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# Delaware State Activity Report

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# 2023



## 2023 Year In Review

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# 2023 Year in Review

Operational	Data Collection	Filing & Industry Results	DCRB News	PCRB Staff Accomplishments
<ul style="list-style-type: none"> <li>○ 42 Employer Surveys</li> <li>○ 530 Classification Inquiries</li> <li>○ 727 Delaware Insurance Plan Applications</li> <li>○ 195 DCCPAP Credits</li> <li>○ 1,013 Workplace Safety Credits</li> <li>○ 5,609 E-mods published</li> <li>○ 11,681 Merit Ratings</li> <li>○ 10 Circulars Published</li> </ul>	<ul style="list-style-type: none"> <li>○ 183,161 Policy Documents</li> <li>○ 1,968 Financial Calls</li> <li>○ 62,174 Unit Statistical Reports</li> <li>○ 46,895 Indemnity Data Records</li> <li>○ 333,438 Medical Data Transactions</li> </ul>	<ul style="list-style-type: none"> <li>○ -13.85% Annual Loss Cost Filing Approval</li> <li>○ \$189 Million Standard Earned Premium</li> <li>○ \$50.7 Million Incurred Losses</li> <li>○ 65.1% Combined Ratio</li> </ul>	<ul style="list-style-type: none"> <li>○ DCRB Partners With Cloverleaf to Launch Unified Data Platform</li> <li>○ DCRB introduces Informational Bulletins</li> <li>○ Released Delaware Insurance Plan Manager (DIPM)</li> <li>○ 397 DCRB Carrier members, including 8 new</li> <li>○ Hires Communications and Marketing Managers</li> <li>○ Established Project Management Office</li> </ul>	<ul style="list-style-type: none"> <li>○ 4 Actuarial Exams</li> <li>○ 1 ACAS credentials</li> <li>○ 8 AMCOMP WCP Designations</li> <li>○ 1 IDMA Exam</li> <li>○ 1 Certified Foundation Level</li> <li>○ 1 Masters in Data Science</li> <li>○ Appointed Chair of National Society of Insurance Premium Auditors</li> <li>○ Appointed Vice-Chair of EDI Committee of WCIO</li> <li>○ Completed 154 LinkedIn Learning Courses</li> </ul>



# Premium and Payroll



# Delaware Market Share

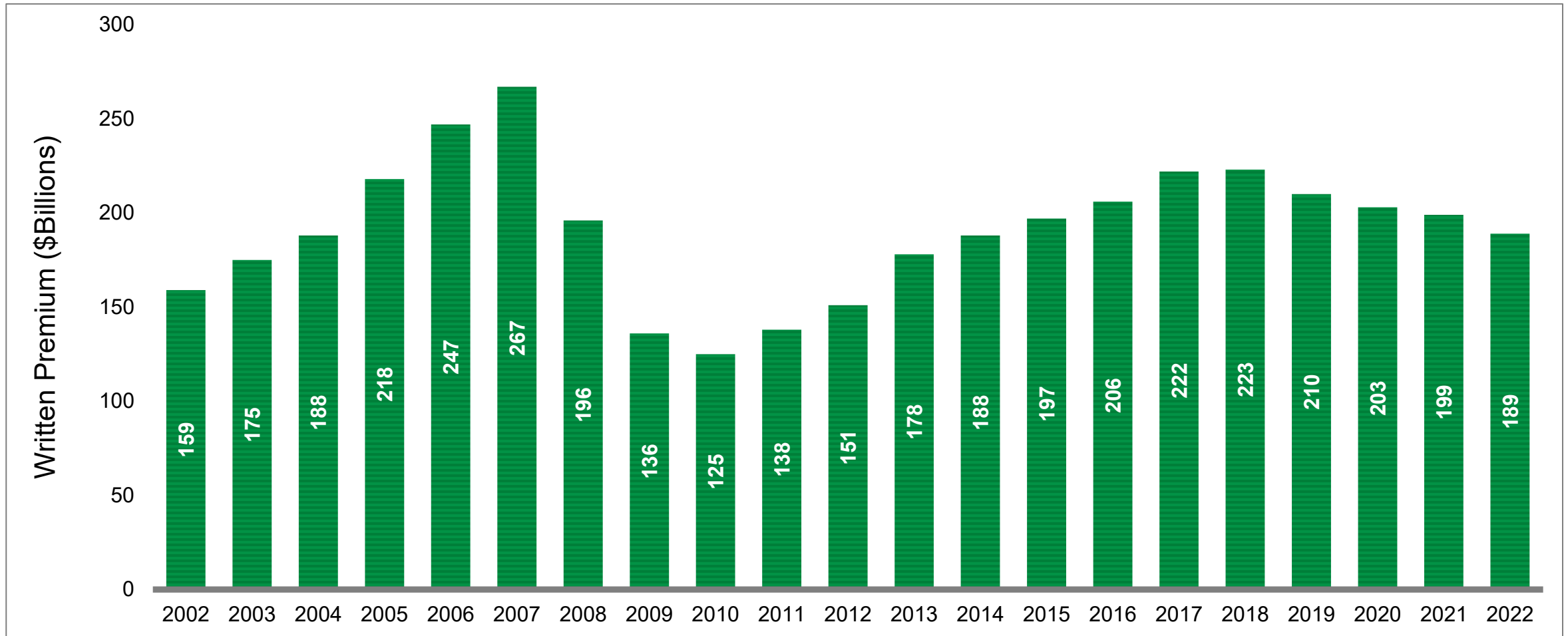
Delaware employers are required to secure their liability through private insurance, the Delaware Workers Compensation Insurance Plan (DIP), self-insurance, or self-insured groups. The Delaware Insurance Plan (“assigned risk” or “residual market”) ensures that all employers have a means of meeting their statutory obligation under the workers compensation law. The DCRB collects data from all private insurance carriers that write workers compensation business in Delaware. Employers that choose to apply for self-insured status or join a certified group self-insurance fund are not required to report any data to the DCRB. Therefore, that data is not included in this exhibit



# Workers Compensation Premium







WC Premium in DE decreased 5% in 2022, indicating a more significant increase in payroll than the 14% decrease in overall loss cost level effective 12/1/21.



# Top 20 Carrier Groups



These twenty carrier groups wrote more than 79.5% of the insured market premium in DE in 2022.

 Carrier Group	 Direct Written Premium (\$Millions)	 Market Share	 Market Share Change from 2021
HARTFORD INS GROUP	19,897,336	10.48%	0.51%
ZURICH U S	13,544,294	7.14%	-1.48%
AMTRUST GROUP	14,874,293	7.84%	1.20%
DONEGAL INSURANCE GROUP	12,044,553	6.35%	-0.72%
LIBERTY MUTUAL GROUP	9,458,895	4.98%	0.22%
GUARD INSURANCE GROUP	5,824,022	3.07%	-0.01%
THE TRAVELERS COMPANIES INC	11,667,933	6.15%	-0.03%
EASTERN ALLIANCE INS GROUP	5,953,165	3.14%	-0.76%
ACE / CHUBB	7,080,629	3.73%	-0.40%
AIG	7,275,300	3.83%	-0.12%
PMA INSURANCE + OLD REPUBLIC	8,596,120	4.53%	-0.58%
HARFORD MUTUAL INSURANCE	4,701,774	2.48%	-0.80%
SELECTIVE INSURANCE GROUP	4,961,027	2.61%	0.28%
ARCH CAPITAL GROUP	6,923,258	3.65%	0.87%
AMERISAFE INSURANCE GROUP	3,042,367	1.60%	-0.20%
W R BERKLEY CORPORATION	4,205,237	2.22%	0.12%
UPMC HEALTH INSURANCE GROUP	3,012,460	1.59%	-0.54%
CNA GROUP	2,986,868	1.57%	-0.33%
CINCINNATI FIN GROUP	2,154,348	1.14%	-0.01%
HARLEYSVILLE + NATIONWIDE	2,693,052	1.42%	0.17%

# Premium Demographics

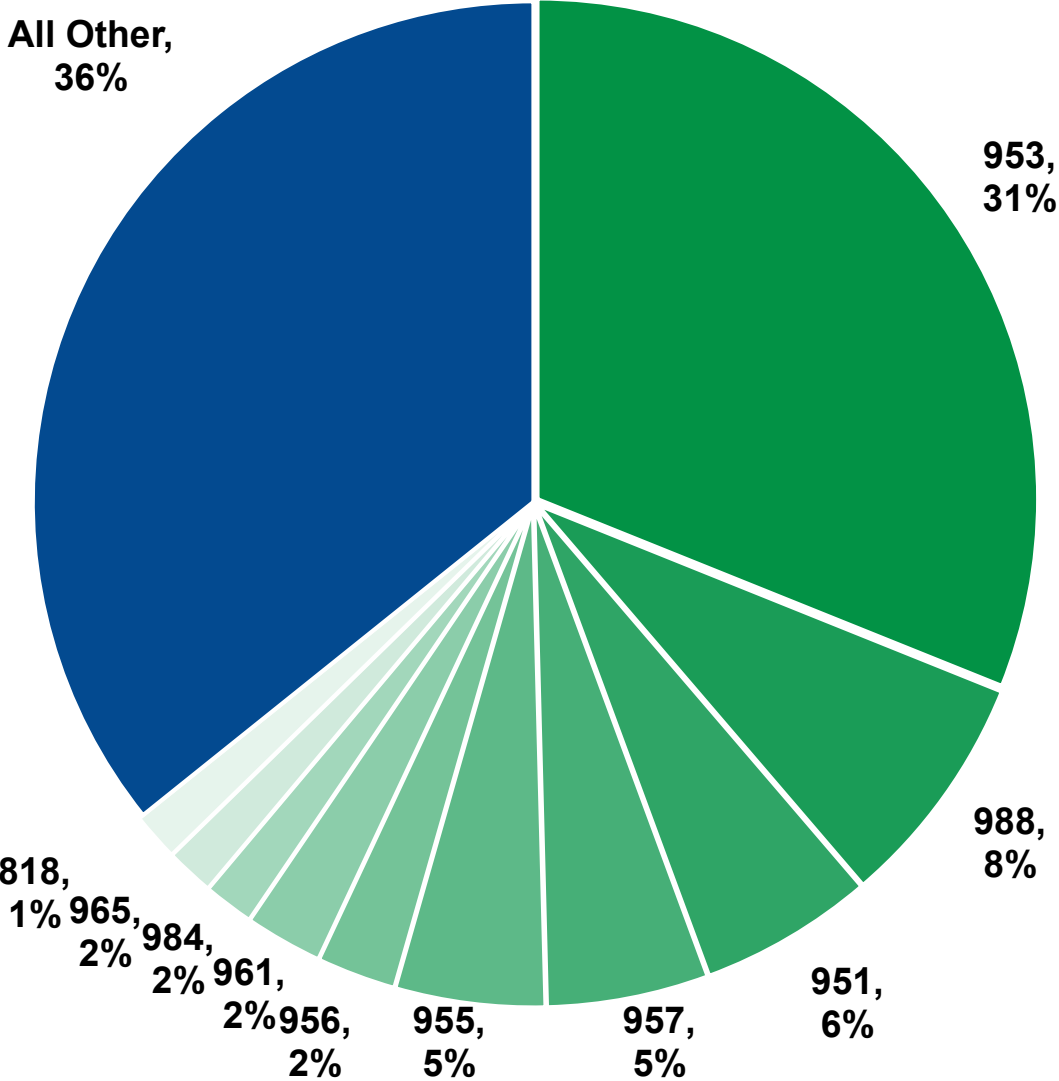


Although 70% of risks are in the lowest premium range, 42% of the standard premium is in the highest premium range.

Number of Risks	Premium Range	\$ Standard Premium (000)
17,478	\$0 – 2,499	\$10,032
2,371	\$2,500-4,999	\$8,544
1,255	\$5,000-7,499	\$7,783
683	\$7,500-9,999	\$5,959
791	\$10,000-14,999	\$9,671
768	\$15,000-24,999	\$15,215
676	\$25,000-49,999	\$24,491
426	\$50,000-99,999	\$31,677
303	\$100,000-249,999	\$53,545
159	\$250,000 & above	\$122,114



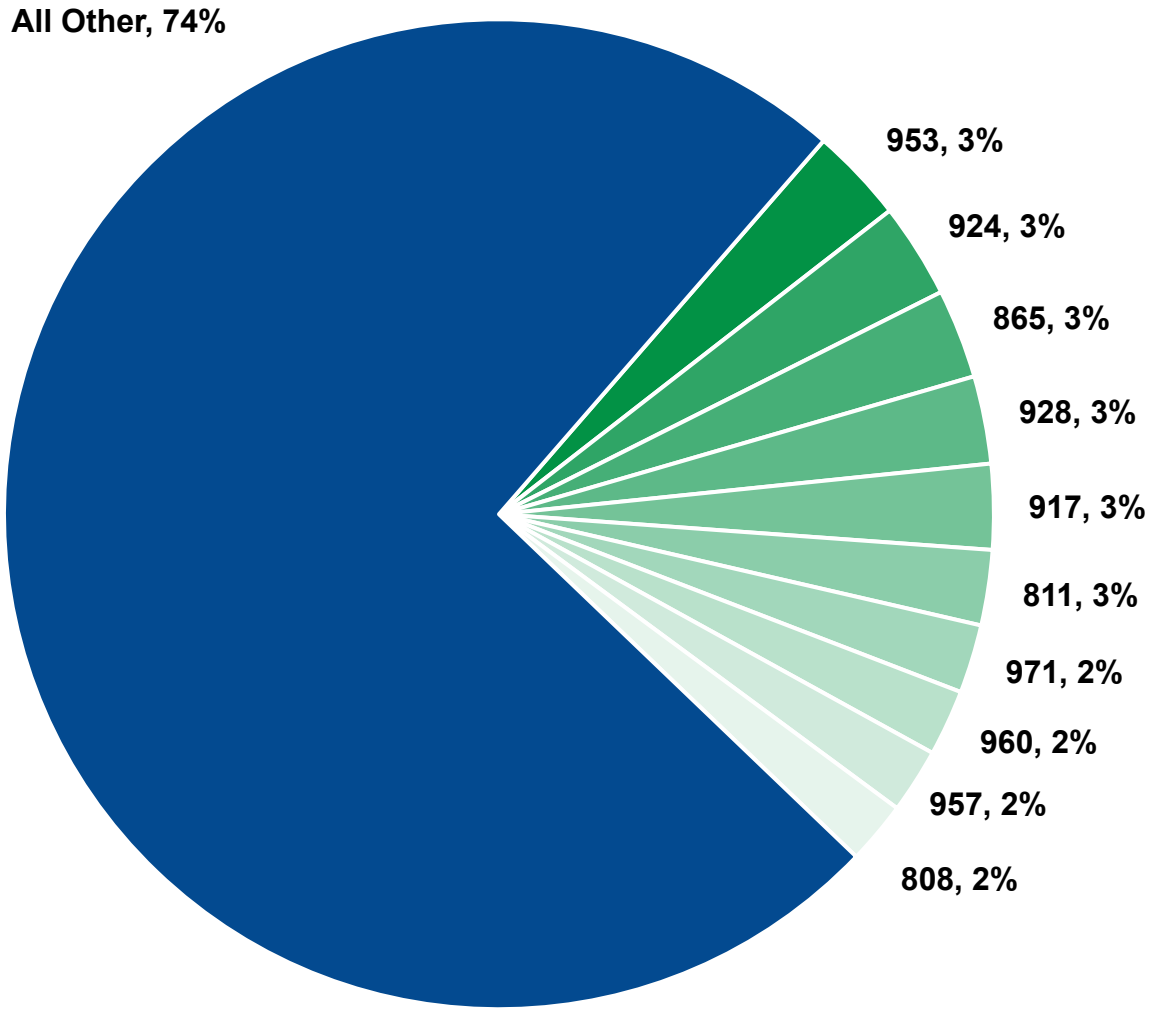
# Top 10 Classes by Payroll



Pct	Class	Payroll
36%	All Other Classes	\$7,341,376,115
31%	953 – Office	\$6,382,102,460
8%	988 – Bank	\$1,568,643,929
6%	951 - Salesperson - Outside	\$1,158,837,471
5%	957 - Physician or Dentist	\$1,072,208,190
5%	955 - Engineering Consulting Firm	\$991,811,889
2%	956 - Law Firm	\$525,111,157
2%	961 - Hospitals	\$515,552,117
2%	984 - Insurance Company	\$335,196,052
2%	965 - College or School	\$320,472,041
1%	818 - Automobile Dealer	\$318,037,145

Source: DE 2024 Loss Cost Filing – USR Data Policy Year 2020

# Top 10 Classes by Premium



Pct	Class	Premium
74%	All Other Classes	\$197,886,139
3%	953 - Office	\$8,263,413
3%	924 – Wholesale Store, N.O.C.	\$8,262,351
3%	865- Poultry, Fish Dealers/Processors	\$7,775,062
3%	928 - Retail Store, N.O.C.	\$7,629,134
3%	917 - Grocery Store	\$7,424,127
3%	811 – Trucking, N.O.C.	\$6,554,569
2%	971 - Commercial Buildings	\$5,971,344
2%	960 - Nursing and Convalescent Home	\$5,763,608
2%	957 – Physician or Dentist	\$5,630,664
2%	808 - Parcel Delivery	\$5,432,816

Source: DE 2024 Loss Cost Filing – USR Data Policy Year 2020

# Pricing Programs



# Premium Adjustment Programs

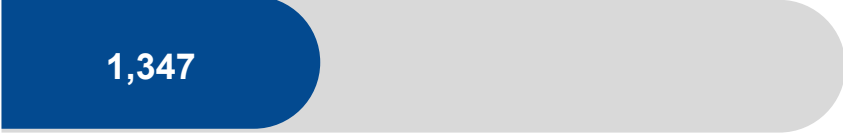
	Credits	No Premium Adjustment	Debits / Surcharges
Schedule Rating	23% receive average credit of 27.8%	72% do not receive a credit or debit	5% receive average debit of -21.6%
DE Certified Safety Credit	17% of eligible risks receive average credit of 11.3%	83% of eligible risks do not participate	Not Applicable
DCCPAP	11% of eligible risks receive average credit of 17.7%	89% of eligible risks do not participate	Not Applicable
Merit Rating	97.8% of qualified risks receive a 5.0% credit	2% of qualified risks do not receive a credit or debit	0.2% of qualified risks receive a 5% surcharge

# Schedule Rating Adjustments


 28% of all Risks use Schedule Rating. Of these, 81% receive a credit and 19% receive a debit, for an average overall premium adjustment of 12.9%

## Schedule Rating Credit

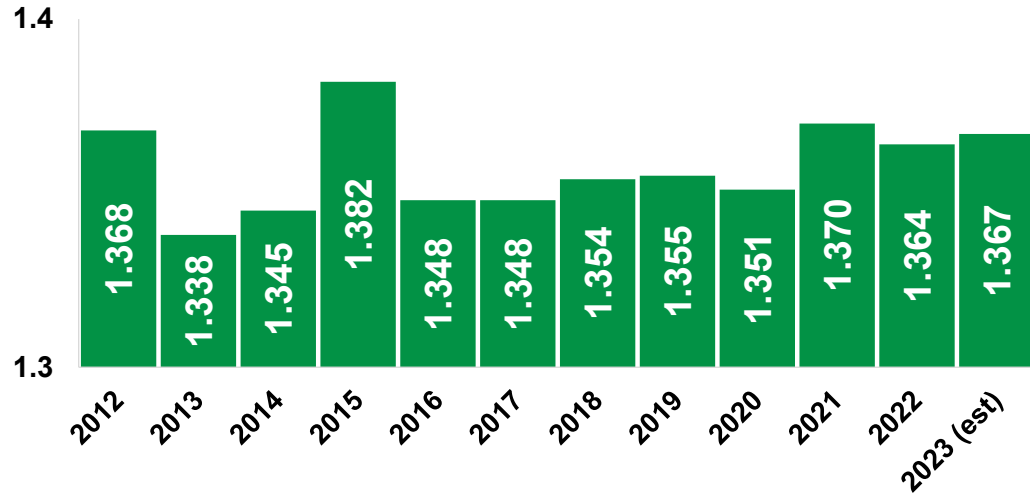
## Schedule Rating Debit



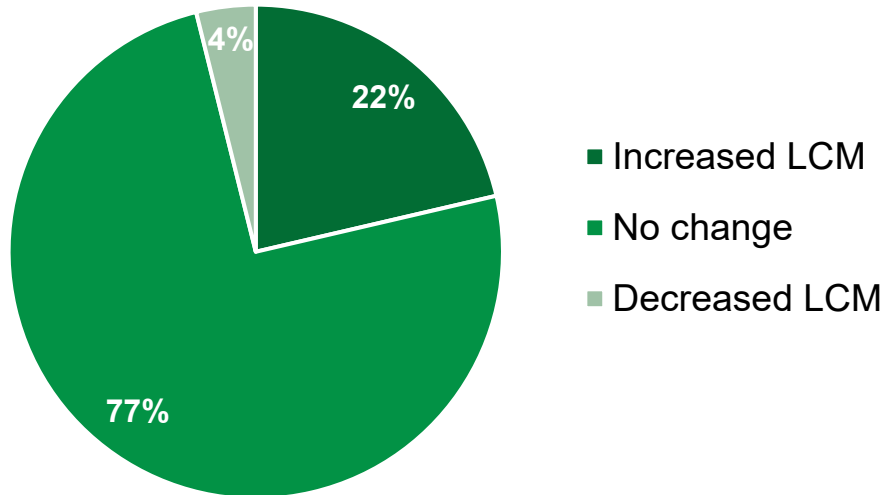


# Insurance Carrier Pricing

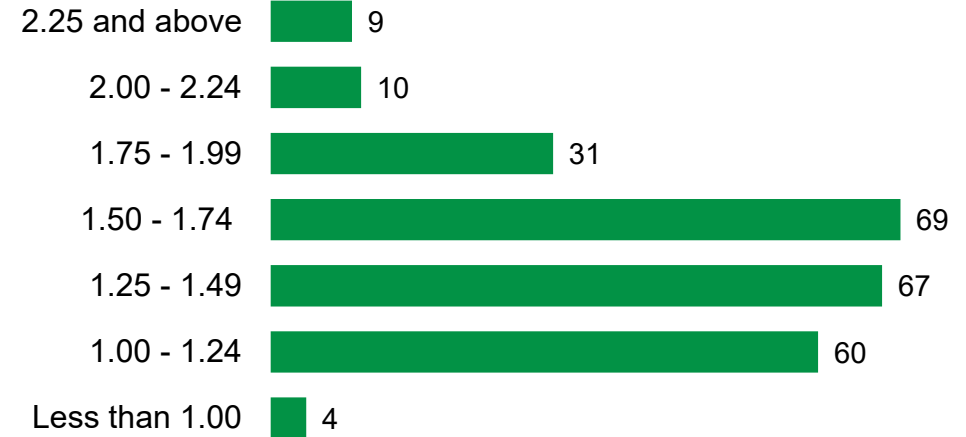
## Implied Average Loss Cost Multiplier History



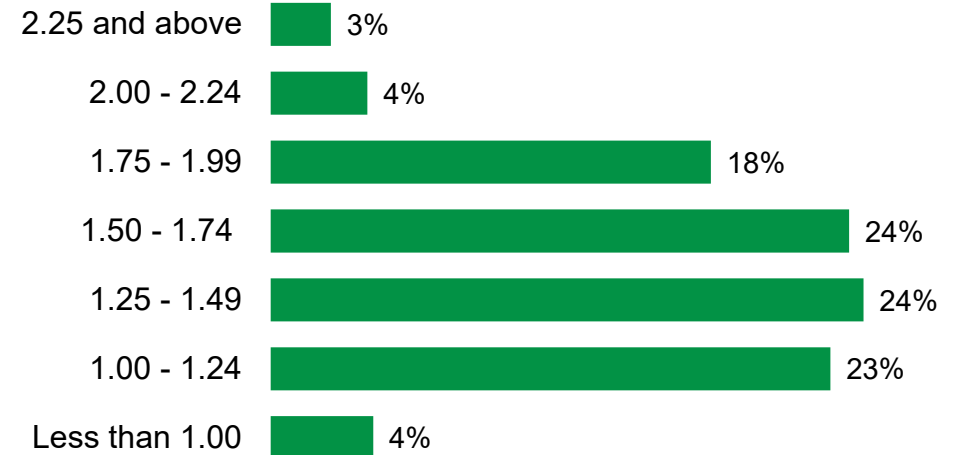
## Latest Filled LCM Changes



## Number of Carriers Distribution



## \$ Premium Distribution



# Claims



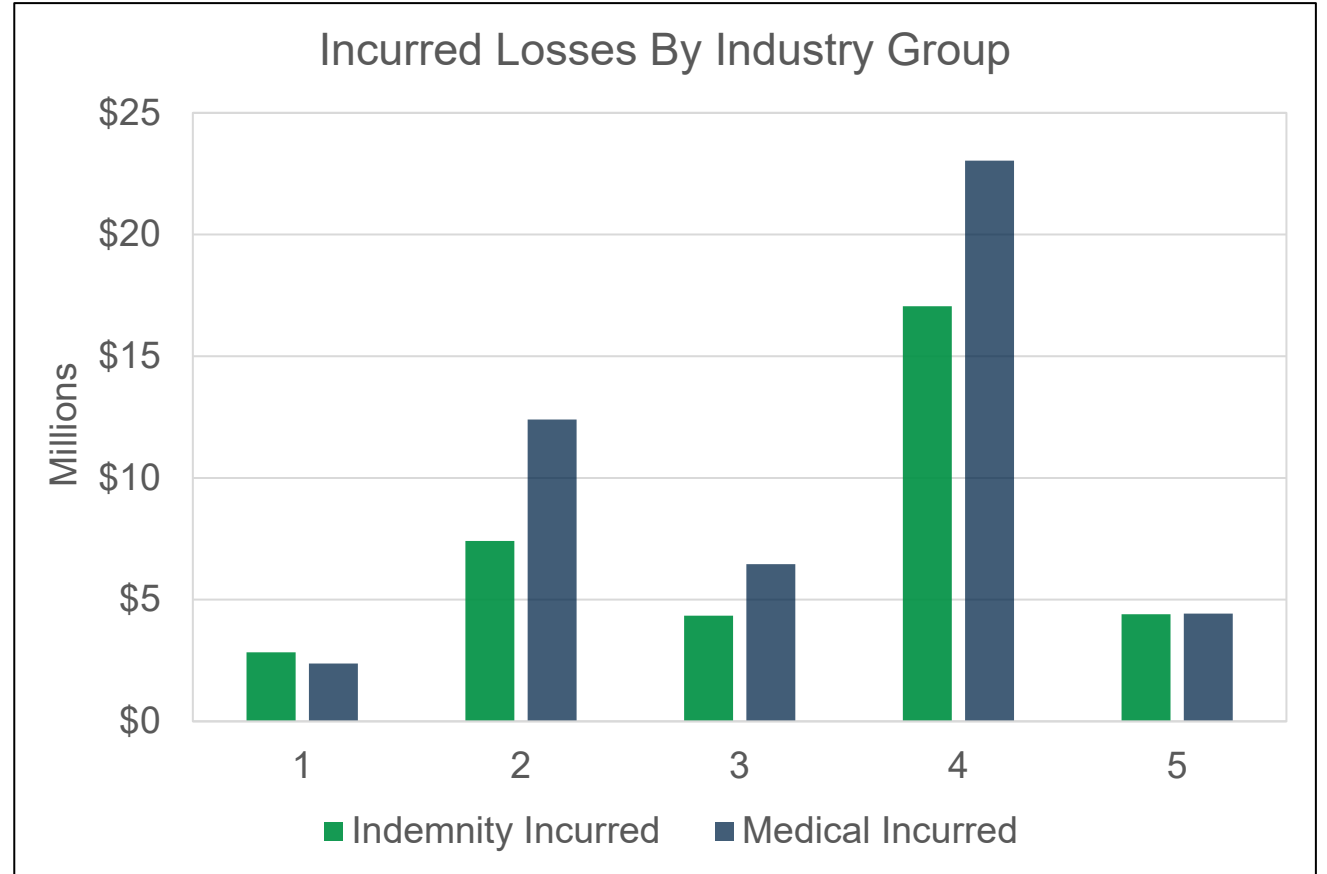
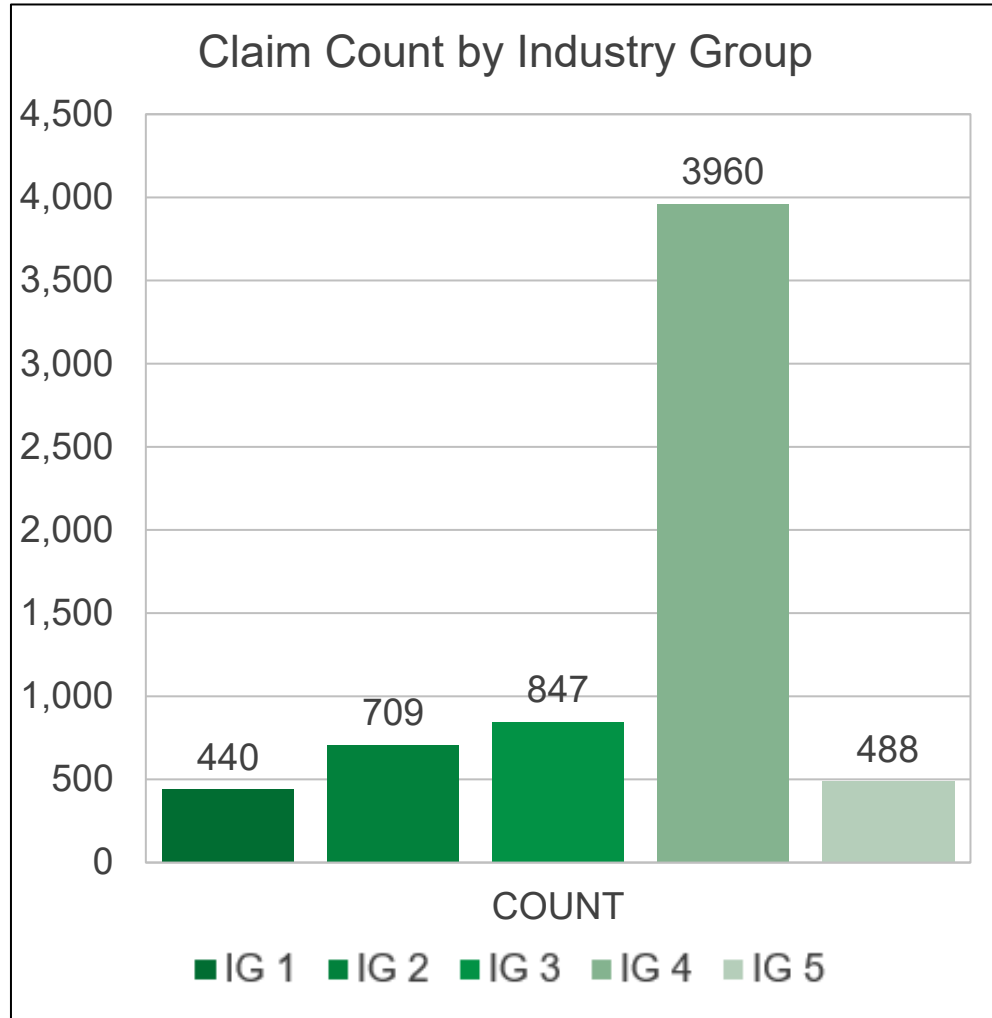
# Claim Counts and Losses by Classification

These top 10 classes by lost time represent 34% of claims and 26% of losses

	Total Cases	Reported Incurred	Avg Loss Incurred
<b>924: Wholesale Store, N.O.C.</b>	105	\$3,392,974	\$32,314
<b>917: Grocery Store</b>	99	\$2,548,118	\$25,739
<b>928: Retail Store, N.O.C.</b>	94	\$3,544,106	\$37,703
<b>808: Parcel Delivery Company</b>	89	\$2,329,608	\$26,175
<b>975: Restaurant, N.O.C.</b>	81	\$1,524,107	\$18,816
<b>942: Home Health-Professional Staff</b>	53	\$1,690,519	\$31,897
<b>818: Automobile Dealer</b>	49	\$1,854,217	\$37,841
<b>971: Commercial Buildings</b>	48	\$2,649,414	\$55,196
<b>941: Social Rehabilitation Facility</b>	46	\$1,064,990	\$23,152
<b>897: Fast Food Restaurant</b>	45	\$874,320	\$19,429
<b>All Other Classes</b>	1,394	\$61,476,805	\$44,101
<b>Total</b>	<b>2,103</b>	<b>\$82,949,178</b>	<b>\$39,443</b>

# Injury Group Distribution of Indemnity Claims

**Group 1- Manufacturing**   **Group 2- Construction**  
**Group 3- Office & Clerical**   **Group 4- Stores & Dealers**  
**Group 5- Transportation**



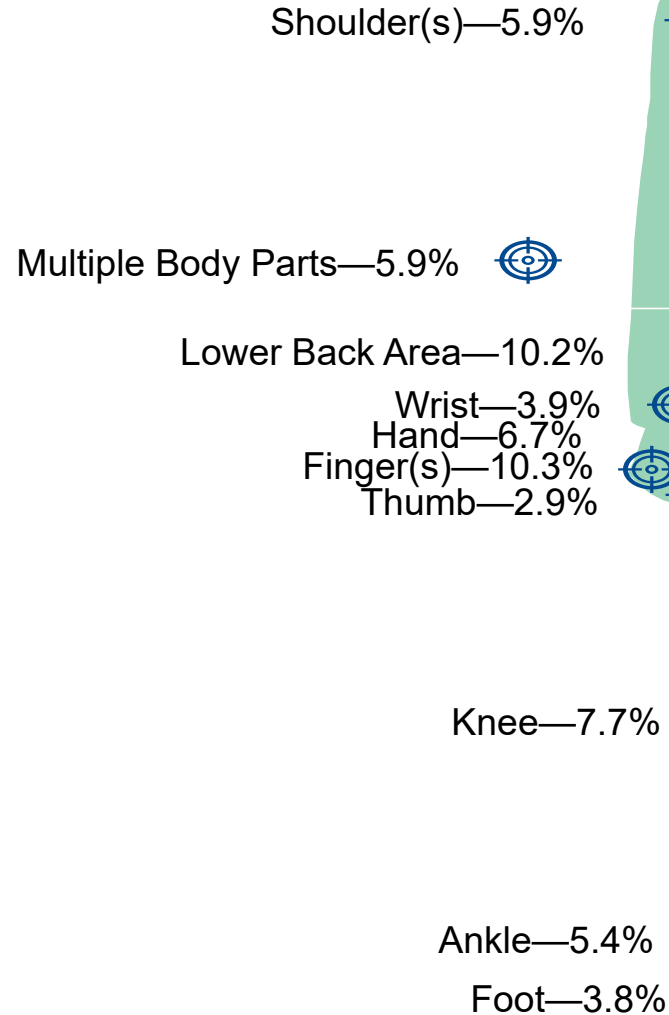
Although Industry Group 4 has the most claims by count, indemnity incurred, and medical incurred, it has the lowest average cost per claim at \$10,124/claim

# Injury Description Distribution

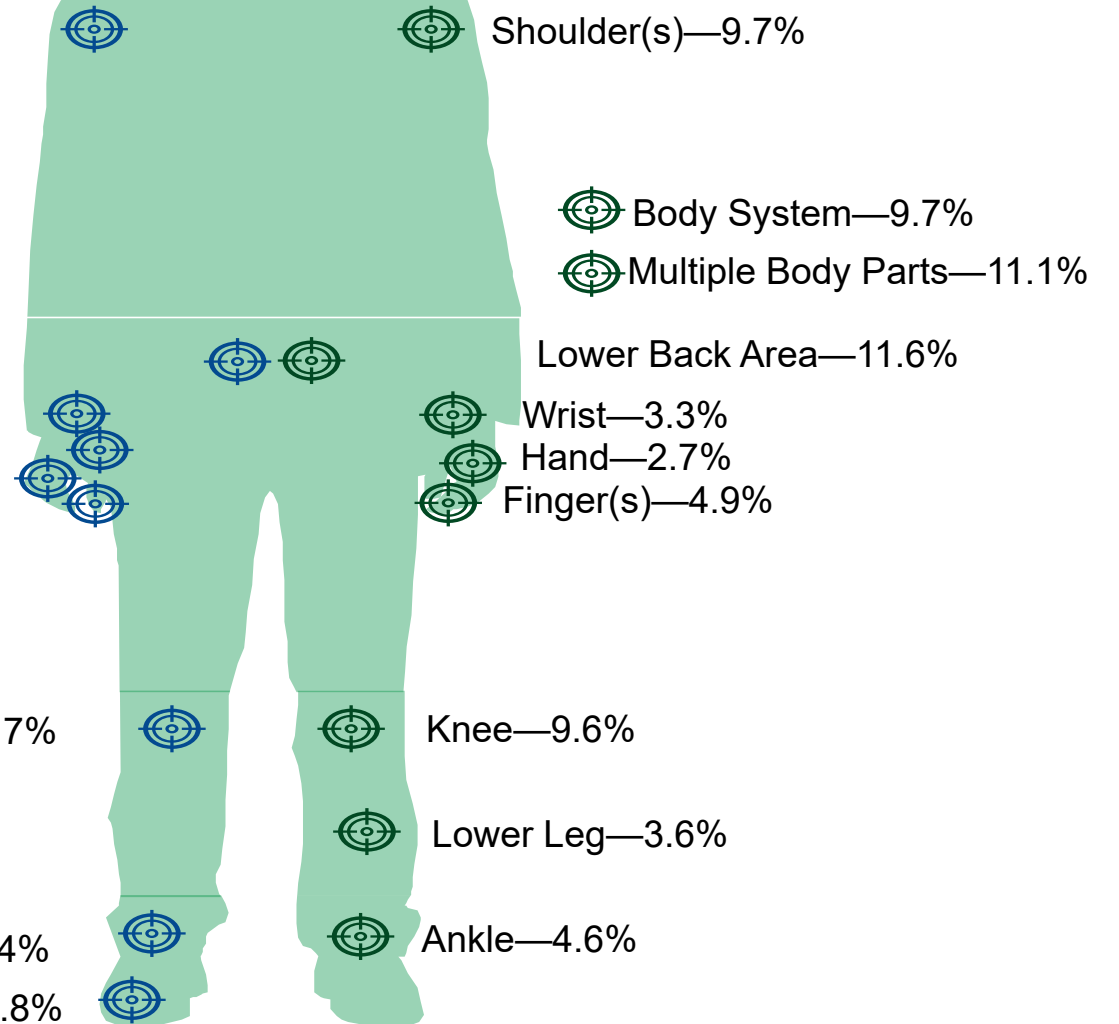


- The most expensive part of body on average is 'body system' (\$125,388/claim). This is followed by multiple body parts (\$27,724/claim)
- The average cost per claim for shoulders, lower back, and knees are \$24k, \$17k, and \$18k, respectively.

## Top 10 Injuries by Total Claim Count

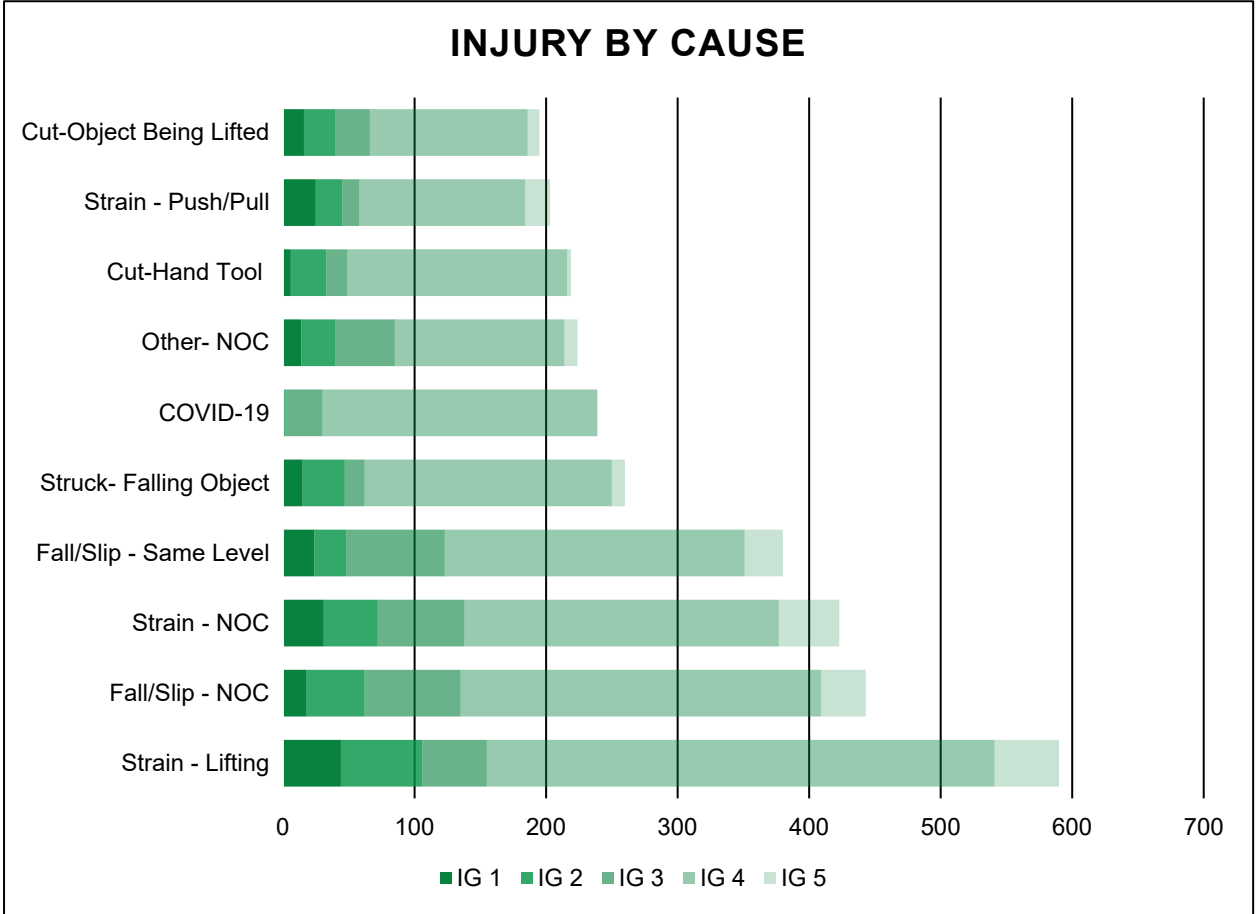
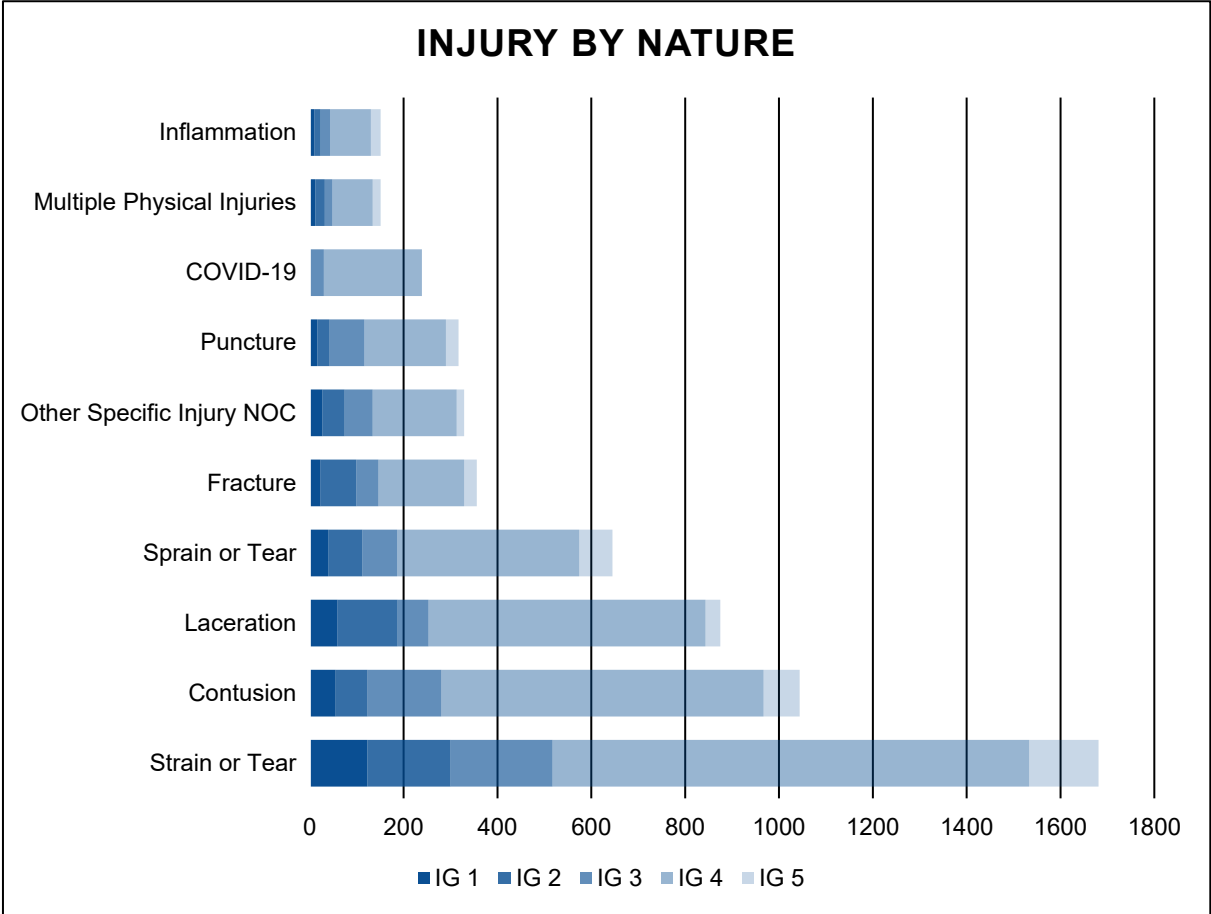


## Top 10 Injuries by Total Losses





# Top 10 Nature and Cause of Claims



**Group 1- Manufacturing Group 2- Construction Group 3- Office & Clerical Group 4- Stores & Dealers Group 5- Transportation**

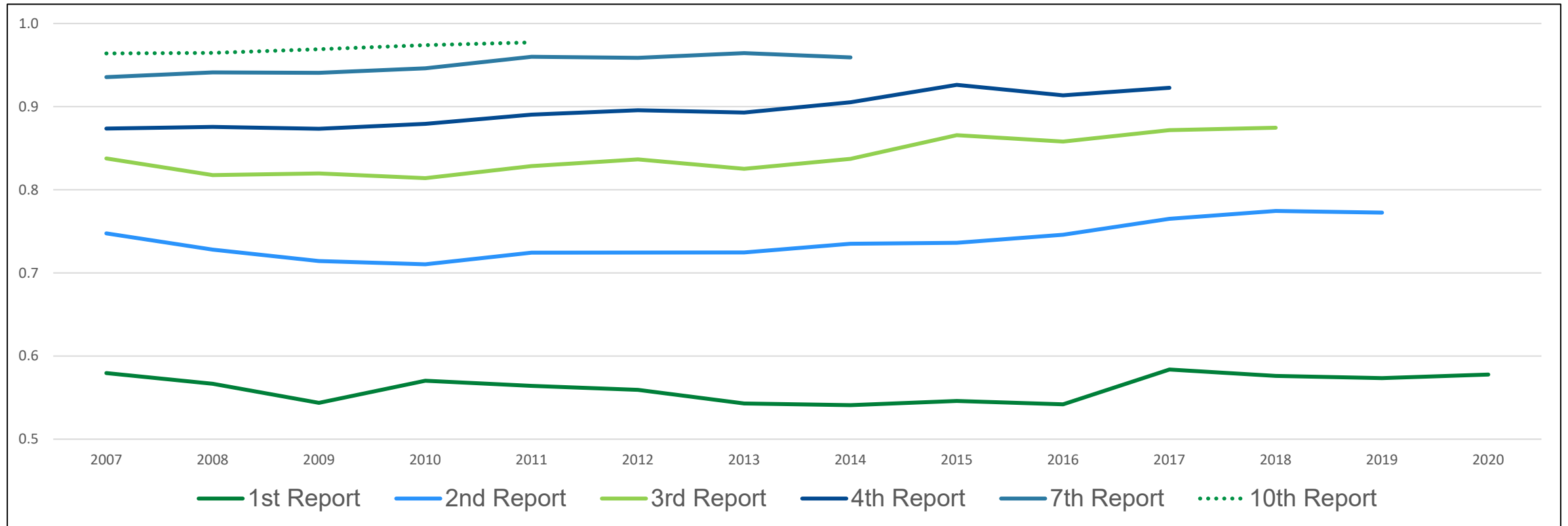


COVID-19 was a new categorization in cause and nature codes this year in response to the pandemic. As a result, it is in the top 10 most common codes reported for both lists.

# Claim Closure Rates



Claim closure rates continue to rise across all reporting levels except 7<sup>th</sup> report.



# Mega Claim Overview of Characteristics

The DCRB performed an analysis of very large workers compensation claims as a part of a collaborative research effort with other DCO's. These DE claims were defined as total incurred losses exceeding \$3 million on an inflation-adjusted basis. They were categorized by specific categories of industries, types of claims, part of body injured, cause of injury, and nature of injury.

Average claim value of \$3.01 million

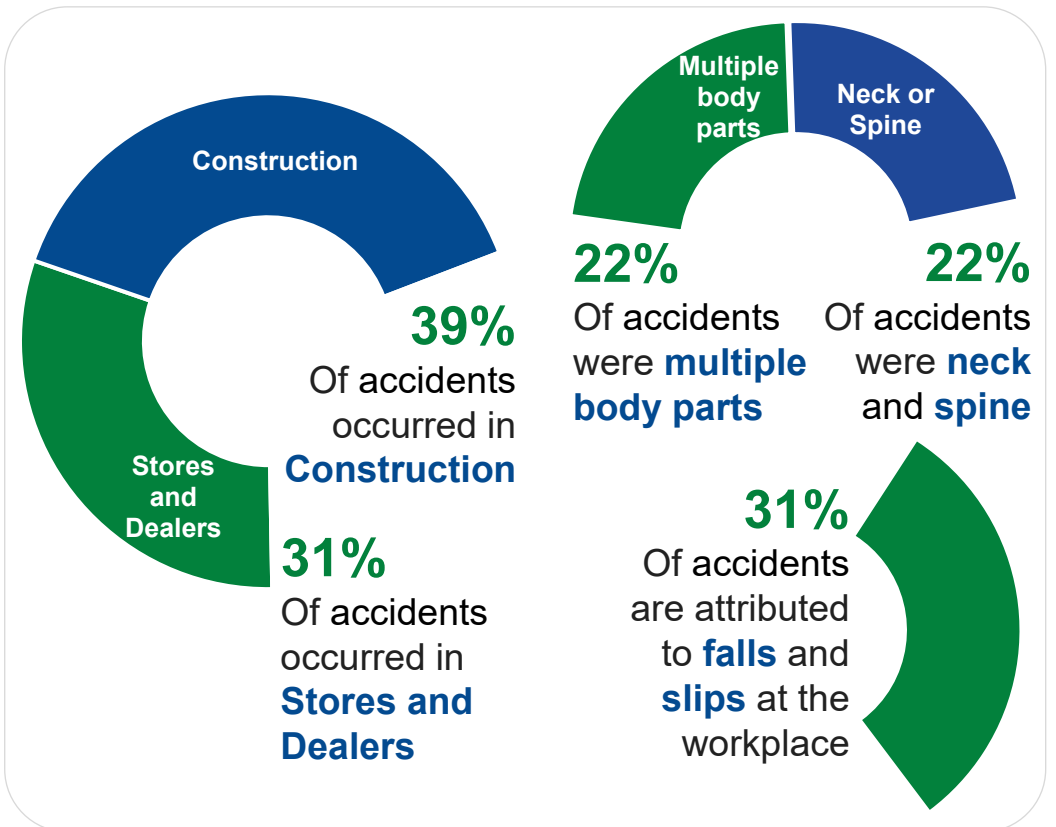
**36**  
**Mega claims**  
reported for accident  
**years 2002 - 2021**

**Indemnity**  
29%



Incurred  
Losses

**Medical**  
71%

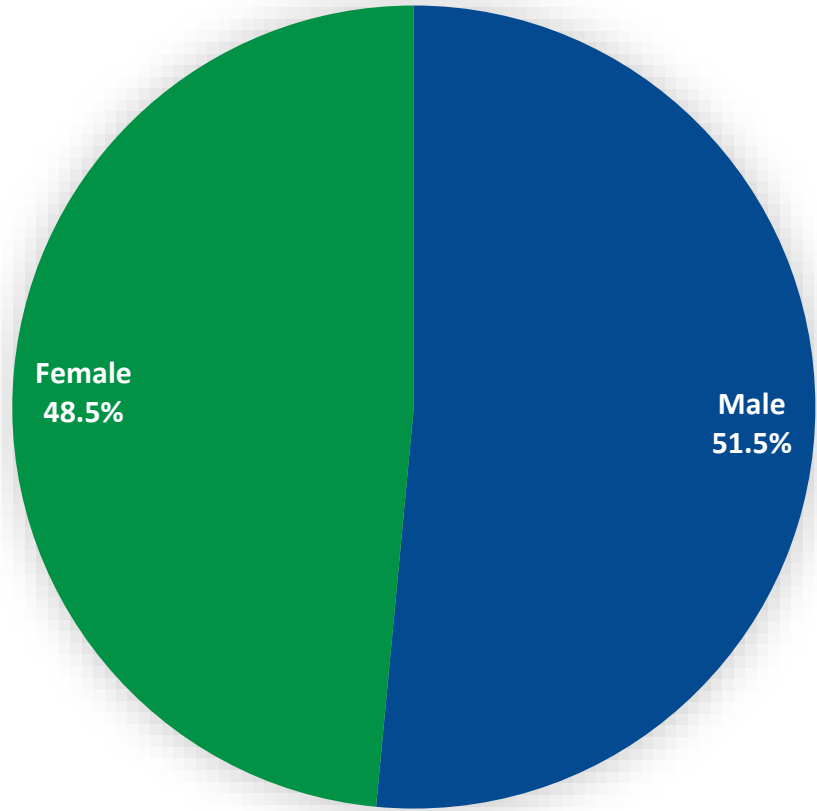


# Indemnity Data

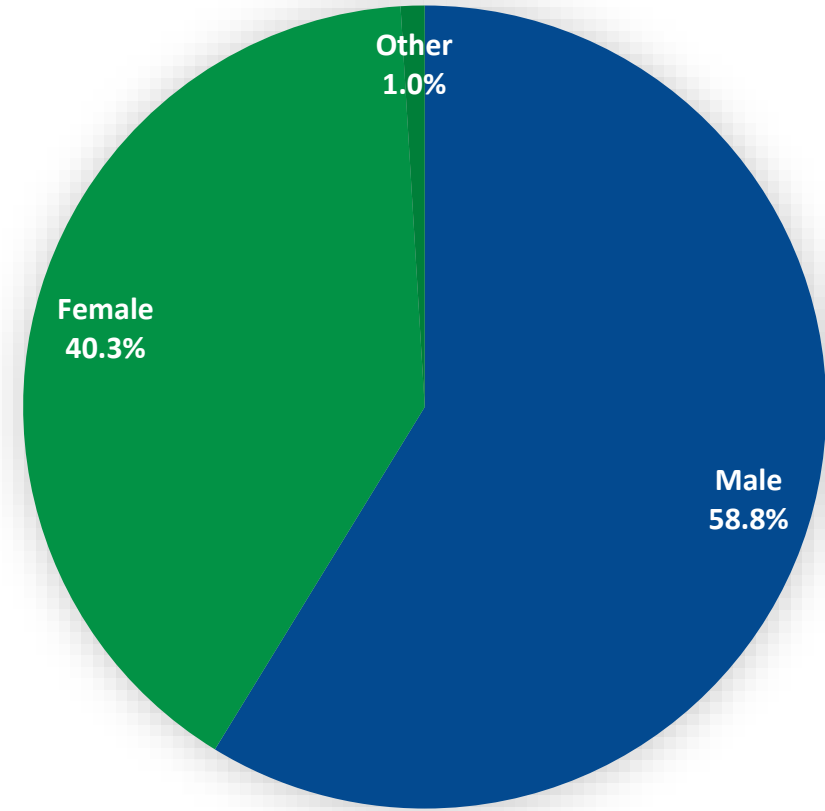


# Gender Statistics

## All Delaware Workers



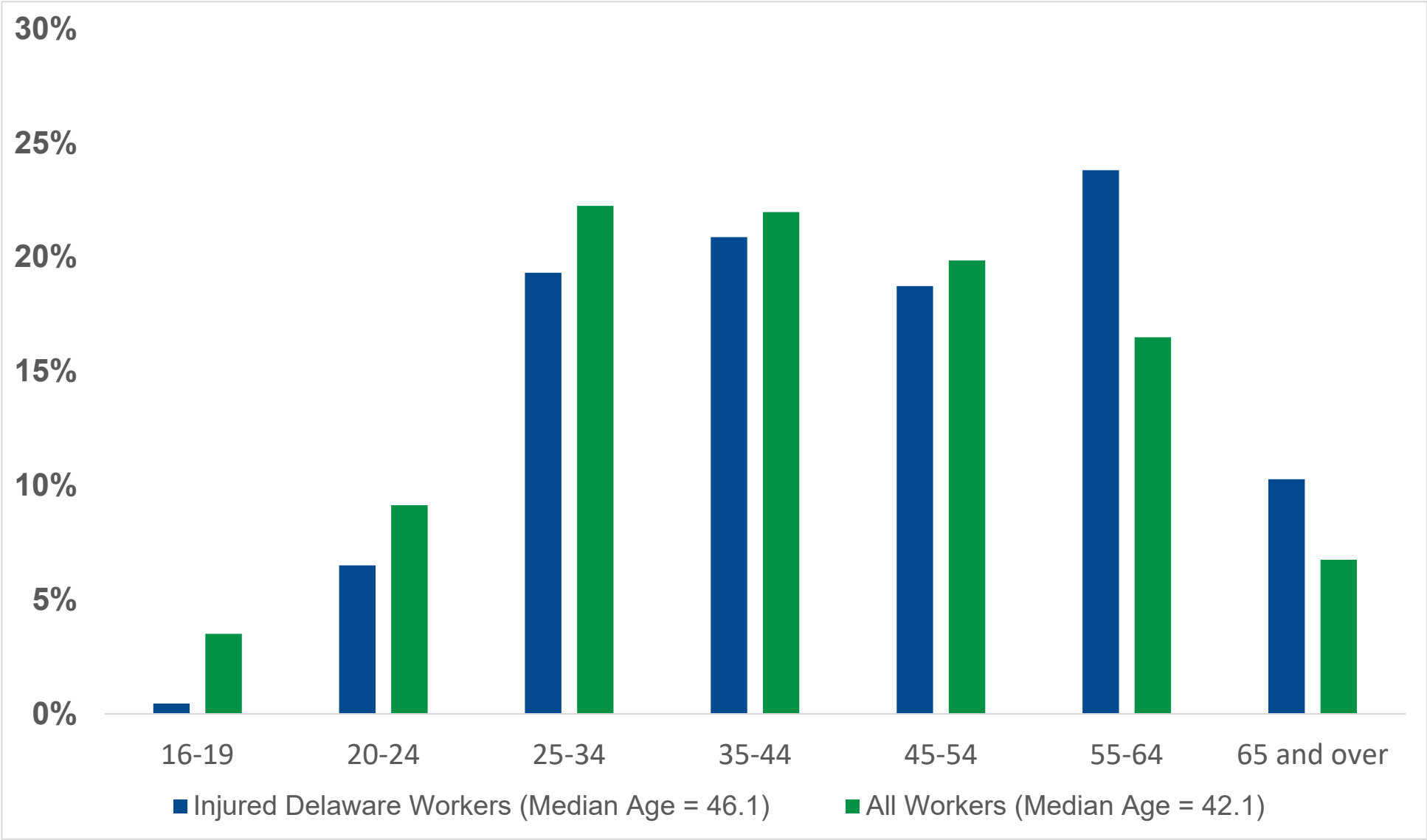
## Delaware Injured Workers



Male workers were 18% more likely to be injured in Delaware in 2022 than female workers.



# Age of Injured Worker

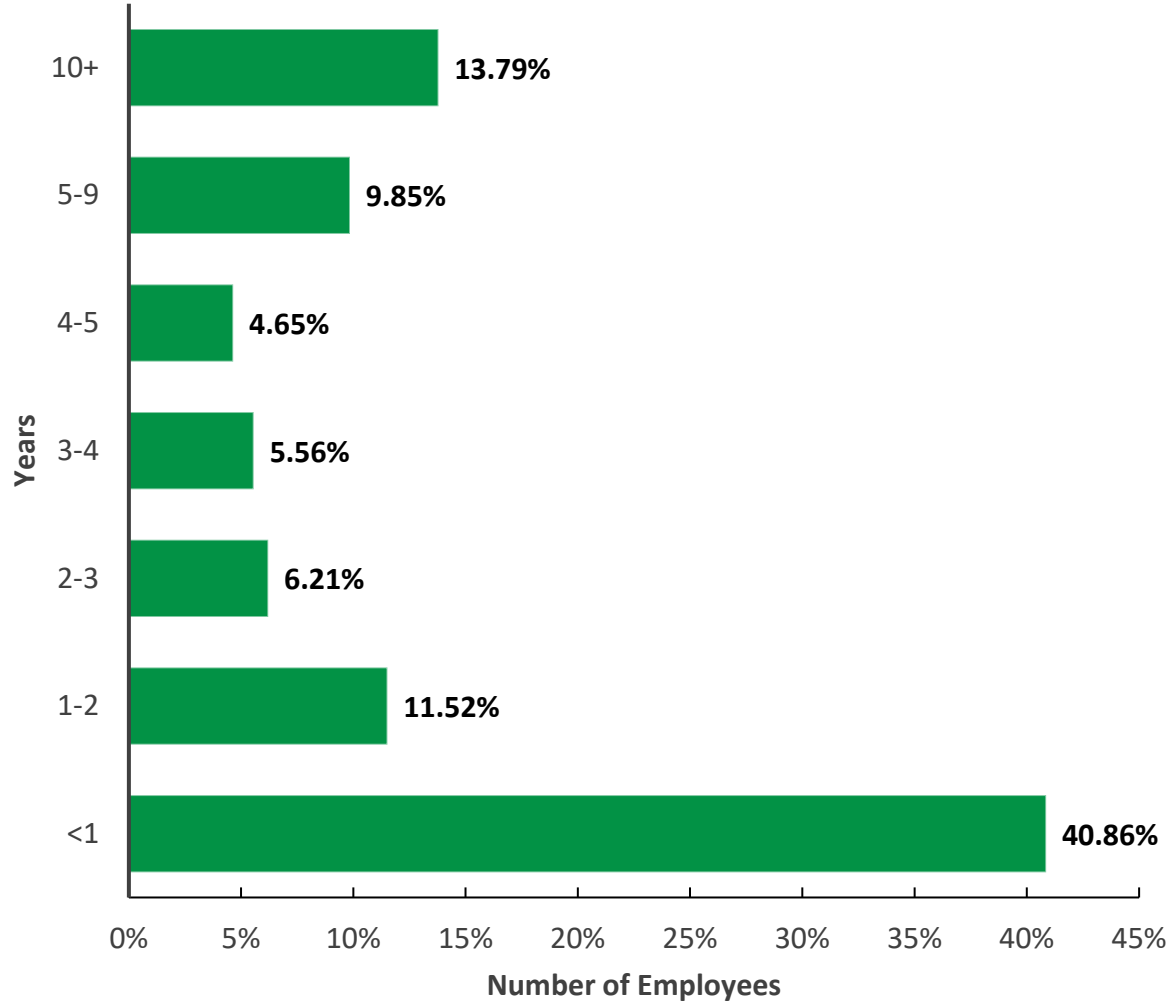


The median age of injured DE workers is 4 years higher than the median age of all workers.

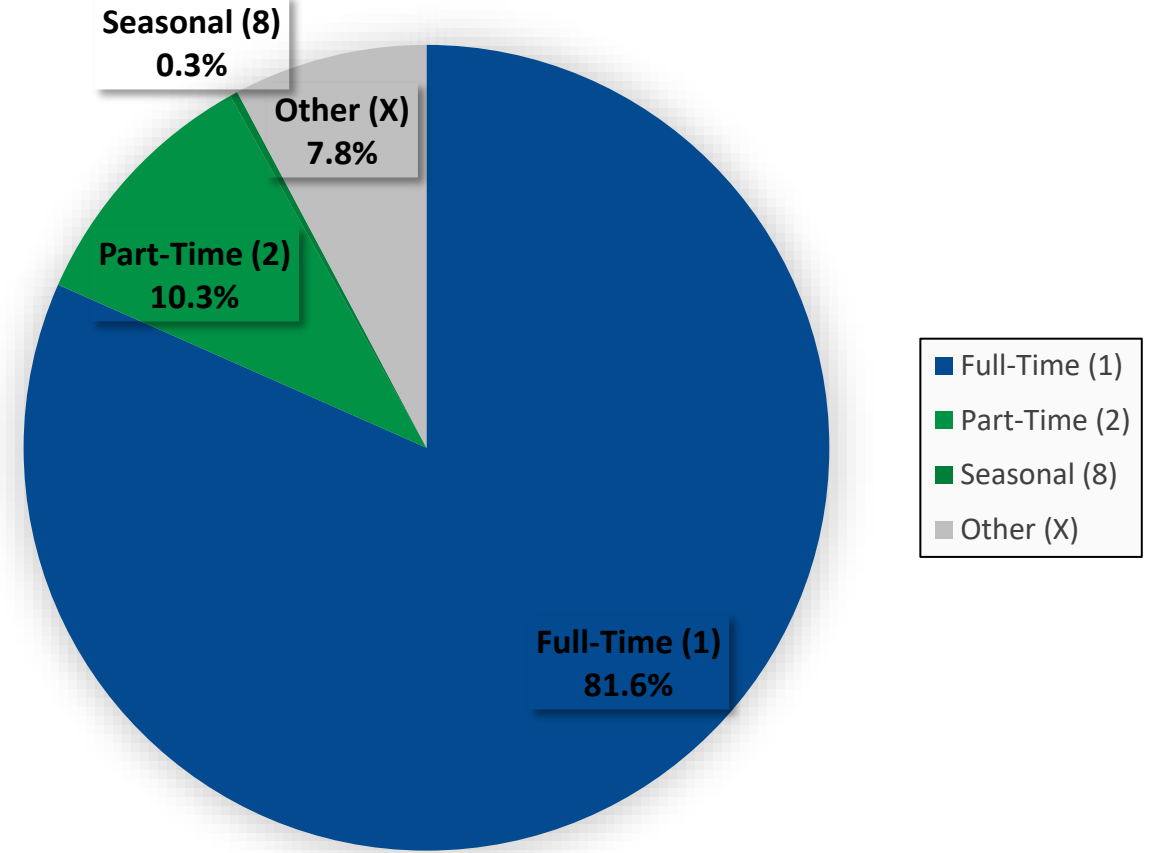
Source: DE Indemnity Data Call—Accident Year 2022; Bureau of Labor & Statistics

# Characteristics of Injured Workers

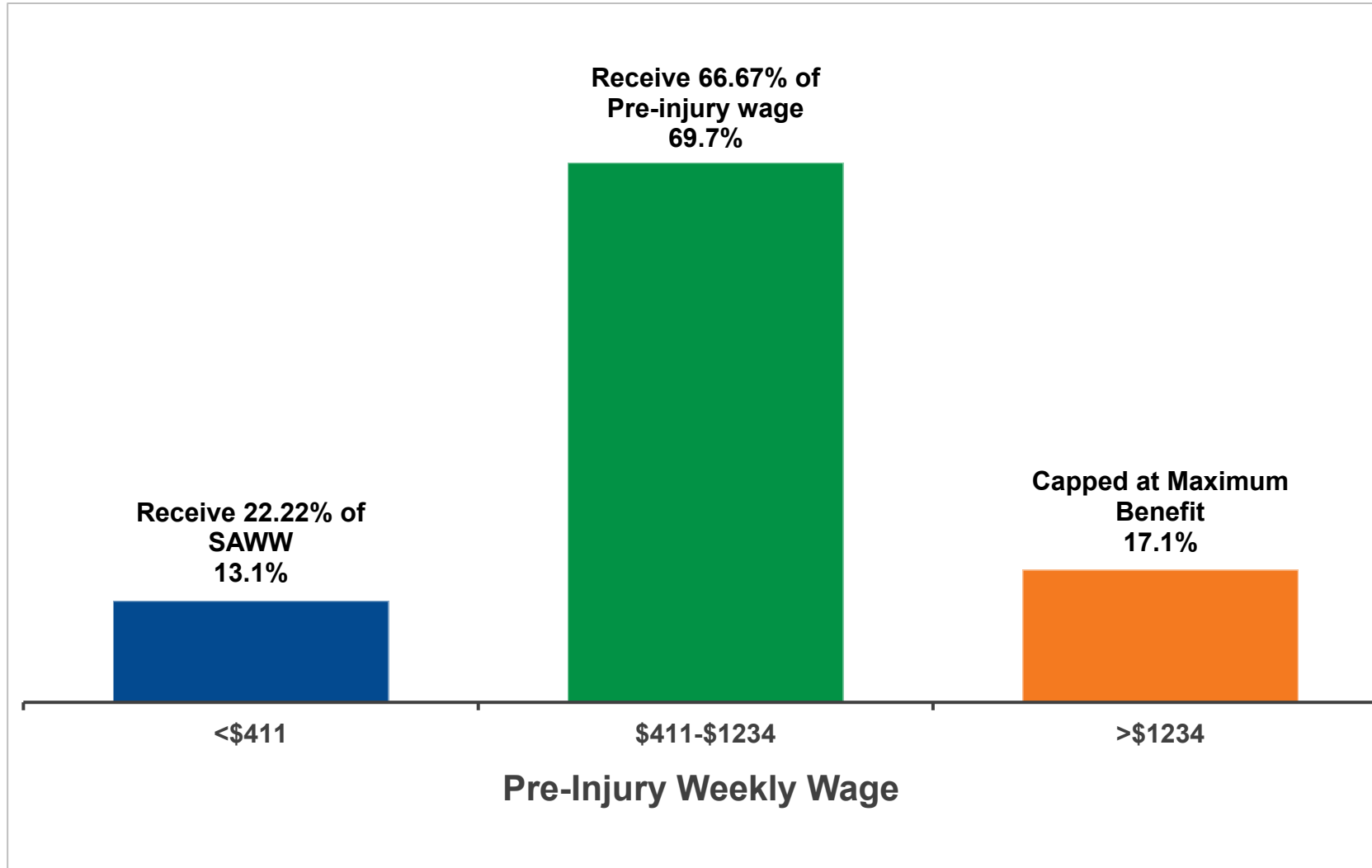
## Length of Employment



## Employment Status



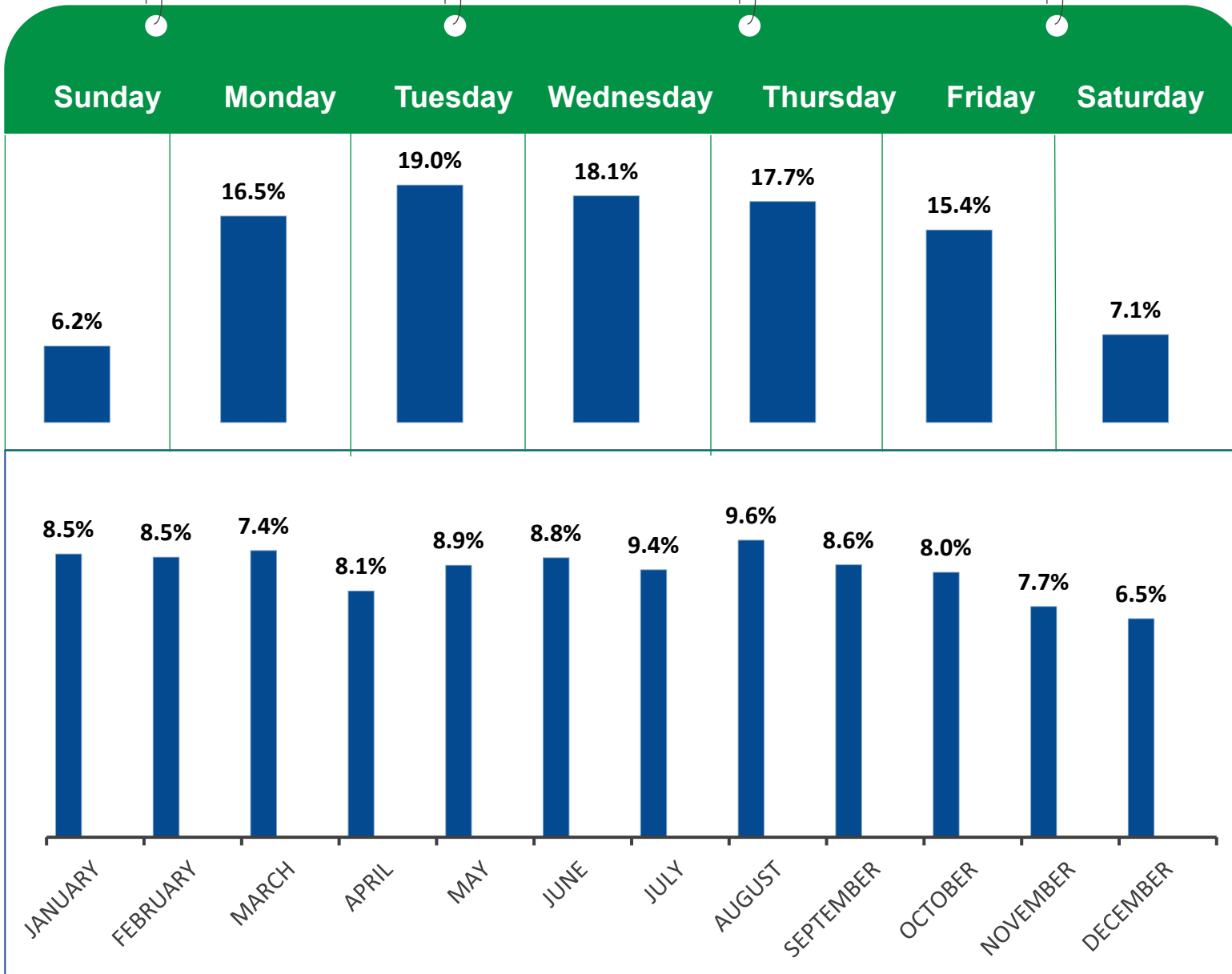
# Injured Workers Wages and Benefit Levels



Under the Workers' Compensation Act, injured workers are entitled to indemnity benefits equal to two-thirds of their weekly wage for a work-related injury. However, there are minimum and maximum adjustments provided in the Act, and the benefit rate is set using the annual maximum in place at the time of injury.

State Average Weekly Wage in Delaware was \$1,234 effective 1/1/22, this was an increase of 3.1% from the previous year.

# Characteristics of Accidents

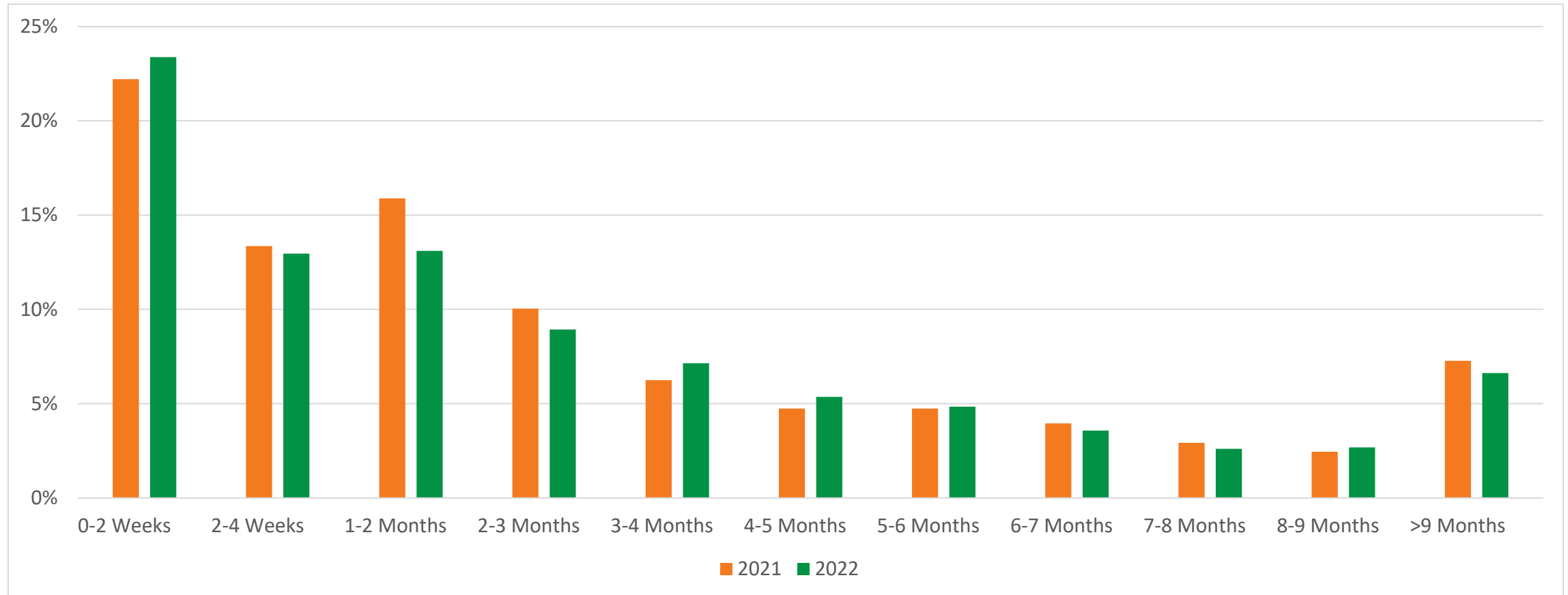


Pennsylvania	1.87%
New Jersey	0.8%
All Other	0.9%
New York	0.3%
Ohio	0.5%
West Virginia	0.0%
Delaware	93.9%
Maryland	0.2%

# Duration of Indemnity Claims



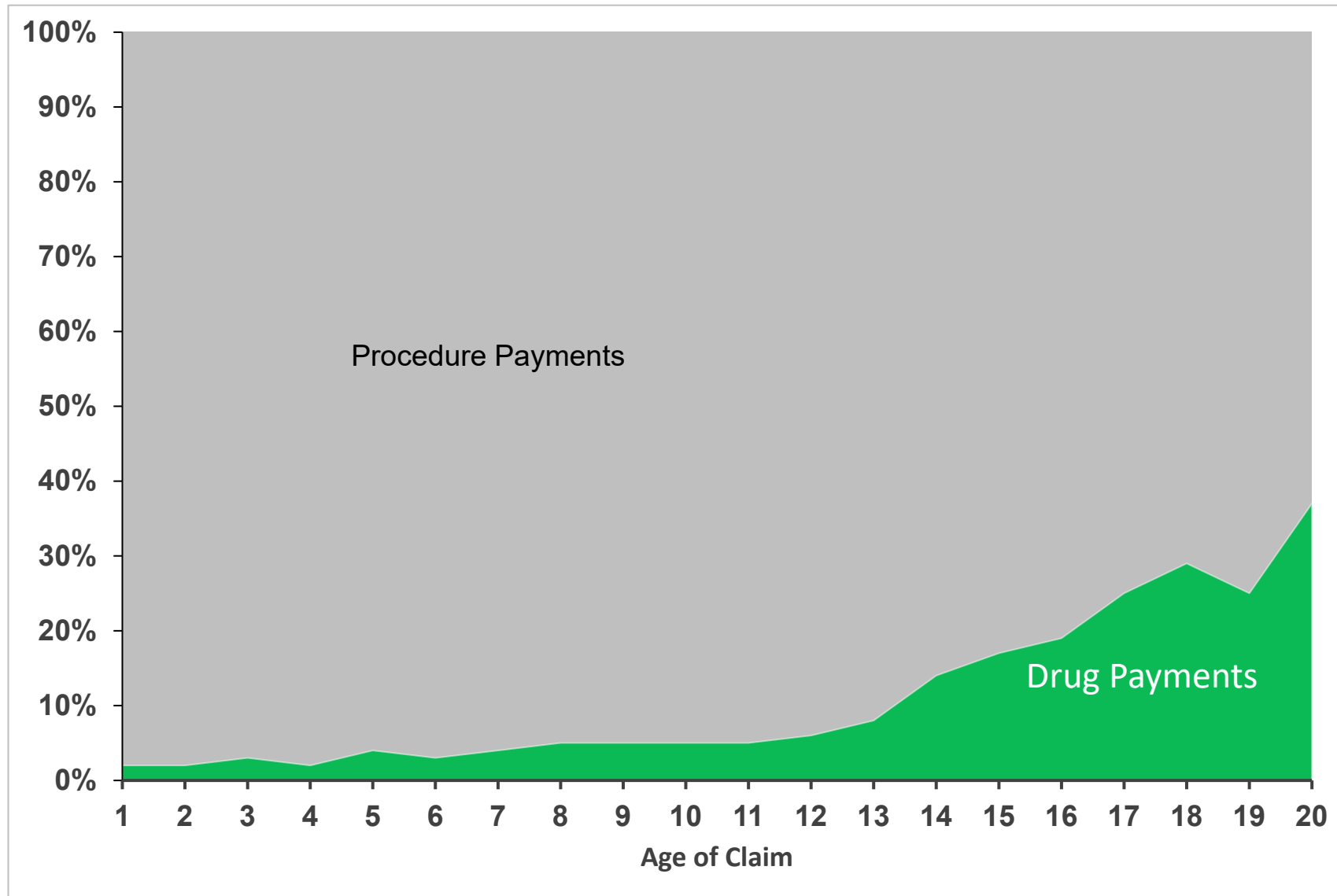
Duration of indemnity payments has decreased for accidents occurring in 2022 compared to 2021 except for a slight improvement in claims lasting 0-2 weeks and claims lasting 5-6 months.



# Medical Data



# Medical Cost Breakdown



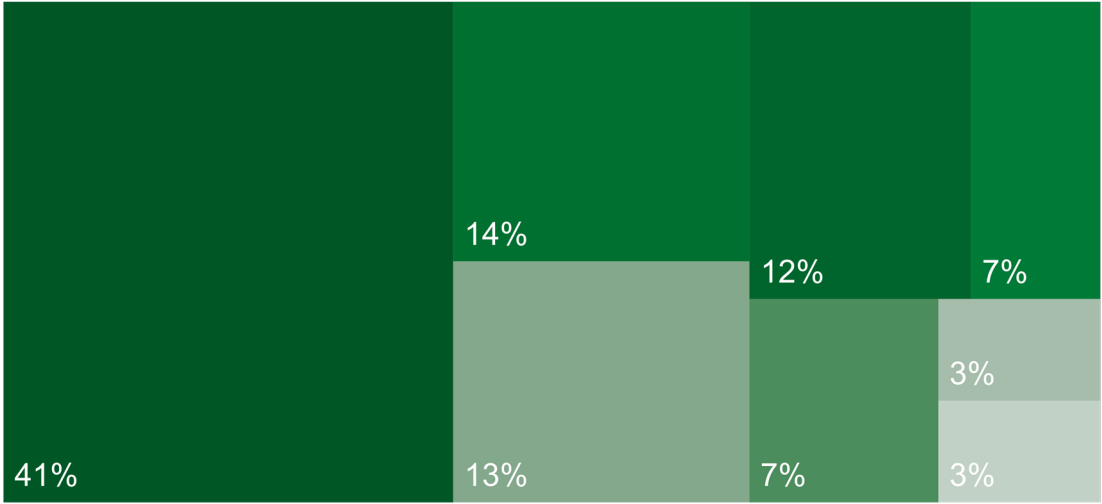
93% of all medical dollars are attributed to procedures, while 7% are due to drug costs.

As the age of workers' compensation claims grows, payments for maintenance medications become a more significant portion of the total medical spend.



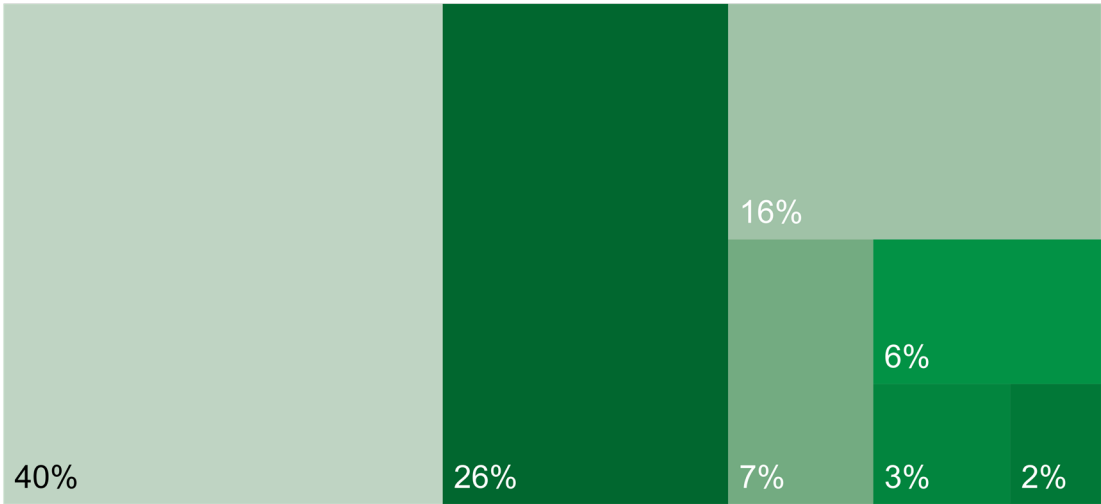
# Medical Services Breakdown

## Medical Service Group



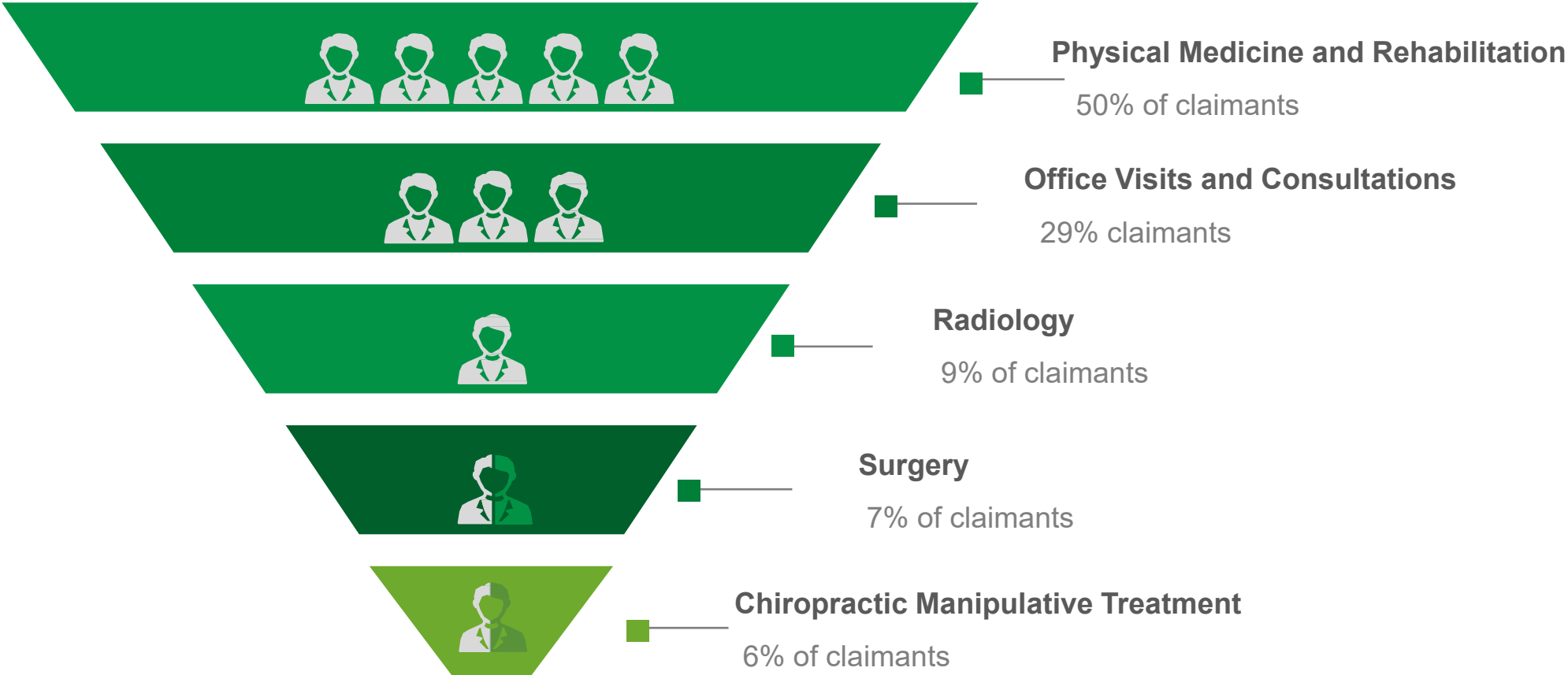
- Physicians
- Hospital Inpatient
- Ambulatory Surgical Centers
- Drugs
- Hospital Outpatient
- Other
- ER
- Durable Medical Equipment

## Medical Professional Services



- Physical Medicine
- Surgery
- Evaluation & Management
- Radiology
- Anesthesia
- Medicine
- Pathology & Laboratory

# Medical Visits Per Claim

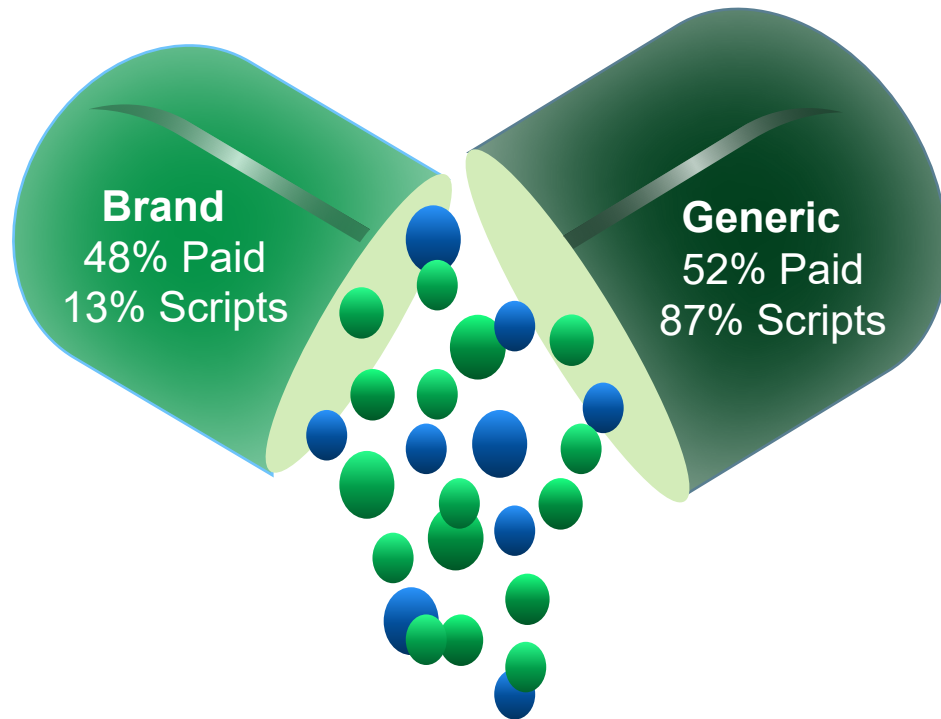


 \*Based on 87,138 professional visits and 7,254 claims

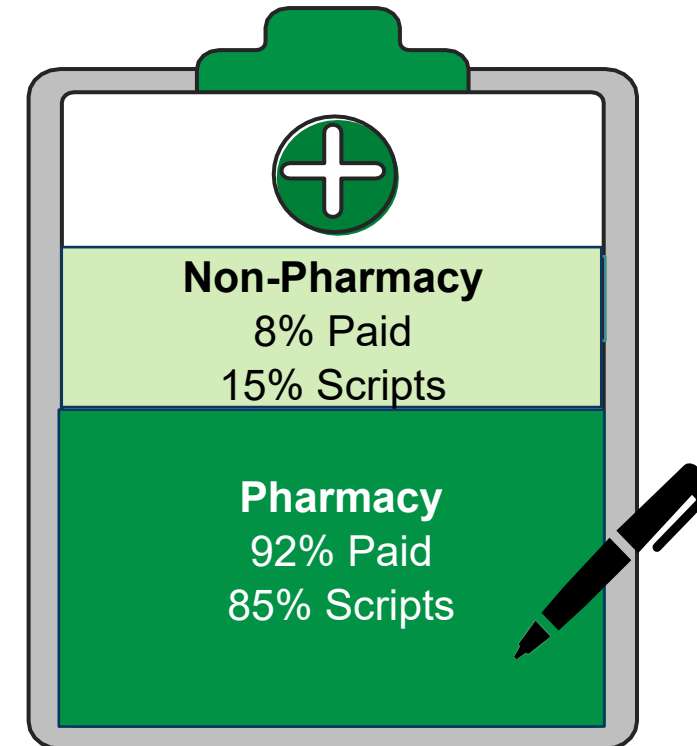
\*When examining the number of actual visits to a health care provider, workers compensation claimants appear to visit physical medicine and rehabilitation providers more frequently than any other health care provider.

# Prescription Drug Dispensing

## Distribution of Drugs



## Dispensing of Drugs



# Prescription Drugs

The volume of drugs prescribed to workers compensation claimants continues to grow. This is a distribution of these prescription drugs organized by the **Controlled Substance Act Schedule**, which is based on potential of abuse.



## Schedule II

- High potential for abuse
- Some accepted uses In the U.S.
- Abuse leads to physical and/or psychological dependence and is considered dangerous.



## Schedule IV

- Relatively low potential for abuse.
- Have accepted medical uses in the U.S.
- Abuse leads to limited dependence.



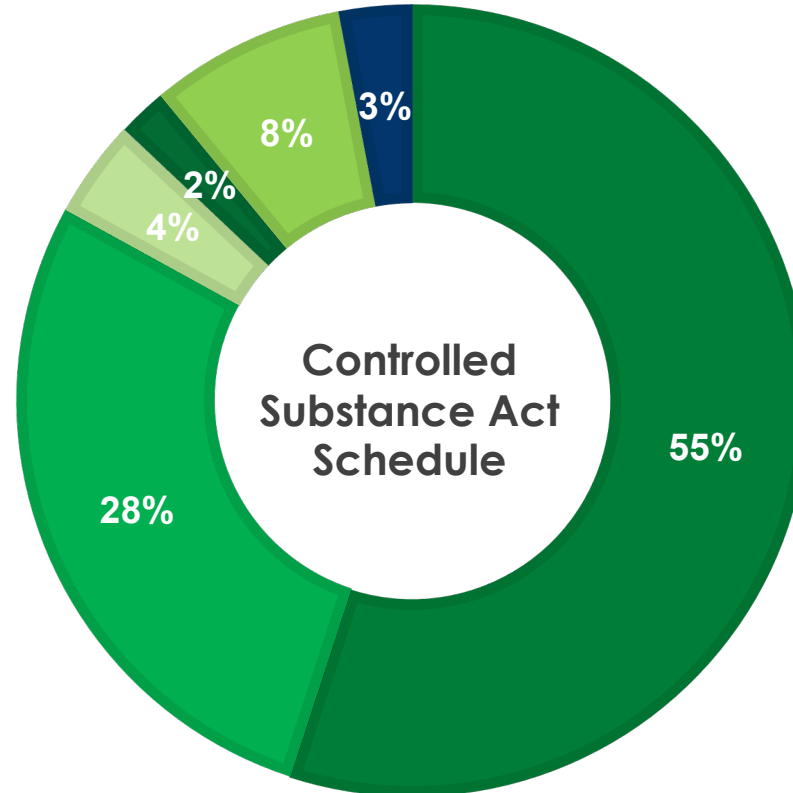
## Schedule III

- Potential for abuse, but lower than previous categories.
- There are accepted medical uses.
- Abuse can lead to mild physical dependence or great psychological dependence.



## Schedule V

- Low potential for abuse.
- Have accepted medical uses in the U.S.
- Abuse may lead to limited dependence.



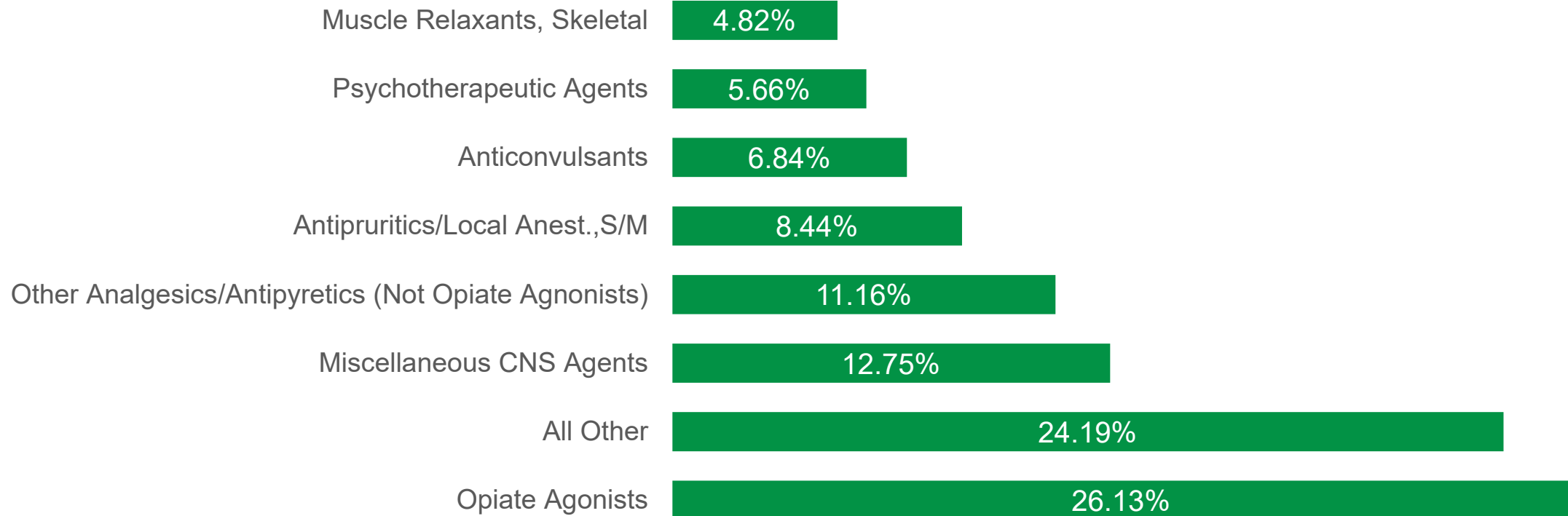
■ Not Controlled Substance ■ Schedule 2 ■ Schedule 3 ■ Schedule 4 ■ Schedule 5 ■ OTC

# Prescription Drugs

## Therapeutic Classifications



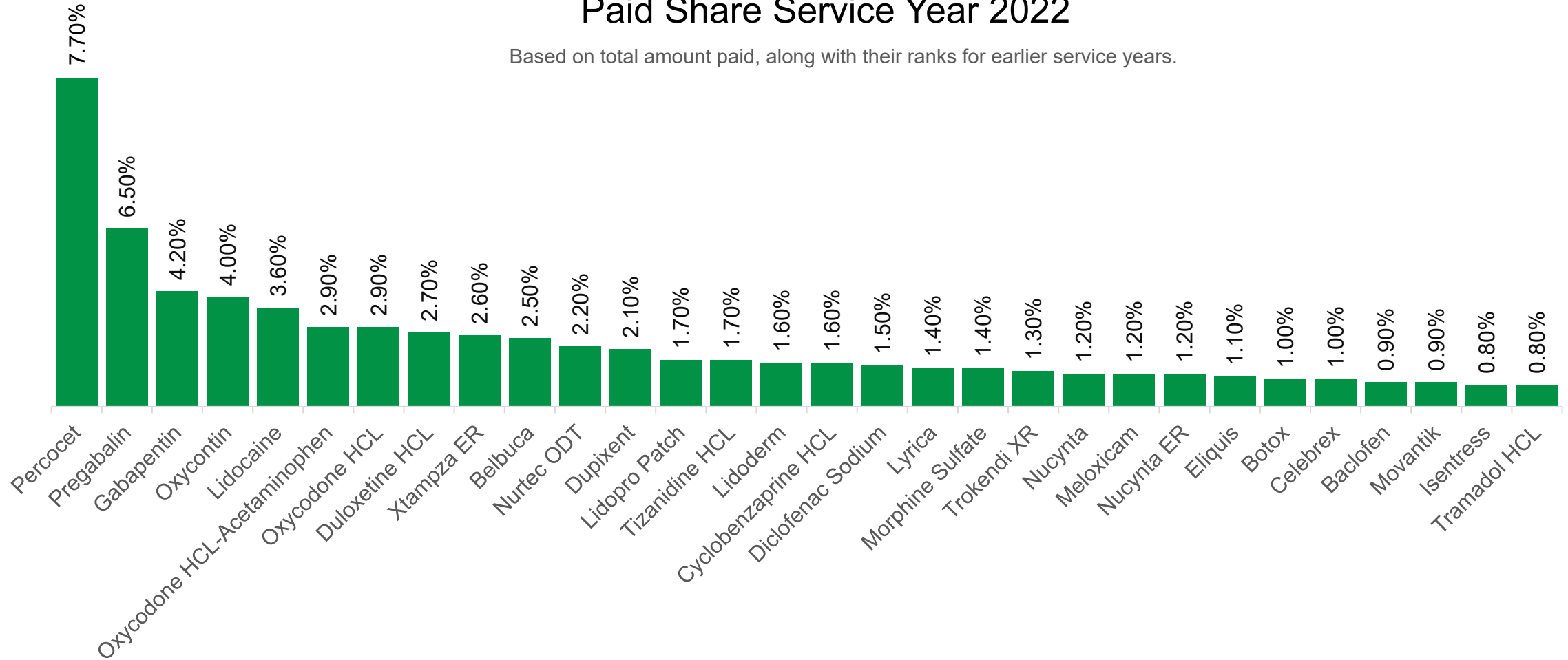
Opiate Agonists remains the most prevalently prescribed drug class. Miscellaneous CNS Agents has replaced Analgesics/Antipyretics as the third most prevalently prescribed drug class.



# Prescribing Patterns

## Paid Share Service Year 2022

Based on total amount paid, along with their ranks for earlier service years.



Opioids continue to be the top cost driver drugs. Lyrica went off patent in June 2019, which caused the increasing trend in its generic version Pregabalin.

# Top 30 Drugs



From 2018 to 2022, the DCRB observed a significant decrease in the prevalence of Opioids. Prescription counts dropped by 51.4%, while the overall paid amount fell by 55.4%. Seven of the top 30 drugs are opioids, which are highlighted below.

Drug Name	Rank By Service Year				
	2022	2021	2020	2019	2018
Percocet*	1	2	3	8	7
Pregabalin	2	3	2	n/a	n/a
Gabapentin	3	4	4	4	4
Oxycontin*	4	1	1	1	1
Lidocaine	5	5	5	6	6
Oxycodone HCL-Acetaminophen*	6	8	7	5	5
Oxycodone HCL*	7	7	6	3	3
Duloxetine HCL	8	6	9	14	10
Xtampza ER	9	18	35	48	58
Belbuca	10	11	18	46	73
Nurtec ODT	11	n/a	n/a	n/a	n/a
Dupixent	12	n/a	n/a	n/a	n/a
Lidopro Patch	13	9	11	27	23
Tizanidine HCL	14	12	13	15	12
Lidoderm	15	13	15	22	26

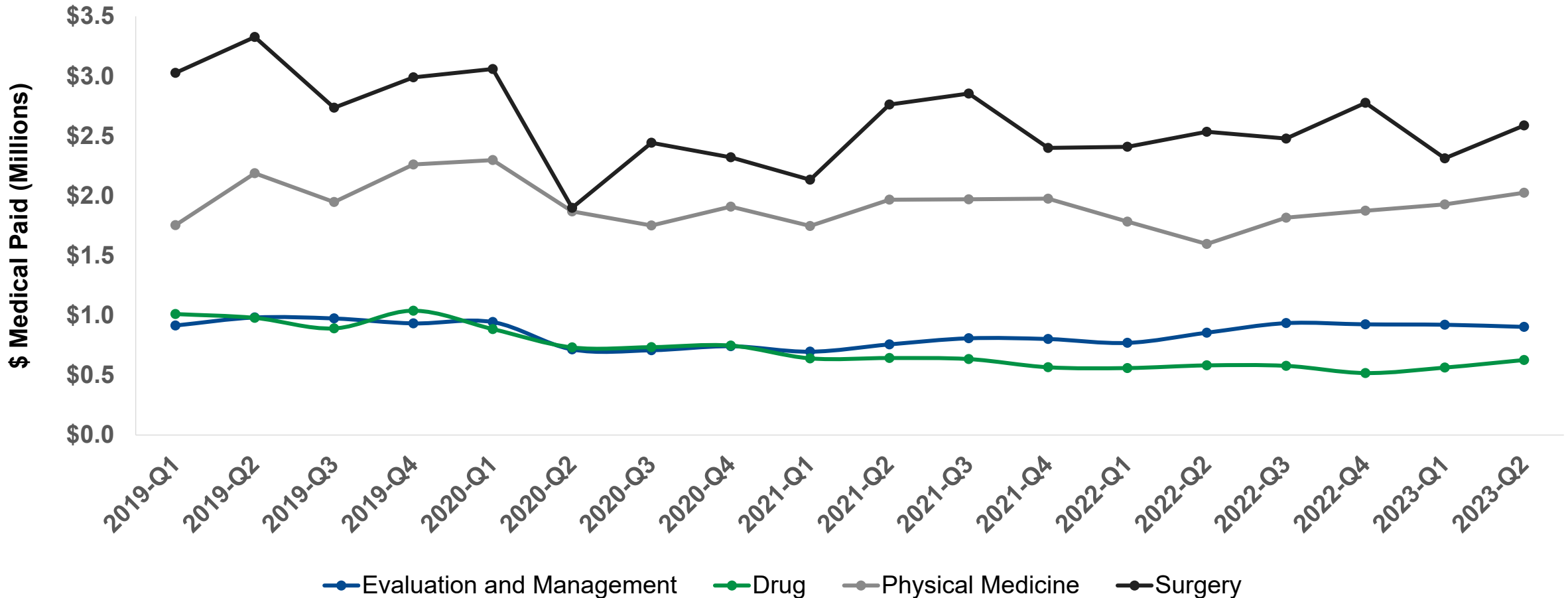
Drug Name (continued)	Rank By Service Year				
	2022	2021	2020	2019	2018
Cyclobenzaprine HCL	16	14	10	11	9
Diclofenac Sodium	17	10	8	7	8
Lyrica	18	16	19	2	2
Morphine Sulfate*	19	19	21	19	13
Trokendi XR	20	24	28	26	n/a
Nucynta*	21	17	16	16	15
Meloxicam	22	15	17	17	16
Nucynta ER*	23	28	40	34	29
Eliquis	24	n/a	n/a	n/a	n/a
Botox	25	n/a	n/a	n/a	n/a
Celebrex	26	29	29	n/a	n/a
Baclofen	27	23	24	29	28
Movantik	28	n/a	n/a	n/a	n/a
Isentress	29	n/a	n/a	n/a	n/a
Tramadol HCL	30	25	25	n/a	n/a



# Medical Payments by Category



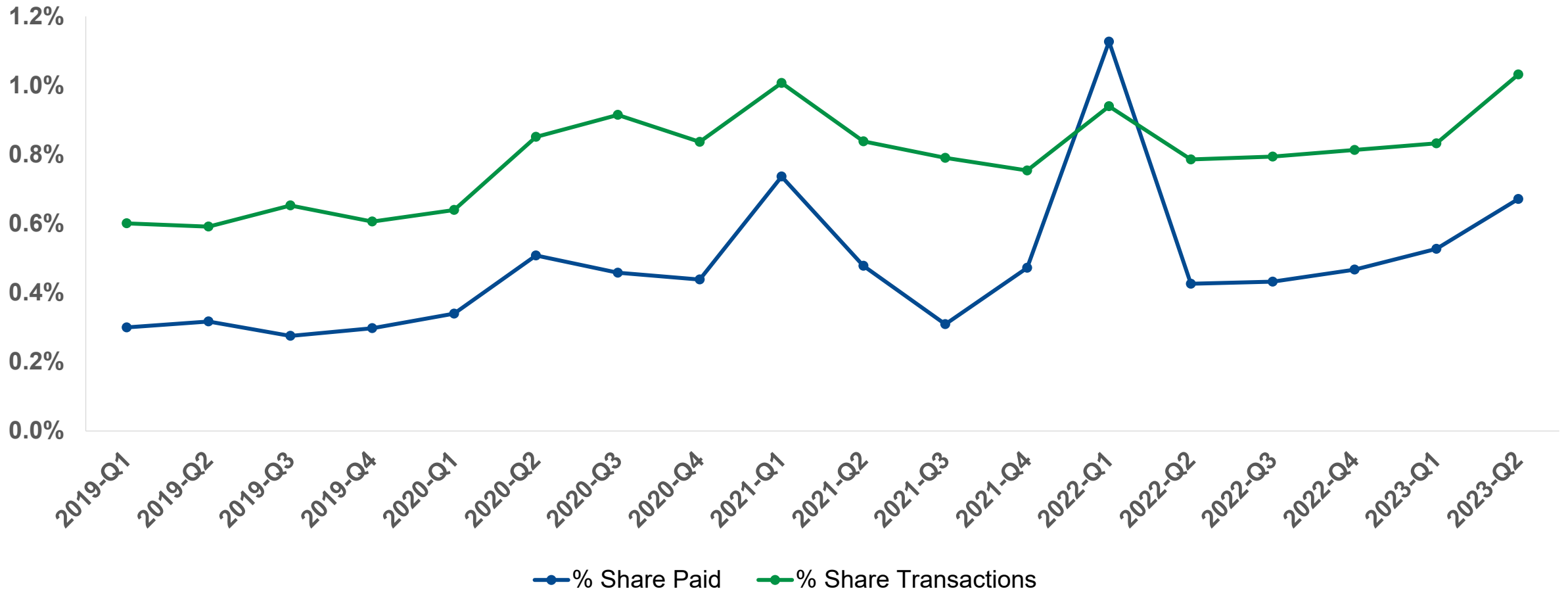
There is a decrease in medical payments for all categories in early 2020. All categories remain lower than pre-pandemic levels, except for Evaluation and Management, by second quarter 2023.



# Medical Payments for Mental Health Claims



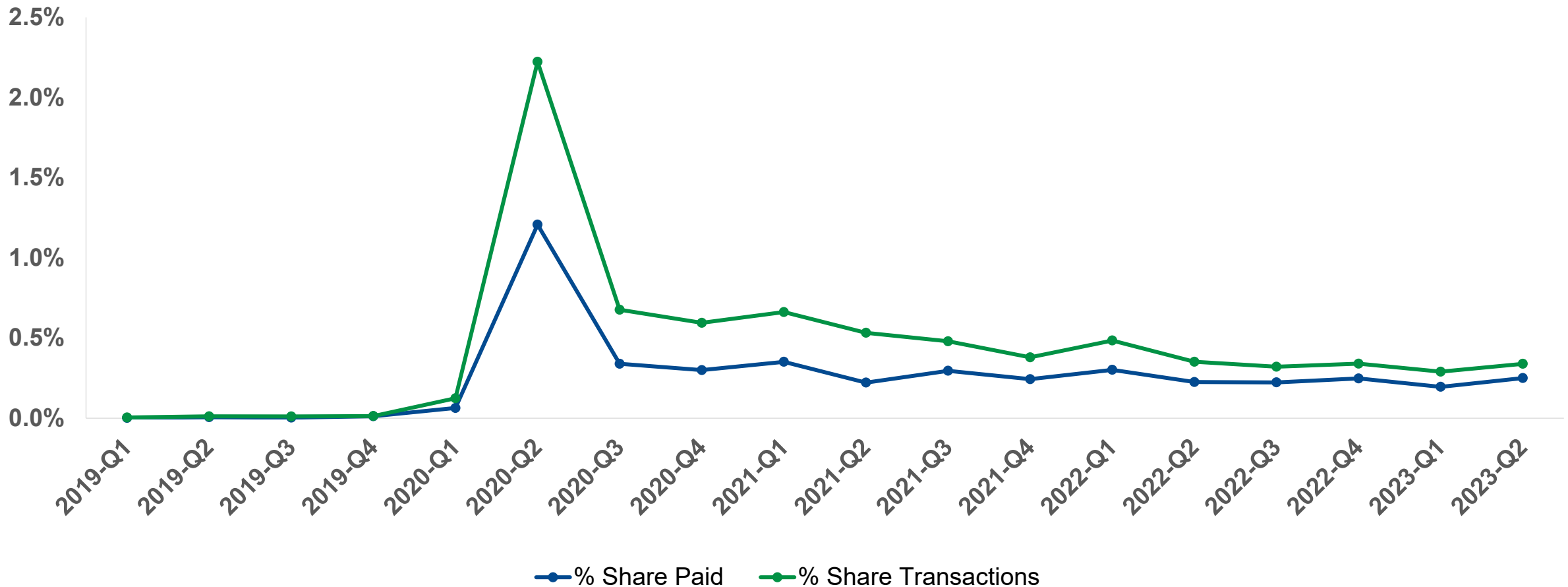
Claims including mental health procedures have become more prevalent since the pandemic and remain above pre-pandemic levels in 2023-Q2. Medical payments for mental health saw drastic increases in first quarter 2021 and 2022.



# Medical Payments for Telemedicine



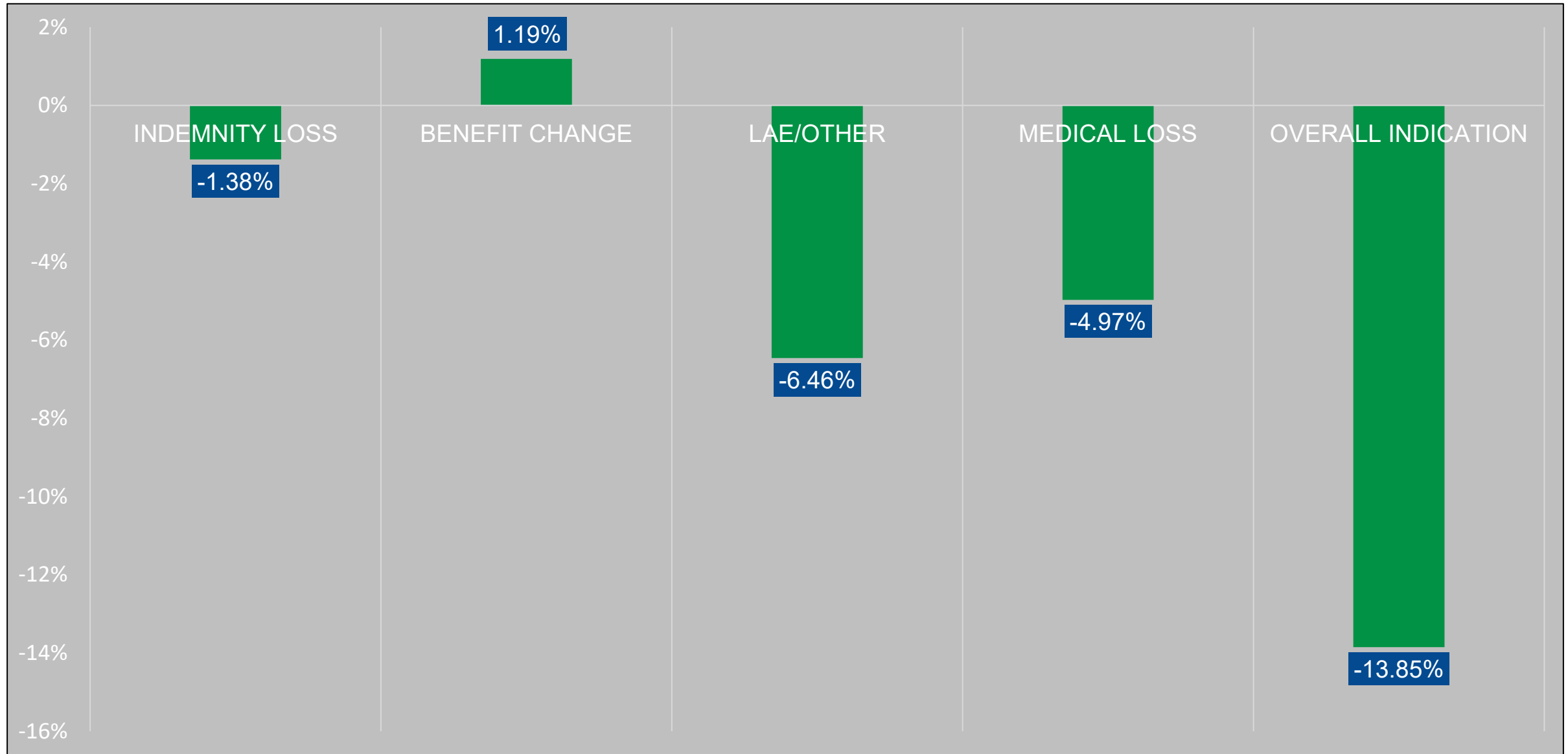
Telemedicine activity was reported at higher levels during 2020 due to the pandemic reaching 1,297 transactions in 2020-Q2. Since the spike, levels have normalized higher than pre-pandemic telemedicine increasing to over 200 transactions per quarter from less than 15 transactions per quarter.



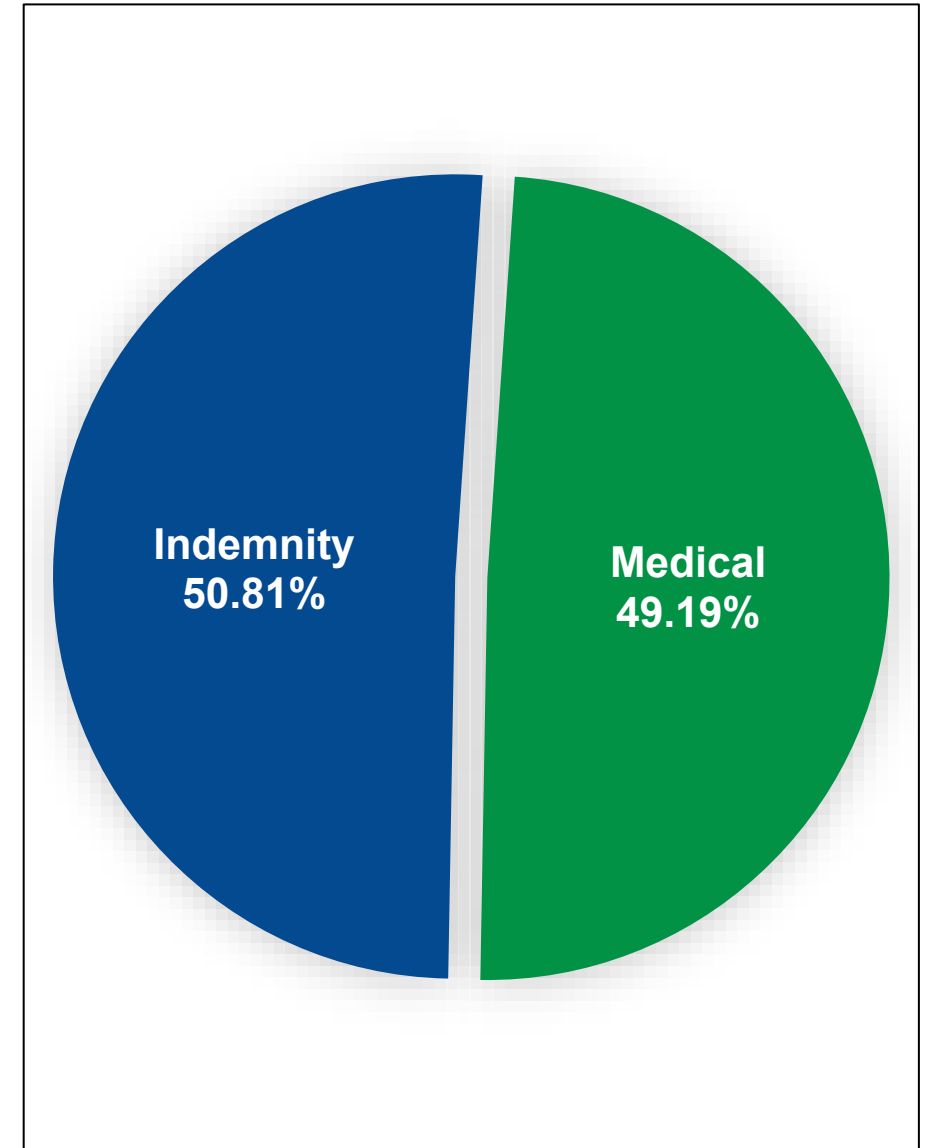
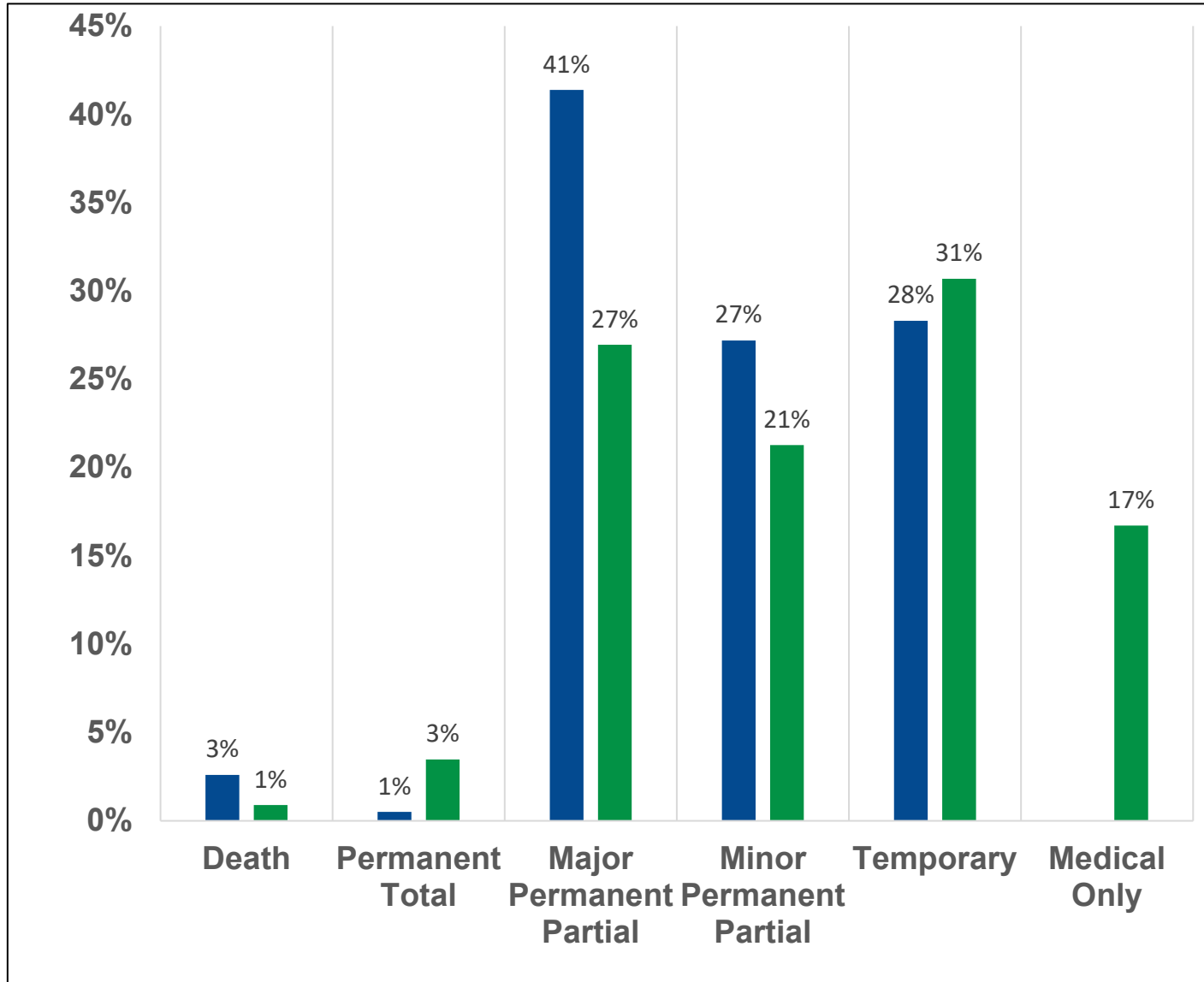
# Loss Cost Filing Information



# Components of 2023 Indication



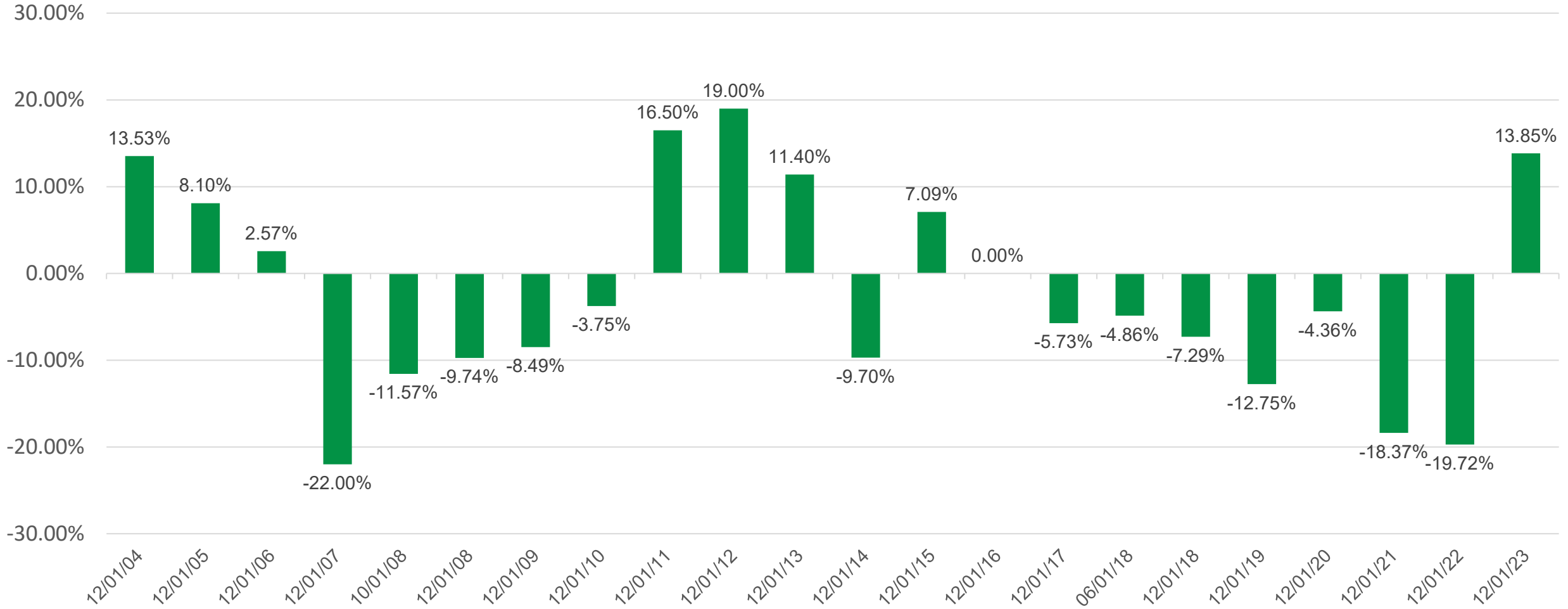
# Indemnity/Medical Splits



# History of Loss Cost Changes

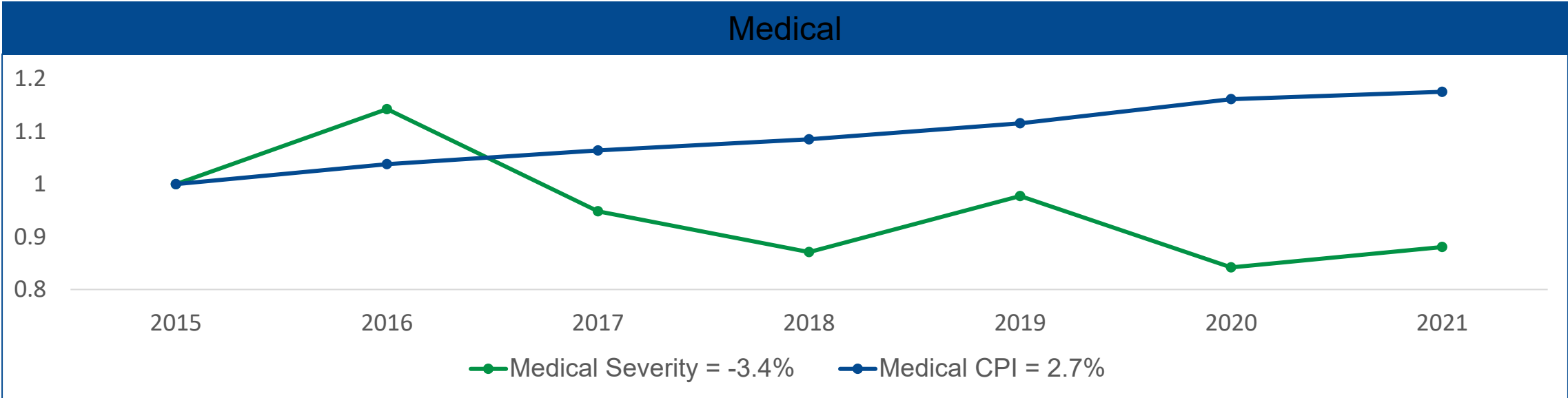
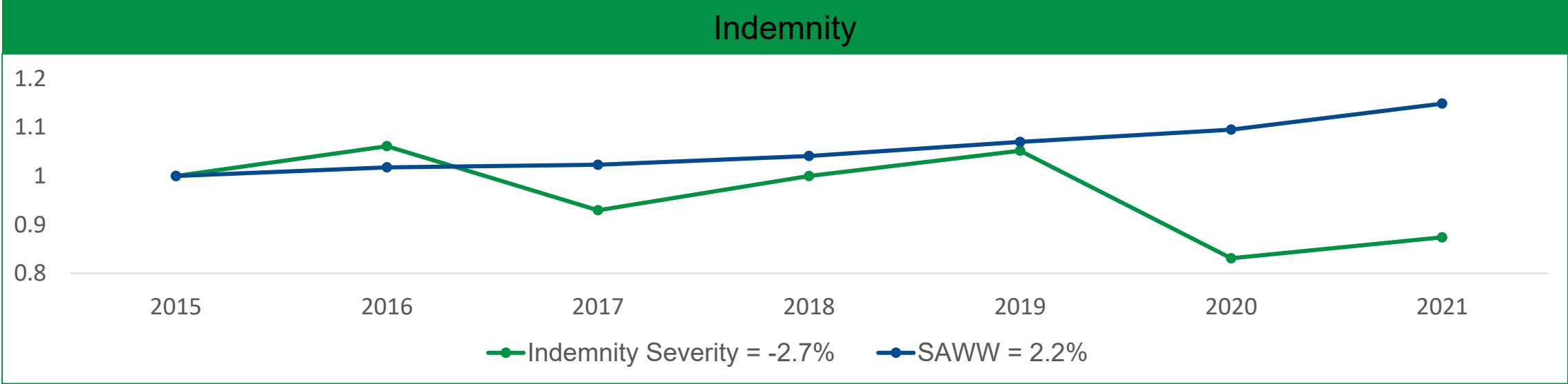


Loss Cost Levels have decreased 46.63% since 12/1/2004.



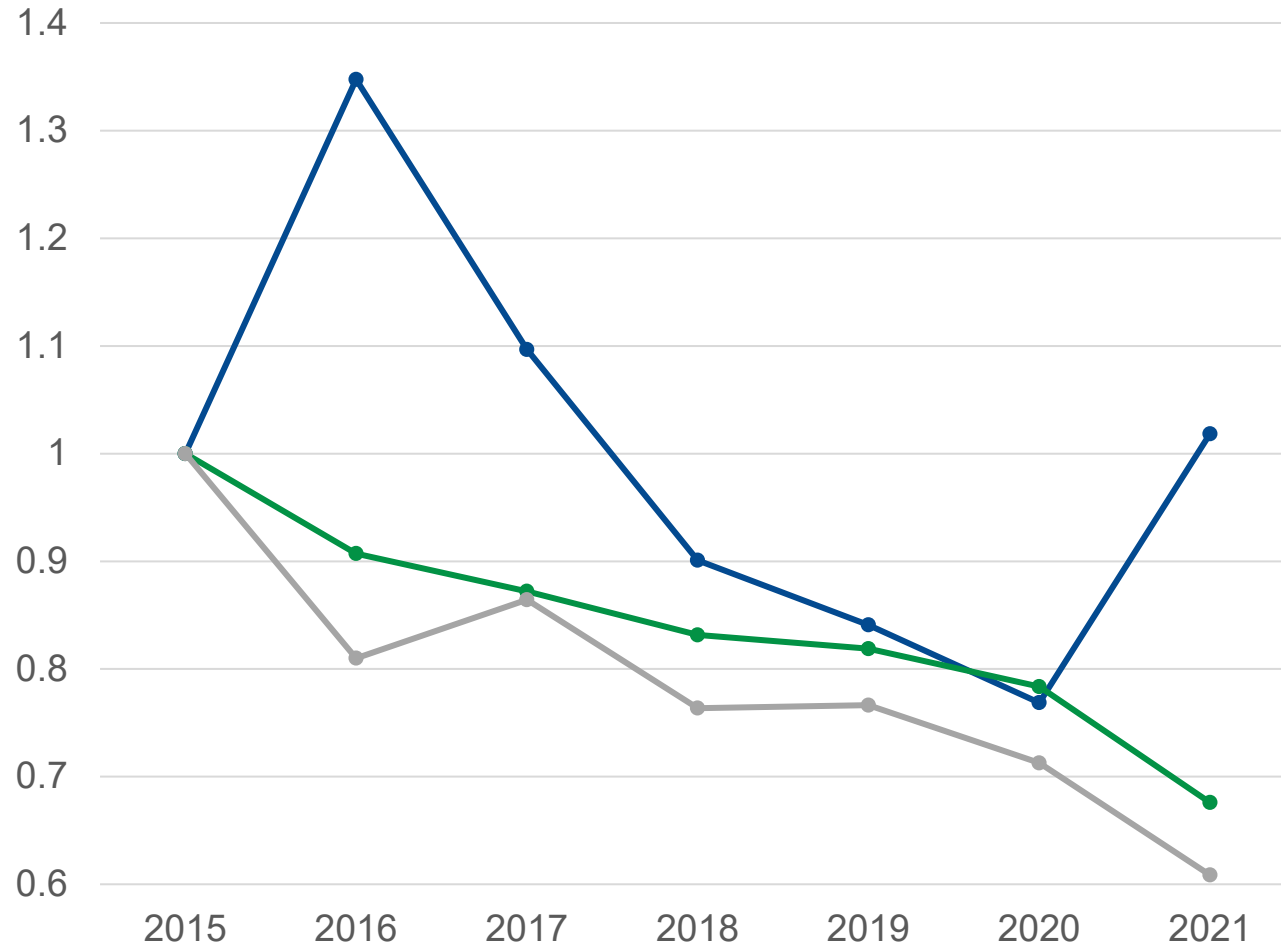


# Trends in Average Cost



Source: DE 2024 Loss Cost Filing, Financial Data

# Frequency Trend



Frequency trend for all industries is -5.93%. This continues the downward long-term frequency trend that has been observed for more than 20 years.



Manufacturing

-4.65%



Contracting

-5.32%



Other Industries

-6.45%

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## ABOUT

# TRUSTED | ESSENTIAL | OBJECTIVE

Founded in 1917, the Delaware Compensation Rating Bureau, Inc. (DCRB) is a nonprofit data collection organization serving as a trusted, essential, and objective resource that supports a healthy workers' compensation system for Delaware. DCRB provides data-driven products and services that anticipate and respond to marketplace conditions and identify emerging trends, including accurate and valuable statistical and actuarially-based information, marketplace knowledge, and rating plans. DCRB also conducts innovative research, provides educational services, and engages in outreach that delivers knowledge to empower actionable decisions.

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