Exhibit 12
As Filed

DELAWARE COMPENSATION RATING BUREAU, INC.

Indicated Residual Market Rate Change

Page 1 presents the overall indicated changes in rates and loss costs.

Derivation of the indemnity and medical trend factors and trended loss ratios shown on page 1 is presented on pages 2 and 3.

Page 4 shows the derivation of overall frequency trend factors for each of the latest four policy years.

Staff is taking into account the impact of direct savings attributable to House Bill 373.

INDICATED CHANGE IN RATE LEVEL

		Indemnity	Medical	Total
(1a)	Policy Year 2014 Loss and Loss Adjustment Expense Ratio	0.2885	0.4834	0.7719
(1b)	Policy Year 2015 Loss and Loss Adjustment Expense Ratio	0.2877	0.5343	0.8220
(1c)	Policy Year 2016 Loss and Loss Adjustment Expense Ratio	0.2535	0.5213	0.7748
(1d)	Policy Year 2017 Loss and Loss Adjustment Expense Ratio	0.2498	0.5069	0.7567
(1e)	Average (Midpoint = 7/1/2016)	0.2699	0.5115	0.7814
(2a)	Policy Year 2014 Loss and LAE Ratio Trended to 12/1/2019	0.2243	0.4941	
(2b)	Policy Year 2015 Loss and LAE Ratio Trended to 12/1/2019	0.2334	0.5441	
(2c)	Policy Year 2016 Loss and LAE Ratio Trended to 12/1/2019	0.2146	0.5289	
(2d)	Policy Year 2017 Loss and LAE Ratio Trended to 12/1/2019	0.2206	0.5124	
(2e)	Average at 12/1/2020	0.2232	0.5199	0.7431
(3a)	House Bill 373 Adjustment	1.0000	0.6607	
(3b)	Average Trended Loss and LAE Ratio Post-Legislation (2e) * (3a)	0.2232	0.3435	0.5667
(4a)	Excess Loss Factor at $1,657,464 (Post-Legislative Basis) *			0.0853
(4b)	Provision for Excess Loss (5a) - (3b)			0.0528
(5a)	Total Trended Loss and LAE Ratio (3b) / (1.0 - (4a))	0.2294	0.3901	0.6195
(5b)	Percentage of Total	37.03%	62.97%	
(6)	Permissible Loss and Loss Adjustment Ratio			0.7128
(7)	Indicated Change in Rates (5a) / (6)			0.8691
(8)	Estimated Effect of the 7/1/20 Benefit Change			1.0039
(9)	Indicated Change in Residual Market Rate Level (7) * (8)			0.8725 **-12.75%**
(10)	Indicated Change in Voluntary Market Loss Costs (9) * [0.7411 / 0.7457]			0.8671 **-13.29%**

CHANGES IN MANUAL PREMIUM LEVEL BY INDUSTRY GROUP

		Mfg.	**Cont.**	**Other**	**Total**
(11)	Current Collectible Premium Ratio	1.0983	1.0435	0.9156	
(12)	Proposed Collectible Premium Ratio	1.1130	1.0522	0.9358	
(13)	Change in Collectible Premium Ratio (12) / (11)	1.0134	1.0083	1.0221	1.0182
(14)	Change in Residual Market Manual Rate Level (9) * (13)	0.8842	0.8797	0.8918	0.8884
(15)	Change in Voluntary Market Manual Loss Cost Level (10) * (13)	0.8787	0.8743	0.8863	0.8829
(16)	Current Offset for Residual Market Surcharge				0.9942
(17)	Proposed Offset for Residual Market Surcharge				0.9946
(18)	Adjusted Change in Voluntary Market Manual Loss Cost Level (15) * (17) / (16)	0.8791	0.8747	0.8867	0.8833

* $2,533,000 on a Post-HB175, Pre-HB373 basis.

DETERMINATION OF TREND

INDEMNITY

Policy Year	2011	2012	2013	2014	2015	2016	2017
Actual Loss Ratio	0.3092	0.3032	0.3490	0.2885	0.2877	0.2535	0.2498
Normalized Frequency	0.7212	0.6476	0.6753	0.5801	0.6078	0.5307	0.5299
Severity Loss Ratio	0.4287	0.4682	0.5168	0.4973	0.4734	0.4776	0.4714
x	1	2	3	4	5	6	7
y	0.4287	0.4682	0.5168	0.4973	0.4734	0.4776	0.4714

7 Point Exponential Regression: y = 0.459701 * 1.008496 ^ x

Selected Annual Trend = **0.8%**

Policy Year	Annual Trend Factor (1)	Trend Period # Years to 12/1/20 (2)	Severity Trend Factor (3) = (1)^(2)	Frequency Trend Factor (4) #
2014	1.0085	5.9167	1.0513	0.7395
2015	1.0085	4.9167	1.0425	0.7782
2016	1.0085	3.9167	1.0337	0.8189
2017	1.0085	2.9167	1.0250	0.8618

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3)*(4)	Trended Loss Ratio (7) = (5)*(6)
2014	0.2885	0.7774	0.2243
2015	0.2877	0.8113	0.2334
2016	0.2535	0.8465	0.2146
2017	0.2498	0.8833	0.2206
Average			0.2232

See Page 12.4 for column (4).

DETERMINATION OF TREND

MEDICAL

Policy Year		2011	2012	2013	2014	2015	2016	2017
Actual Loss Ratio		0.5042	0.4848	0.5660	0.4834	0.5343	0.5213	0.5069
Normalized Frequency		0.7212	0.6476	0.6753	0.5801	0.6078	0.5307	0.5299
Severity Loss Ratio		0.6991	0.7486	0.8381	0.8333	0.8791	0.9822	0.9566
	x	1	2	3	4	5	6	7
	y	0.6991	0.7486	0.8381	0.8333	0.8791	0.9822	0.9566

7 Point Exponential Regression: y = 0.677115 * 1.056228 ^ x

Selected Annual Trend = **5.6%**

Policy Year	Annual Trend Factor (1)	Trend Period # Years to 12/1/20 (2)	Severity Trend Factor (3) = (1)^(2)	Frequency Trend Factor (4) #
2014	1.0562	5.9167	1.3822	0.7395
2015	1.0562	4.9167	1.3086	0.7782
2016	1.0562	3.9167	1.2389	0.8189
2017	1.0562	2.9167	1.1730	0.8618

Trended Loss Ratio

Policy Year	Actual Loss Ratio (5)	Combined Trend Factor (6) = (3)*(4)	Trended Loss Ratio (7) = (5)*(6)
2014	0.4834	1.0221	0.4941
2015	0.5343	1.0184	0.5441
2016	0.5213	1.0145	0.5289
2017	0.5069	1.0109	0.5124
Average			0.5199

See Page 12.4 for column (4).

DETERMINATION OF TREND

CLAIM FREQUENCY

Policy Year Frequency per $1 million of Expected Losses

Policy Year	Claim Frequency	Normalized Frequency
2005	11.55	1.0000
2006	10.86	0.9403
2007	10.09	0.8736
2008	8.94	0.7740
2009	8.91	0.7714
2010	8.89	0.7697
2011	8.33	0.7212
2012	7.48	0.6476
2013	7.80	0.6753
2014	6.70	0.5801
2015	7.02	0.6078
2016	6.13	0.5307
2017	6.12	0.5299

Policy Year	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
x	1	2	3	4	5	6	7
y	0.7212	0.6476	0.6753	0.5801	0.6078	0.5307	0.5299

7 Point (2011 - 2017) Exponential Regression: y = 0.747557 * 0.950267 ^ x

Selected Annual Trend = **-5.0%**

Policy Year	Annual Trend Factor (1)	# of Years to 12/1/20 (2)	Frequency Trend Factor (3) = (1)^(2)
2014	0.9503	5.9167	0.7395
2015	0.9503	4.9167	0.7782
2016	0.9503	3.9167	0.8189
2017	0.9503	2.9167	0.8618