

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 2009**

Policy Size		Participating				Eligible		% Participating	
From	To	# Risks	Std Premium	Credit	% Credit	# Risks	Std Premium	# Risks	SEP
3,161	5,000	109	439,857	83,570	19.0%	1,362	5,437,464	8.0%	8.1%
5,001	7,500	134	840,364	158,975	18.9%	1,120	6,934,038	12.0%	12.1%
7,501	10,000	97	843,739	156,847	18.6%	742	6,438,986	13.1%	13.1%
10,001	12,500	93	1,041,777	190,084	18.2%	529	5,901,419	17.6%	17.7%
12,501	15,000	84	1,148,964	205,567	17.9%	381	5,228,189	22.0%	22.0%
15,001	17,500	79	1,270,002	222,854	17.5%	312	5,035,135	25.3%	25.2%
17,501	20,000	75	1,402,969	241,862	17.2%	258	4,825,098	29.1%	29.1%
20,001	25,000	118	2,633,881	441,480	16.8%	359	8,023,313	32.9%	32.8%
25,001	30,000	87	2,366,287	383,765	16.2%	252	6,848,326	34.5%	34.6%
30,001	35,000	80	2,601,461	406,109	15.6%	189	6,146,616	42.3%	42.3%
35,001	40,000	69	2,578,323	391,911	15.2%	153	5,730,530	45.1%	45.0%
40,001	45,000	40	1,685,803	246,199	14.6%	127	5,364,238	31.5%	31.4%
45,001	50,000	33	1,576,677	226,008	14.3%	89	4,234,905	37.1%	37.2%
50,001	55,000	30	1,573,749	219,632	14.0%	86	4,500,681	34.9%	35.0%
55,001	60,000	32	1,834,562	251,185	13.7%	80	4,597,957	40.0%	39.9%
60,001	70,000	54	3,486,769	461,216	13.2%	138	8,947,139	39.1%	39.0%
70,001	80,000	42	3,140,390	393,328	12.5%	101	7,565,042	41.6%	41.5%
80,001	90,000	34	2,896,616	349,881	12.1%	71	6,036,568	47.9%	48.0%
90,001	100,000	31	2,936,398	330,375	11.3%	69	6,517,686	44.9%	45.1%
100,001	200,000	137	19,018,058	1,828,073	9.6%	327	45,720,184	41.9%	41.6%
200,001	300,000	45	11,055,904	815,502	7.4%	96	23,502,408	46.9%	47.0%
300,001	400,000	11	3,778,294	241,543	6.4%	45	15,712,652	24.4%	24.0%
400,001	500,000	10	4,456,428	231,020	5.2%	26	11,740,927	38.5%	38.0%
500,001	1,000,000	22	15,156,091	681,595	4.5%	70	47,955,975	31.4%	31.6%
1,000,001	& higher	4	6,623,544	159,152	2.4%	41	82,080,860	9.8%	8.1%
3,161	60,000	1,160	23,838,415	3,826,048	16.0%	6,039	85,246,895	19.2%	28.0%
60,001	& higher	390	72,548,492	5,491,685	7.6%	984	255,779,441	39.6%	28.4%
Grand Total		1,550	96,386,907	9,317,733	9.7%	7,023	341,026,336	22.1%	28.3%

Average Credit - All Eligible Risks

2.73%

Delaware Compensation Rating Bureau, Inc.

Offset for Merit Rating Plan and Workplace Safety Program - December 1, 2010

Risk Type	Manual Premium	Merit Rating Adjustment	%	Workplace Safety Adjustment	%	Combined Adjustment	%
Non-Rated Risks							
1. Not Qualified for MRP	9,222,669	-	0.00%			-	0.00%
2. Qualified for MRP Discount	9,462,985	(473,133)	-5.00%			(473,133)	-5.00%
3. Qualified for MRP No Adjustment	820,801	-	0.00%			-	0.00%
4. Qualified for MRP Surcharge	284,286	14,214	5.00%			14,214	5.00%
Total Non-Rated Risks	19,790,741	(458,919)	-2.32%			(458,919)	-2.32%
Experience Rated Risks	293,571,006			(8,014,488)	-2.73%	(8,014,488)	-2.73%
All Risks	313,361,747	(458,919)	-0.15%	(8,014,488)	-2.56%	(8,473,407)	-2.70%
Adjustment to Manual Premium *							2.78% *

* .0278 = 313,361,747 / (313,361,747-8,473,407) - 1.0