)</u>	<u>Increase Factor (2)</u>	<u>Losses at 7/01/10 Level (1)*(2) (3)</u>
DEATH	\$11,343,900	0.9912	\$11,244,074
PERMANENT TOTAL	47,720,500	0.9934	47,405,545
MAJOR			
Specific Loss	173,314,977	0.9934	172,171,098
Loss of Earnings	15,568,123	0.9989	15,550,998
MINOR			
Specific Loss	58,443,606	0.9934	58,057,878
Loss of Earnings	3,651,094	1.0000	3,651,094
TEMPORARY	45,915,800	0.9934	45,612,756
INDEMNITY	355,958,000	0.9936	353,693,443
MEDICAL	836,198,500	1.0000	836,198,500
TOTAL	\$1,192,156,500		\$1,189,891,943

Total Effect of 07/01/2011 Benefit Change:

$$\text{[Total of (3) } \div \text{ Total of (1)]} = 0.9981$$

Calculation of Delaware Statewide Average Weekly Wage

<u>Calendar Year</u>	<u>Quarter</u>		<u>Average Quarterly Employment (+)</u>	<u>Total Quarterly Wages (+)</u>
2008	1	Actual	411,143	5,274,748,854
2008	2	Actual	419,207	4,689,159,751
2008	3	Actual	417,754	4,766,264,832
2008	4	Actual	412,288	5,040,127,568
2009	1	Actual	395,027	4,998,465,287
2009	2	Actual	400,517	4,444,563,883
2009	3	Actual	397,513	4,531,559,979
2009	4	Actual	393,960	4,897,474,527
2010	1	Projected	395,027	5,017,459,455 = \$4,998,465,287.00 * 1.0038 (++)
2010	2	Projected	400,517	4,461,453,226 = \$4,444,563,883.00 * 1.0038 (++)
2010	3	Projected	397,513	4,548,779,907 = \$4,531,559,979.00 * 1.0038 (++)
2010	4	Projected	393,960	4,916,084,930 = \$4,897,474,527.00 * 1.0038 (++)

(1) Sum of Qtrs 1 Through 4 of Projected Total Qtrly Wages for Calendar Year 2010 = 18,943,777,518

(2) Average of Qtrs 1 Through 4 of Projected Average Qtrly Employment for CY 2010 = 396,754

(3) Calendar Year 2009 Projected Average Weekly Wage = (1)/((2)*52) = 918.21

(+) 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

(++) 1.0038 is an estimate for annual rate of wage inflation.

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2011

EFFECT ON SECTION 2330 BENEFITS - DEATH CASES

Statewide Average Weekly Wage = 918.21

(I) Workers Capped at Maximum > 2/3 SAWW	PRESENT	2011
(1) Maximum Weekly Compensation	619.96	612.14
(2) Statewide Average Weekly Wage	918.21	918.21
(3) Min. Wage to be Limited to Maximum Benefit	929.95	918.22
(4) Ratio: (3) ÷ (2)	1.0128	1.0000
(5) (4) to Nearest 5%	1.00	1.00
(6) (A) for (5)	75.3800	75.3800
(7) 100 - (6)	24.6200	24.6200
(8) [(1)] * (7) ÷ 100	152.6342	150.7089
(II) Workers at 2/3 Wages		
(9) Maximum Wage; SAWW	929.94	918.21
(10) Minimum Wage; 1/3 SAWW	309.99	306.08
(11) (9) ÷ (2)	1.0128	1.0000
(12) (10) ÷ (2)	0.3376	0.3333
(13) (11) to Nearest 5%	1.00	1.00
(14) (12) to Nearest 5%	0.35	0.35
(15) (B) for (13)	59.1100	59.1100
(16) (B) for (14)	3.6000	3.6000
(17) (15) - (16)	55.5100	55.5100
(18) [2/3 * (2)] * (17) ÷ 100	339.7989	339.7989
(III) Workers Raised to Minimum < 2/9 SAWW		
(19) Minimum Weekly Compensation	206.65	204.05
(20) Maximum Wage to be Limited to Minimum Benefit	309.98	306.07
(21) (19) ÷ (2)	0.2251	0.2222
(22) (21) to Nearest 5%	0.25	0.20
(23) (A) for (22)	2.4500	1.2800
(24) [(19)] * (23) ÷ 100	5.0629	2.6118
(25) [(8) + (18) + (24)]	497.4960	493.1196

Effect of Change: $493.12 \div 497.50 = 0.9912$

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2011
EFFECT ON SECTION 2324 and 2326 BENEFITS - TOTAL DISABILITY CASES
(TEMPORARY & PERMANENT), and PERMANENT PARTIAL SCHEDULED CASES

Statewide Average Weekly Wage = 918.21

(I) Workers Capped at Maximum > 2/3 SAWW	PRESENT	2011
(1) Maximum Weekly Compensation	619.96	612.14
(2) Statewide Average Weekly Wage	918.21	918.21
(3) Min. Wage to be Limited to Maximum Benefit	929.95	918.22
(4) Ratio: (3) ÷ (2)	1.0128	1.0000
(5) (4) to Nearest 5%	1.00	1.00
(6) (A) for (5)	75.3800	75.3800
(7) 100 - (6)	24.6200	24.6200
(8) [(1)] * (7) ÷ 100	152.6342	150.7089
(II) Workers at 2/3 Wages		
(9) Maximum Wage; SAWW	929.94	918.21
(10) Minimum Wage; 1/3 SAWW	309.99	306.08
(11) (9) ÷ (2)	1.0128	1.0000
(12) (10) ÷ (2)	0.3376	0.3333
(13) (11) to Nearest 5%	1.00	1.00
(14) (12) to Nearest 5%	0.35	0.35
(15) (B) for (13)	59.1100	59.1100
(16) (B) for (14)	3.6000	3.6000
(17) (15) - (16)	55.5100	55.5100
(18) [2/3 * (2)] * (17) ÷ 100	339.7989	339.7989
(III) Workers at Intermediate Minimum < 2/9 SAWW		
(19) Intermediate Minimum Weekly Compensation	206.65	204.05
(20) Maximum Wage; 1/3 SAWW	309.98	306.07
(21) Minimum Wage; 2/9 SAWW	206.66	204.06
(22) (20) ÷ (2)	0.3376	0.3333
(23) (21) ÷ (2)	0.2251	0.2222
(24) (22) to Nearest 5%	0.35	0.35
(25) (23) to Nearest 5%	0.25	0.20
(26) (A) for (24)	9.1900	9.1900
(27) (A) for (25)	2.4500	1.2800
(28) (26) - (27)	6.7400	7.9100
(29) [(19)] * (28) ÷ 100	13.9282	16.1404
(IV) Workers at 100% of Wages		
(30) Maximum Wage;> 2/9 SAWW	206.65	204.05
(31) (30) ÷ (2)	0.2251	0.2222
(32) (31) to Nearest 5%	0.25	0.20
(33) (B) for (32)	0.6900	0.2900
(34) [1.0 * (2)] * (33) ÷ 100	6.3356	2.6628
(35) [(8) + (18) + (29) + (34)]	512.6969	509.3110

Effect of Change: 509.31 ÷ 512.70 = 0.9934

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2011

EFFECT OF SECTION 2325 BENEFITS - MAJOR CASES

Statewide Average Weekly Wage = 918.21

	PRESENT	2011
(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	619.96	612.14
(5) Eff. Wkly. Wage for Max. Benefits: (4)÷(3)	2321.95	2292.66
(6) Average Weekly Wage	918.21	918.21
(7) Ratio to Average %: (5)÷(6)	2.5288	2.4969
(8) Line (7) adjusted to nearest 5%	2.55	2.50
(9) (B) for (8) from Wage Table	98.8600	98.3400
(10) (A) for (8) from Wage Table	99.6700	99.5000
(11) Difference: 100.00-(10)	0.3300	0.5000
(12) Product: (7)*(11)	0.8345	1.2485
(13) Limit Factor: [(9)+(12)] %	99.6945	99.5885
(14) Effective Average Weekly Wage: (13)*(6)÷100	915.40	914.43
(15) Average Benefit: (14)*(3)	244.41	244.15

Effect of Change: $244.15 \div 244.41 = 0.9989$

STATEWIDE AVERAGE WEEKLY WAGE REVISION - 07/01/2011

EFFECT OF SECTION 2325 BENEFITS - MINOR CASES

Statewide Average Weekly Wage = 918.21

	PRESENT	2011
(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	619.96	612.14
(5) Eff. Wkly. Wage for Max. Benefits: (4)÷(3)	3712.34	3665.51
(6) Average Weekly Wage	918.21	918.21
(7) Ratio to Average %: (5)÷(6)	4.0430	3.9920
(8) Line (7) adjusted to nearest 5%	4.05	4.00
(9) (B) for (8) from Wage Table	100.0000	100.0000
(10) (A) for (8) from Wage Table	100.0000	100.0000
(11) Difference: 100.00-(10)	0.0000	0.0000
(12) Product: (7)*(11)	0.0000	0.0000
(13) Limit Factor: [(9)+(12)] %	100.0000	100.0000
(14) Effective Average Weekly Wage: (13)*(6)÷100	918.21	918.21
(15) Average Benefit: (14)*(3)	153.34	153.34

Effect of Change: $153.34 \div 153.34 = 1.0000$

DELAWARE WAGE DISTRIBUTION TABLE*

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	0.0600	0.0100	2.40	99.4400	98.1800	4.75	100.0000	100.0000
0.10	0.3300	0.0500	2.45	99.5000	98.3400	4.80	100.0000	100.0000
0.15	0.7200	0.1300	2.50	99.5000	98.3400	4.85	100.0000	100.0000
0.20	1.2800	0.2900	2.55	99.6700	98.8600	4.90	100.0000	100.0000
0.25	2.4500	0.6900	2.60	99.7800	99.2100	4.95	100.0000	100.0000
0.30	5.2900	1.8200	2.65	99.7800	99.2100	5.00	100.0000	100.0000
0.35	9.1900	3.6000	2.70	99.7800	99.2100	5.05	100.0000	100.0000
0.40	14.6500	6.4200	2.75	99.8900	99.5800	5.10	100.0000	100.0000
0.45	20.2800	9.6500	2.80	99.8900	99.5800	5.15	100.0000	100.0000
0.50	26.0700	13.3400	2.85	99.8900	99.5800	5.20	100.0000	100.0000
0.55	33.5400	18.5200	2.90	99.8900	99.5800	5.25	100.0000	100.0000
0.60	40.3300	23.6500	2.95	99.8900	99.5800	5.30	100.0000	100.0000
0.65	45.9100	28.2000	3.00	99.8900	99.5800	5.35	100.0000	100.0000
0.70	50.3100	32.0500	3.05	99.8900	99.5800	5.40	100.0000	100.0000
0.75	54.9900	36.4200	3.10	100.0000	100.0000	5.45	100.0000	100.0000
0.80	59.7800	41.1900	3.15	100.0000	100.0000	5.50	100.0000	100.0000
0.85	62.9000	44.4700	3.20	100.0000	100.0000	5.55	100.0000	100.0000
0.90	66.8500	48.8900	3.25	100.0000	100.0000	5.60	100.0000	100.0000
0.95	72.3700	55.3900	3.30	100.0000	100.0000	5.65	100.0000	100.0000
1.00	75.3800	59.1100	3.35	100.0000	100.0000	5.70	100.0000	100.0000
1.05	78.0500	62.5600	3.40	100.0000	100.0000	5.75	100.0000	100.0000
1.10	80.2800	65.5700	3.45	100.0000	100.0000	5.80	100.0000	100.0000
1.15	83.3400	69.9100	3.50	100.0000	100.0000	5.85	100.0000	100.0000
1.20	85.9600	73.7600	3.55	100.0000	100.0000	5.90	100.0000	100.0000
1.25	88.8600	78.2000	3.60	100.0000	100.0000	5.95	100.0000	100.0000
1.30	90.7500	81.2200	3.65	100.0000	100.0000	6.00	100.0000	100.0000
1.35	92.2600	83.7000	3.70	100.0000	100.0000	6.05	100.0000	100.0000
1.40	93.7000	86.1800	3.75	100.0000	100.0000	6.10	100.0000	100.0000
1.45	94.5400	87.6600	3.80	100.0000	100.0000	6.15	100.0000	100.0000
1.50	95.1000	88.6800	3.85	100.0000	100.0000	6.20	100.0000	100.0000
1.55	95.9300	90.2600	3.90	100.0000	100.0000	6.25	100.0000	100.0000
1.60	96.4300	91.2500	3.95	100.0000	100.0000	6.30	100.0000	100.0000
1.65	96.8800	92.1500	4.00	100.0000	100.0000	6.35	100.0000	100.0000
1.70	97.2700	92.9500	4.05	100.0000	100.0000	6.40	100.0000	100.0000
1.75	97.6000	93.6700	4.10	100.0000	100.0000	6.45	100.0000	100.0000
1.80	97.8300	94.1500	4.15	100.0000	100.0000	6.50	100.0000	100.0000
1.85	97.9900	94.5300	4.20	100.0000	100.0000	6.55	100.0000	100.0000
1.90	98.1600	94.9200	4.25	100.0000	100.0000	6.60	100.0000	100.0000
1.95	98.3800	95.4400	4.30	100.0000	100.0000	6.65	100.0000	100.0000
2.00	98.6600	96.1200	4.35	100.0000	100.0000	6.70	100.0000	100.0000
2.05	98.9400	96.8200	4.40	100.0000	100.0000	6.75	100.0000	100.0000
2.10	99.0000	96.9600	4.45	100.0000	100.0000	6.80	100.0000	100.0000
2.15	99.1100	97.2500	4.50	100.0000	100.0000	6.85	100.0000	100.0000
2.20	99.2200	97.5500	4.55	100.0000	100.0000	6.90	100.0000	100.0000
2.25	99.2800	97.7000	4.60	100.0000	100.0000	6.95	100.0000	100.0000
2.30	99.3300	97.8600	4.65	100.0000	100.0000	7.00	100.0000	100.0000
2.35	99.3900	98.0200	4.70	100.0000	100.0000			

*Based on Data from the Delaware Department of Labor for 2007 and 2008.