

DELAWARE COMPENSATION RATING BUREAU

Claim Frequencies

The attached exhibits examine historical Workers Compensation claim frequencies in Delaware.

Claim frequencies per \$1 million of on-level expected losses are shown on page 1 based on statistics gathered by the DCRB. The indicated annual decrease in claim frequency (2002-2008) is 8.8 percent. Over this same seven year period average wages increased at an annual rate of 3.0 percent. More recent statistics indicate that wage growth has slowed considerably to a rate of 0.4 percent annually. The Bureau has therefore selected two separate frequency trend rates, -8.8 percent for periods prior to 1/1/2009 and -6.37 percent for periods subsequent to 1/1/2009 recognizing the impact of slower wage growth on claim frequency rates.

The second page shows a graph of the frequencies appearing in column (5) of page 1.

The third page shows annual changes in average quarterly wages over the last eight available calendar quarters.

Delaware W.C - Claim Frequencies

DCRB Unit Statistical Plan
Excluding Deductible Business

Policy Year	# of Claim Indemnity (1)	% Change Counts (2)	Expected Losses (3)	% Change Exp Loss (4)	Claim Frequency (#Claims per \$1 million) (5)	% Change Frequency (6)
1994	2,733		87,914,404		31.09	
1995	2,738	0.2%	87,487,979	-0.5%	31.30	0.7%
1996	2,728	-0.4%	92,664,795	5.9%	29.44	-5.9%
1997	2,545	-6.7%	95,168,847	2.7%	26.74	-9.2%
1998	2,415	-5.1%	101,379,963	6.5%	23.82	-10.9%
1999	2,451	1.5%	104,110,819	2.7%	23.54	-1.2%
2000	2,301	-6.1%	107,539,206	3.3%	21.40	-9.1%
2001	1,974	-14.2%	105,819,106	-1.6%	18.65	-12.9%
2002	1,930	-2.2%	102,430,045	-3.2%	18.84	1.0%
2003	1,846	-4.4%	102,411,899	0.0%	18.03	-4.3%
2004	1,733	-6.1%	109,155,169	6.6%	15.88	-11.9%
2005	1,648	-4.9%	115,794,209	6.1%	14.23	-10.4%
2006	1,606	-2.6%	119,402,188	3.1%	13.45	-5.5%
2007	1,486	-7.5%	119,266,560	-0.1%	12.46	-7.4%
2008 *	1,086	-26.9%	99,104,315	-16.9%	10.96	-12.0%
2008 **					10.76	-13.6%

Period	Annual % Change In Claim Frequency	Period	Annual % Change In Claim Frequency
PY94-PY08	-7.3%	PY94-PY07	-7.1%
PY95-PY08	-7.5%	PY95-PY07	-7.3%
PY96-PY08	-7.5%	PY96-PY07	-7.3%
PY97-PY08	-7.5%	PY97-PY07	-7.2%
PY98-PY08	-7.5%	PY98-PY07	-7.2%
PY99-PY08	-7.8%	PY99-PY07	-7.5%
PY00-PY08	-7.8%	PY00-PY07	-7.3%
PY01-PY08	-7.9%	PY01-PY07	-7.3%
PY02-PY08	-8.8%	PY02-PY07	-8.4%
PY03-PY08	-9.2%	PY03-PY07	-8.7%
PY04-PY08	-8.7%	PY04-PY07	-7.5%
PY05-PY08	-8.7%	PY05-PY07	-6.4%
PY06-PY08	-10.6%	PY06-PY07	-7.4%
PY07-PY08	-13.6%		

* Includes approximately 1st 9 months of PY2008.

** Projected value for complete PY 2008 is 10.76 based on an annual change in claim frequency of -13.6%.

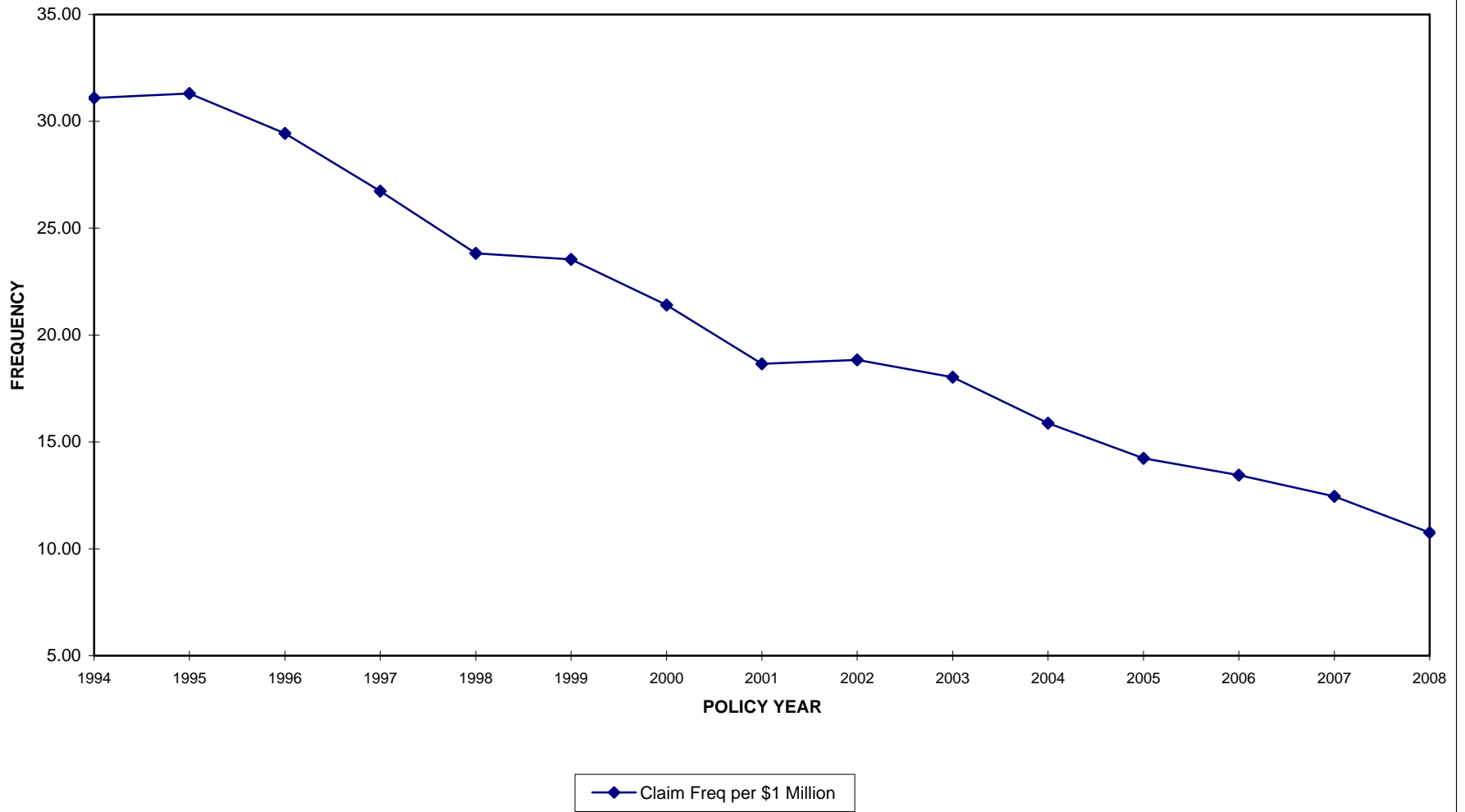
Policy Year	SAWW	% Change SAWW	SAWW Index	Adj Claim Freq. (1) (#Claims per \$1 million)	% Change Adj Claim Frequency
1994	547.07		1.0000	31.09	
1995	573.52	4.8%	1.0483	32.81	5.5%
1996	602.68	5.1%	1.1017	32.43	-1.2%
1997	634.35	5.3%	1.1595	31.01	-4.4%
1998	663.21	4.6%	1.2123	28.88	-6.9%
1999	689.03	3.9%	1.2595	29.65	2.7%
2000	720.50	4.6%	1.3170	28.18	-5.0%
2001	748.78	3.9%	1.3687	25.53	-9.4%
2002	772.98	3.2%	1.4129	26.62	4.3%
2003	800.52	3.6%	1.4633	26.38	-0.9%
2004	836.38	4.5%	1.5288	24.28	-8.0%
2005	872.92	4.4%	1.5956	22.71	-6.5%
2006	898.06	2.9%	1.6416	22.08	-2.8%
2007	911.83	1.5%	1.6667	20.77	-5.9%
2008 (2)	914.89	0.3%	1.6723	18.33	
2008	915.33		1.6731	18.01	-13.3%

Period	Annual % Change In Adjusted Claim Frequency	Period	Annual % Change in SAWW
PY94-PY08	-3.7%	PY94-PY08	3.9%
PY95-PY08	-4.0%	PY95-PY08	3.8%
PY96-PY08	-4.1%	PY96-PY08	3.7%
PY97-PY08	-4.2%	PY97-PY08	3.6%
PY98-PY08	-4.3%	PY98-PY08	3.5%
PY99-PY08	-4.7%	PY99-PY08	3.4%
PY00-PY08	-4.8%	PY00-PY08	3.3%
PY01-PY08	-5.0%	PY01-PY08	3.2%
PY02-PY08	-6.0%	PY02-PY08	3.0%
PY03-PY08	-6.6%	PY03-PY08	2.8%
PY04-PY08	-6.6%	PY04-PY08	2.3%
PY05-PY08	-7.3%	PY05-PY08	1.6%
PY06-PY08	-9.7%	PY06-PY08	1.0%
PY07-PY08	-13.3%	PY07-PY08	0.4%

(1) Adjusted claim frequency is claim frequency per \$1 million expected losses at constant (1993) wages

(2) Includes approximately 1st 9 months of PY 2008. (Full Year=915.33-Average of CY 2008 and 2009)

**DE W.C- CLAIM FREQUENCIES
DCRB Unit Statistical Plan
(Excluding Deductible Business)**



**DELAWARE COMPENSATION RATING BUREAU, INC.
DERIVATION OF WAGE TREND**

YEAR	QUARTER	SOURCE*	STATEWIDE AVERAGE QUARTERLY WAGE	ESTIMATE FOR YEARLY RATE OF WAGE INFLATION
2007	1	ACTUAL	12,814	
	2	ACTUAL	11,253	
	3	ACTUAL	11,160	
	4	ACTUAL	12,000	
2008	1	ACTUAL	12,829	1.0012
	2	ACTUAL	11,186	0.9940
	3	ACTUAL	11,409	1.0223
	4	ACTUAL	12,225	1.0188
2009	1	ACTUAL	12,653	0.9863
	2	ACTUAL	11,097	0.9920
	3	ACTUAL	11,400	0.9992
	4	ACTUAL	12,431	1.0169

Latest Eight Quarter Average = 1.0038
 Selected Annual Wage Trend = 1.004

** Delaware Department of Labor