



**ANNUAL
REPORT**

dcrb.com

2023

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PRESIDENT'S MESSAGE

DEMONSTRATING OUR TRUE STRENGTHS AND ABILITIES

It was only a few years ago when this message focused on the organizational challenges and efforts of a system reengineering initiative and other modernization projects. We have since reported on our steady progress in this necessary evolution. This progression has ultimately led us to a point where we can now demonstrate more fully our true strengths and abilities.

“

You may notice that this year's annual report is a departure in style from previous years. We hope you like the new look and the easier to follow details. This report is also being released simultaneously with the inaugural Workers Compensation Symposium. This symposium is intended to be a fresh and new means of communicating with you, our members, and to the workers compensation marketplace, about the essential capabilities of the DCRB. More so, the symposium is a celebration of sorts where we can reflect on where we have recently been and where we are today.

Last year we revealed and elaborated on an updated organizational strategic focus and vision. This focus has been embraced and adopted with excitement by the organization. During 2023, we were keenly aware of this fresh vision, keeping it in our sights as we journeyed along with an array of project work to strengthen our abilities to service the workers compensation marketplace and our members.

The best expression of the organization's approach to this refreshed strategy is establishing the project initiative to create a Business Intelligence and Data Analytics platform.



Bill Taylor
President & CEO

This project was “all hands-on deck,” while the organization successfully maintained its fundamental responsibilities. Look for more information on this and other projects within our enhanced communications efforts. On that point, following the hire of a new marketing leader, the bureau's communications and marketing efforts have intensified, bringing a fresh, modern perspective to all communications.



PRESIDENT'S MESSAGE

Highlighting these projects is meant to demonstrate to you our focus on providing all stakeholders with credible services, research, and tools to help them navigate the uncertainties of the marketplace. They also demonstrate our established strategic priorities, which are: focus on members, data modernization and quality, develop talent, enable technology, and expanded research and outreach.

2023 was a year with several positive advancements to report.

A MILESTONE YEAR

Notable milestones achieved at year-end include:

- Further integration and refinement of the new system platform, Optimus, following completion of the system reengineering project and final mainframe shutdown.
- Further incorporation of several necessary changes/additions within the executive staff.
- Successful staffing recruitment with numerous staffing adjustments and augmentation.
- Continued use of a “9-box methodology” for succession planning purposes.
- Integration of an outsourced model for the Internal Audit and Advisory function.
- Further implementation of refined and enhanced processes and operational procedures.
- Integration of strategic plan and organizational project prioritization.
- Completion of research work on the multi-year DE ERP update planned to be filed in 2024.

The recent transformational progress of the DCRB is apparent with most credit belonging to our staff. These 2023 outcomes result from a dedicated staff who have demonstrated incredible resilience, adaptability, and an unyielding commitment to excellence. I am thankful to the staff who made an enormous difference in 2023, reaffirming the organization’s dedication to the WC market.

We are also very appreciative of our membership, as the bureau’s successes are only possible with your continued support and encouragement. It is with this backing that we have the confidence to serve as the trusted resource for workers’ compensation data collection, research, and information in PA and DE. Within this report, we hope you will learn of additional 2023 DCRB accomplishments with further commentary on future strategic plans. We are all very grateful and proud that you have given us your endorsement as we remain committed to the vision of our newly crafted ideals – Trusted | Essential | Objective.

Very truly yours,

William V. Taylor



Path leading to ocean at Rehoboth Beach, Delaware.



PRIMARY FUNCTIONS

CRAFTING SOLUTIONS, DELIVERING SUCCESS

The DCRB has worked diligently to elevate its level of service to its members, those members' insureds, regulators, legislators, other governmental offices, and the workers of Delaware covered under the Workers Compensation Act. During 2023, the DCRB staff and its membership engaged in the following efforts and accomplishments:

ACTUARIAL INITIATIVES

DCRB's Actuarial Team Drives Innovation, Change

The Actuarial Team has been a driving force behind transformational initiatives across the organization, including two major initiatives that have been years in the making. The growing team completed research work on the multi-year DE ERP update planned to be filed in 2024, as well as the BI&A proof-of-concept that led to the start of this larger multi-year analytics initiative planned launch in 2024. The Actuarial Team also:

- Implemented and revised the Hazard Group by class for 12/1/2023.
- Developed a plan to move from 3 Industry groups to 5 industry groups for 12/1/2025 implementation.
- Assessed the feasibility of extending loss costs from 2-decimal places to 3-decimal places planned for 12/1/2026.
- Had an internal promotion to fill the Director of Actuarial Services role.

2023 FILINGS

Number	Subject
2301	Proposed Revisions to Delaware Basic Manual Provisions Related to COVID-19 Effective 7/1/23 Approved 4/19/23
2302	Proposed Updated Revisions to the Delaware Statistical Plan Manual (STAT) Due to COVID-19 Effective 7/1/23 Approved 4/19/23
2303	Proposed Revisions to Delaware Basic Manual Provisions & Form DE-EXCL Related to HB144 Effective 6/30/23 Approved 10/30/23
2304	Residual Market Rates, Voluntary Market Loss Costs and Designated Auditable Payroll Filing Amendment of October 4, 2023 Effective 12/1/22 Approved 10/12/23
2305	Manual Housekeeping Revisions to Section 2 of the Basic Manual Effective 12/1/23 Approved TBD

INFORMATIONAL INITIATIVES

With multiple major projects requiring regular, multi-channel, and targeted management and communications, DCRB's newly established Project Management and Communications & Marketing Departments played instrumental roles in advancing the organization's mission and vision.

These new functions aim to enhance, amplify, and standardize DCRB's communications and organization while injecting a marketing and project management mindset in our work.

DCRB's Project Management and Communications and Marketing efforts have aligned with initiatives in HR, Actuarial, Data Management, Experience Rating, Executive Team, IT, and more. Areas of emphasis include document retention and digitization, membership, video production, social media, and media relations.

BUDGET & ASSESSMENT EXPERIENCE

Overall expenditures for 2022 were in line with the DCRB's budgetary plan. The expense allocation provision was reviewed by the members of the DCRB and PCRB Governing Boards, who reaffirmed and readopted the current allocation methodology.

DATA COLLECTION ACTIVITIES

The timely, accurate and comprehensive collection of data and statistical information is a fundamental obligation of the DCRB for its members and the WC marketplace. In 2023, existing programs and incentives applicable to the reporting and collection of financial and unit statistical data, and monitoring of carrier audits, continued to be actively managed by DCRB staff. The 2023 data collection program experience follows:

Financial Data

Members were able to use the Financial Data Manager (FDM) during the reporting season for 2022 Calls in 2023, Financial Data Incentive Program assessments of approximately \$56,939 associated with those reports were assessed in late 2023. The FDM used in 2023 included all Financial Calls for 2022 reports. This internet-based application allows reporting entities to view results of applying DCRB edits prior to submission of entered data and expedites the exchange of criticisms and corrected data, if needed. The FDM helps to accelerate

the availability of financial data and to mitigate incentive charges incurred by carriers experiencing difficulty in successfully passing edits applicable to the DCRB's Financial Calls.

Unit Statistical Plan Fines

The vast majority of DCRB members successfully complied with reporting requirements for the Unit Statistical Plan. Incentive charges incurred in 2023 were approximately \$32,515. This compares to \$12,500 in 2022. While we have experienced improved overall data transmission quality and in the error handling of unit statistical data transactions as a result of Unit Data Manager (UDM), there still has been an increase in the amount of time units remain overdue that has partially offset the other fee reductions.

Indemnity Data Calls

The DCRB's collection of the Indemnity Data Call began with claim activity occurring in Second Quarter 2020 and continued thru 2022. This important and developing initiative is intended to benefit the industry by providing increased detail pertaining to indemnity payments for workers compensation injuries using a standard protocol across jurisdictions. It will allow the DCRB to opine with greater authority on a variety of possible proposals to change the payment system for workers compensation in Delaware. The analysis of this data will enhance the DCRB's ability to explain filings and better understand cost drivers. The DCRB processed 14,127 quarterly records and 32,768 transactional records during 2023. Ongoing initiatives include creating reports and data validation tools.

WORKERS COMPENSATION RESEARCH INSTITUTE (WCRI) BENCHMARKING STUDIES

In 2023, the Workers Compensation Research Institute (WCRI) was able to issue a second Delaware special benchmark report, which is patterned after the series of multi-state benchmarking studies known as CompScope™. This third Delaware report demonstrated that this will be an ongoing special series of reporting on the Delaware workers compensation system and associated cost analysis. The DCRB and its members have been financially supportive and influential in seeing this effort come to fruition.

MEMBERSHIP

As of December 31, 2023, there were 397 members in the DCRB. During the year, eight carriers joined. The new members are as follows:

**397
Members**

- Pie Insurance Company
- WCF Select Insurance Company
- American Liberty Insurance Company
- Westguard Insurance Company
- Rochdale Insurance Company
- Amfed National Insurance Company
- Amfed Casualty Insurance Company
- Amfred Advantage Insurance Company



Along the water by the marina in Lewes.



COMMITTEE ACTIVITIES

The various committees of the DCRB participated in eight meetings in the course of 2023.

GOVERNING BOARD

The Governing Board has general charge and management of the affairs of the DCRB. The Governing Board participated in four meetings during 2023.

BOARD MEMBER	EXPIRES
American Home Assurance Company	2026
Donegal Mutual Insurance Co. (Chair)	2024
Liberty Mutual Insurance Company	2025
National Fed. of Independent Business	2025
PMA Insurance Company (ORMARKS)	2024
Travelers Property & Casualty Co.	2025
Zurich Insurance Company	2026

CLASSIFICATION & RATING COMMITTEE

The Classification & Rating Committee is responsible for review and evaluation of the efficacy and equity of the underwriting, classification and rating procedures, as well as the administration of these rules in its role as the technical committee designed to hear the appeals of parties aggrieved by decisions of the DCRB staff.

COMMITTEE MEMBER	EXPIRES
American Home Assurance Company	2024
Builders & Remodelers Assoc. of Del.	2025
Easter Alliance Insurance Company	2026
Nationwide Insurance Company	2023
Technology Insurance Company	2024
Travelers Property & Casualty Co.	2025
Zenith Property & Casualty Company	2025

The Classification & Rating Committee reviews the recommendations of DCRB staff relative to loss cost filings, classification and underwriting rules. The Committee participated in one meeting during 2023.

Note: One (1) public member vacancy remains as a result of an unfilled position from 2023.



ACTUARIAL COMMITTEE

The Actuarial Committee is responsible for reviewing all matters which might affect recommended rate and/or loss cost levels and plays an integral part in recommending data and analytical techniques incorporated into DCRB rating value filings. The Committee participated in two meetings during 2023.

BOARD MEMBER	EXPIRES
American Home Assurance Company	2027
Donegal Mutual Insurance Company	2025
Hartford Fire Insurance Company	2025
Liberty Mutual Insurance Company	2027
PMA Insurance Company (ORMARKS)	2026
Travelers Property & Casualty Co.	2026
Zurich Insurance Company	2026

NOMINATING COMMITTEE

Prior to each Annual Meeting of the PCRB the Nominating Committee proposes a slate of candidates selected from the nominations made by all PCRB members and other eligible organizations for vacancies on the Governing Board and its Committees. The Nominating Committee participated in one meeting during 2023.

COMMITTEE MEMBER	EXPIRES
American Home Assurance Company	2024
Liberty Mutual Insurance Company	2026
Nationwide Insurance Company	2025



Old College at the University of Delaware.



OPERATIONAL REPORTS

CLASSIFICATION

The classification function monitors and authorizes classifications for employers to make certain that the rating value(s) applied reflects the exposure(s) present in each business enterprise. The unit is also responsible for maintaining a continuous effort to update the classification system, responding to requests for analysis of classifications from employers, trade associations and the industry and reviewing individual case reports for proper classification assignments to verify that losses are being included in the correct classification. In 2023 the Classification Department responded to 530 outside inquiries.

530
Outside Inquiries

FIELD SURVEY PROGRAM

In order to assure that operations of employers are properly classified the DCRB devotes a significant portion of its resources to on-site surveys of employer facilities. A DCRB field representative will visit the employer's place of business, interview the employer or another appropriate representative and observe the operations being conducted. A written report is prepared for review by a DCRB classification analyst, after which the insurer will be notified of the DCRB classification assignment and, if required, directed to correct erroneous assignments. During 2023 the DCRB issued 42 surveys.

42
Surveys

POLICY EXAMINATION

An important activity of policy reporting is capturing policy coverage data. As the records repository for proof of insurance, this area maintains records of all insured Delaware employers through an alphabetical index system. This function provides information for claims adjudication and enforcement of statutory coverage requirements to the Delaware Department of Labor.

Each year, the policy reporting area typically processes over 150,000 transactions, which consists of policies, endorsements, and cancellation and reinstatement notices. This function is necessary to monitor employer compliance with coverage

requirements, assure insurance company compliance with Department of Insurance regulations and statutory requirements, and facilitate data collection. As part of the review process, carrier representatives send inquiries to DCRB members when probable errors in the reported information are detected. During 2023 policy reporting examined 183,161 documents for proper application of experience modifications, merit rating adjustments, carrier rating values, employer classifications, duplicate coverage, and proper use of approved forms. The policy reporting area continues its commitment to the accurate and timely collection of data.



EXPERIENCE RATING (Rating Rules)

Experience rating is an important element of the workers compensation pricing mechanism and adjusts the manual premium for eligible employers to reflect their previous loss experience. The basic objectives of experience rating are to distribute the cost of workers compensation equitably among the employers assigned to an industry classification and to provide a direct financial incentive for employers to reduce work-related accidents and control the costs of accidents that do occur.

The Experience Rating & Pricing Programs area is responsible for the timely issuance of experience rating modifications and providing an explanation of experience rating rules while the Underwriting & Coverage Compliance area is responsible for investigating and administering changes in ownership, and entity status, and determining which entities may contribute data to a risk's rating. Staff within these areas have full knowledge of the Delaware Experience Rating Plan. Both areas maintain a qualified staff of individuals providing professional assistance with experience rating rules and procedures.

Timely issuance of experience ratings remains a DCRB objective. Overall departmental production in all areas increases yearly.

MERIT RATING PROGRAM

The Delaware Merit Rating Program was implemented on July 1, 1999. This plan grants premium discounts or assesses premium surcharges to most employers who do not qualify under the uniform Experience Rating Plan, based on the number of lost-time claims they have incurred.

DELAWARE CONSTRUCTION CLASSIFICATION PREMIUM ADJUSTMENT PROGRAM

The Delaware Construction Classification Premium Adjustment Program (DCCPAP) was implemented on July 1, 1990. During the course of 2023, 195 applications were processed by the DCRB. Approximately, 39% of the credits applied for in 2023 fell within the 21 to 30 percent range.

DELAWARE WORKPLACE SAFETY PROGRAM

The Workplace Safety Program was implemented on February 1, 1989. This program offers five to 19 percent credits to eligible employers that pass a workplace safety inspection(s). The Department of Insurance authorized 1,013 employers to receive such credit in 2023.

DELAWARE INSURANCE PLAN

The DIP is an assigned risk program that provides employers unable to secure coverage in the voluntary market with a means of insuring their operations through a designated carrier, as required under the state workers compensation act. The DCRB launched a new application system in late May, 2023 that allows agents to submit applications electronically and pay deposit premiums. The DCRB received and processed more than 727 employer applications in 2023.

The Delaware Insurance Plan Depopulation Listing helps to facilitate the potential placement of employers currently insured through the Delaware Insurance Plan in the voluntary market.

During 2023, 153 employers previously insured through the DIP secured voluntary market insurance coverage.

UNIT STATISTICAL REPORTING

The unit statistical reporting system is the central mechanism used for collecting policy experience for use in ratemaking and calculating experience modifications and merit rating adjustments for individual employers. The DCRB utilizes the most sophisticated data processing techniques and a complement of statistical technicians to review the data for accuracy and completeness. Data reporters use submission and management of unit statistical information. UDM performs edits in real time and has improved data submission quality and timeliness since its launch in 2018.

The DCRB applies comprehensive controls over the submission of required unit statistical reports using an automated data quality system. This includes monitoring unit data for accuracy, advising carriers of units and individual case reports not received and

issuing criticism letters when warranted. The quality control section continues to monitor all serious claims. Questionable injury codes and indemnity and medical amounts reported on individual case reports are analyzed. Also, classification codes are compared to occupations to check the accuracy of classification assignments.

Data quality review programs are continually being updated and expanded to make the processing of unit statistical report information more efficient. These programs have consistently produced an accurate and sophisticated individual risk database, allowing the DCRB to adopt significant and unique improvements in data collection and analytical techniques for ratemaking.

During 2022, the DCRB processed 62,174 unit statistical reports electronically.



Delaware's Legislative Hall in the Dover twilight.

EXHIBITS

TOTAL POLICIES, ENDORSEMENTS, AND CANCELLATIONS/REINSTATEMENTS

January 1, 2023, to December 31, 2023

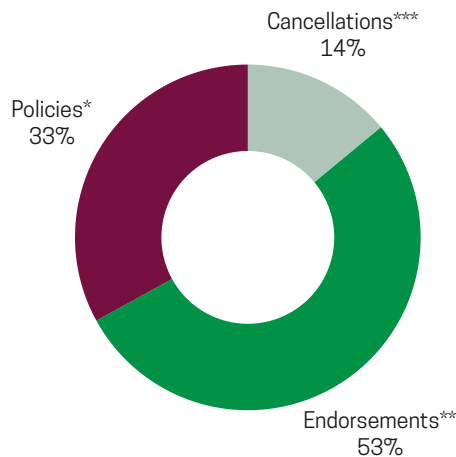
MONTH OF PROCESS (1)	One-Year			Three-Year	
	POLICIES* (2)	ENDORSEMENTS** (3)	CANCELLATIONS*** (4)	FIXED RATE (5)	ANNUAL ANNIVERSARY (6)
Total	60,083	96,670	26,092	0	0
January	5,449	8,236	2,461	0	0
February	4,397	8,207	1,885	0	0
March	5,718	8,795	2,217	0	0
April	4,704	7,626	1,977	0	0
May	4,075	8,000	2,302	0	0
June	5,385	7,924	2,174	0	0
July	4,581	7,077	2,178	0	0
August	5,278	8,864	2,417	0	0
September	4,460	7,517	2,064	0	0
October	5,914	8,126	2,154	0	0
November	5,350	8,272	2,161	0	0
December	4,771	8,026	2,102	0	0

*Policy documents received, including not taken, duplicate coverage, replacements, etc.

**Separately filed endorsements

***Includes reinstatements

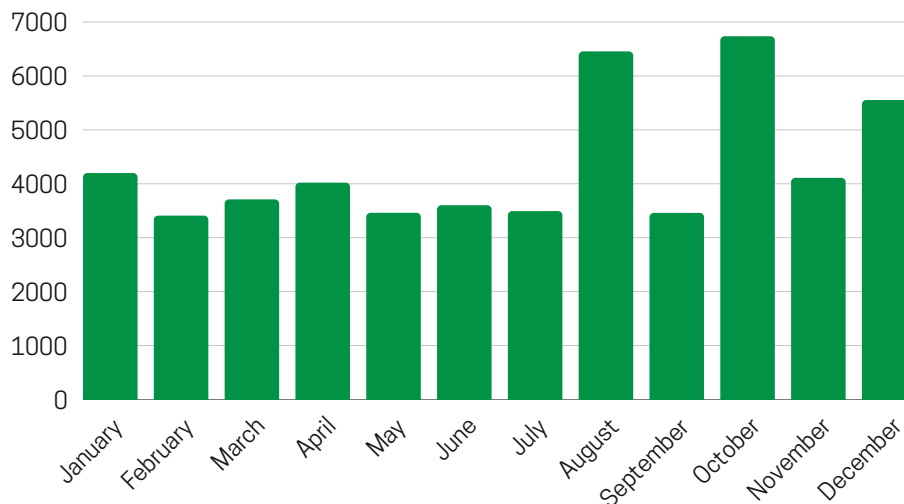
****Total of one year and fixed rate/annual 3-year policies



EXPERIENCE RATINGS

January 1, 2023 to December 31, 2023

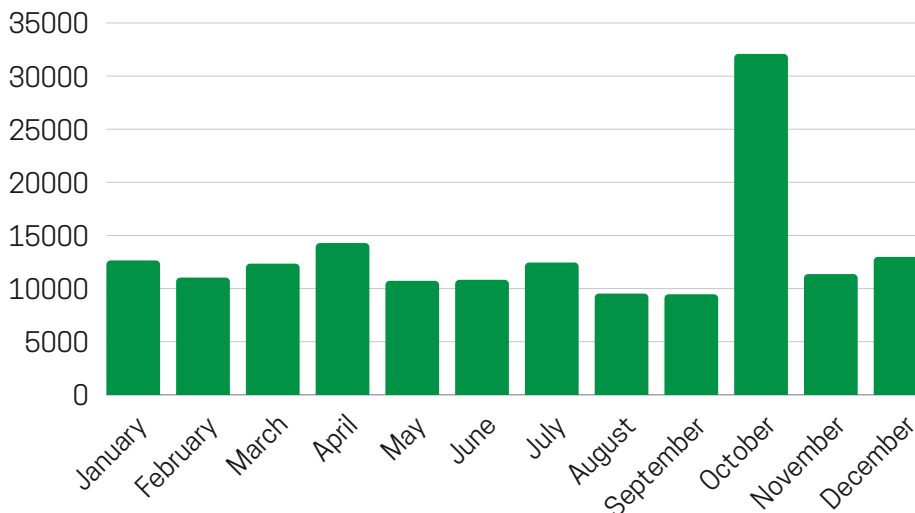
Effective Month	Total Ratings	Percentage
January	4,199	8.0%
February	3,409	6.5%
March	3,710	7.1%
April	4,021	7.7%
May	3,462	6.6%
June	3,602	6.8%
July	3,493	6.6%
August	6,455	12.3%
September	3,460	6.6%
October	6,736	12.9%
November	4,110	7.8%
December	5,553	10.6%
TOTALS	52,210	100.0%



MERIT RATINGS

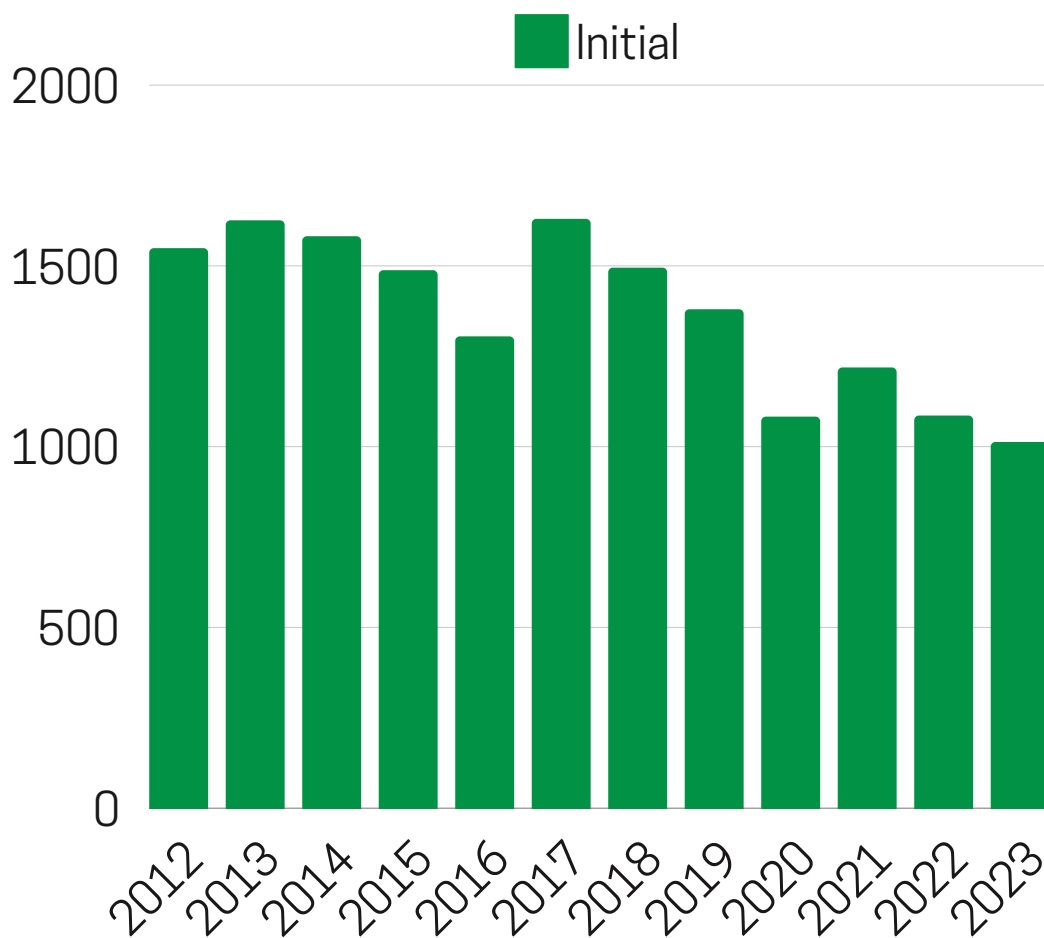
January 1, 2023 to December 31, 2023

Effective Month	Total Ratings	Percentage
January	12,650	7.9%
February	11,037	6.9%
March	12,347	7.7%
April	14,286	8.9%
May	10,731	6.7%
June	10,826	6.7%
July	12,453	7.7%
August	9,529	5.9%
September	9,465	5.9%
October	32,089	20.0%
November	11,365	7.1%
December	12,980	8.1%
TOTALS	52,210	100.0%



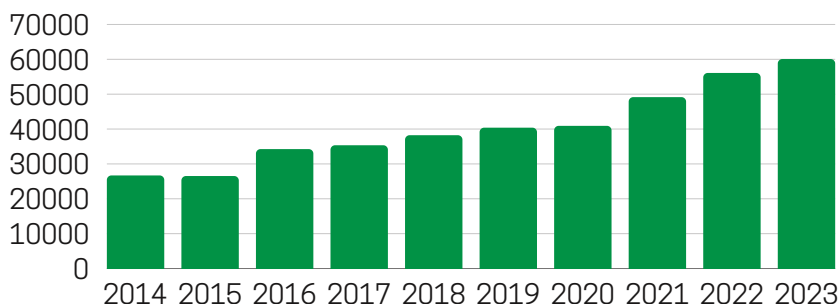
WORKPLACE SAFETY CREDIT PROGRAM

Number of Employers Receiving Credits by Year

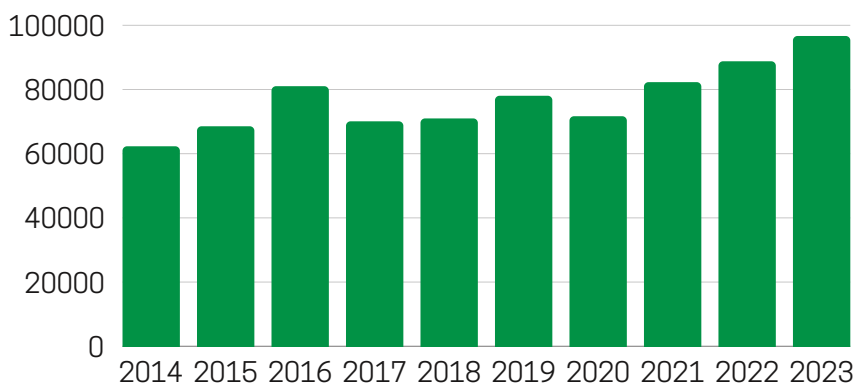


POLICIES PROCESSED

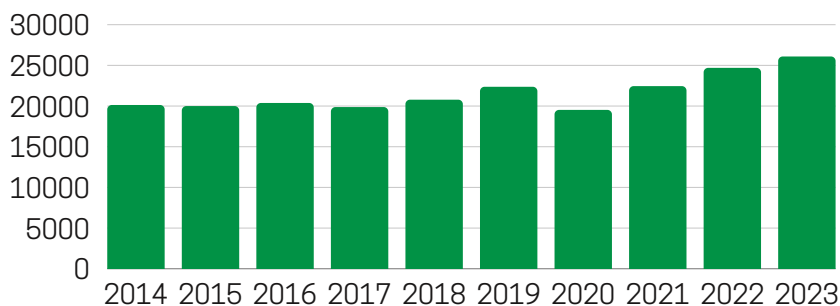
Number of Employers Receiving Credits by Year



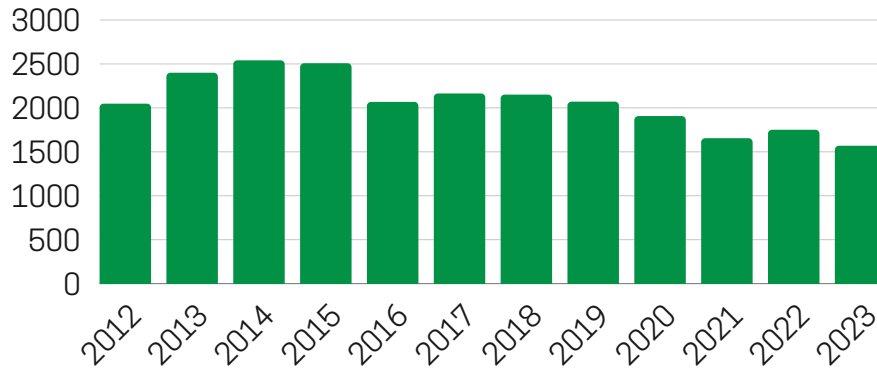
ENDORSEMENTS PROCESSED



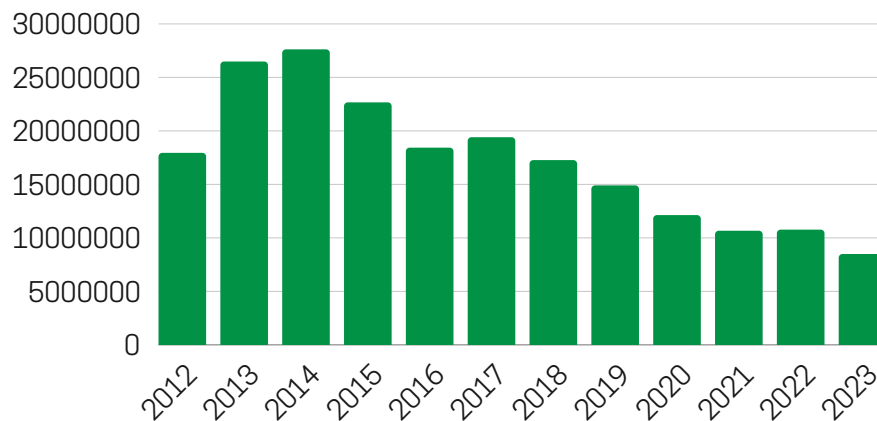
CANCELLATIONS/REINSTATEMENTS PROCESSED



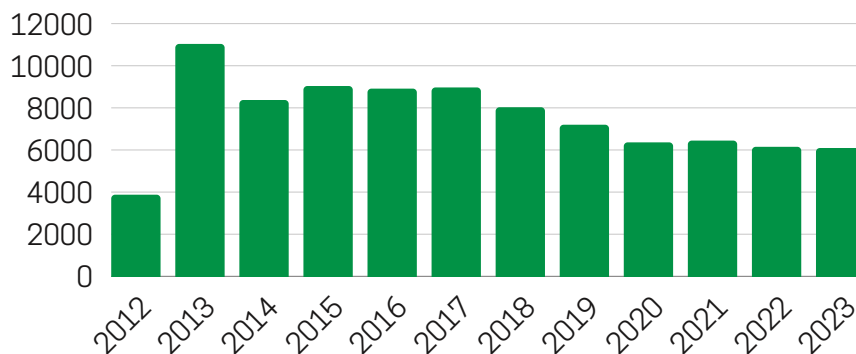
ASSIGNED RISK PARTICIPANTS PER YEAR



ASSIGNED RISK PREMIUM PER YEAR

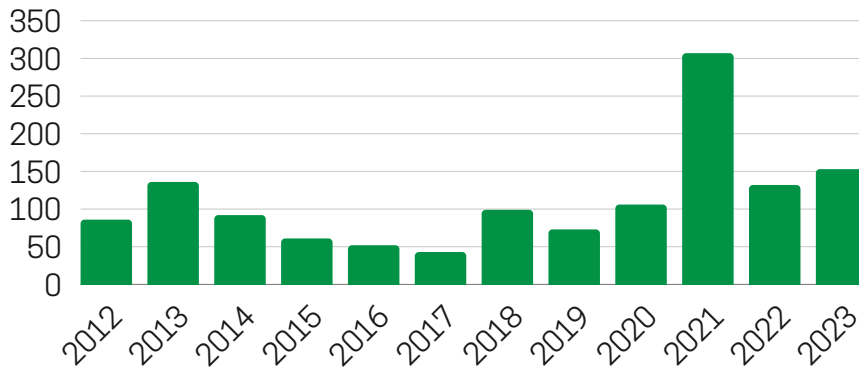


AVERAGE ASSIGNED RISK PREMIUM PER YEAR



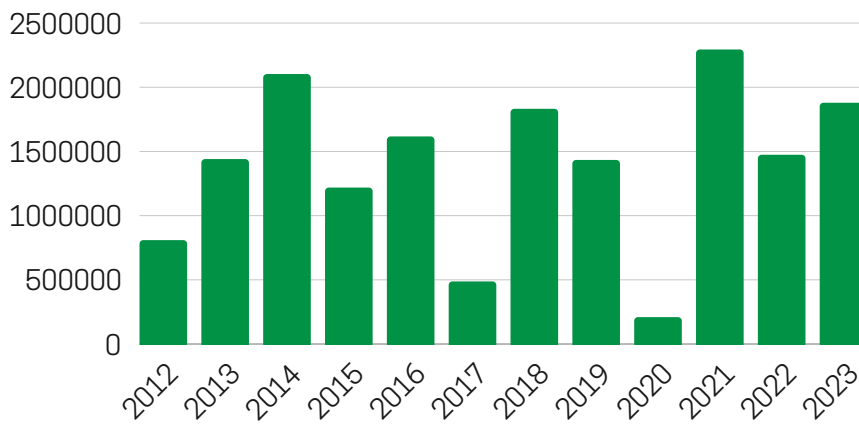
PRIOR YEAR DELAWARE INSURANCE PLAN RISKS

Obtaining Voluntary Market Coverage

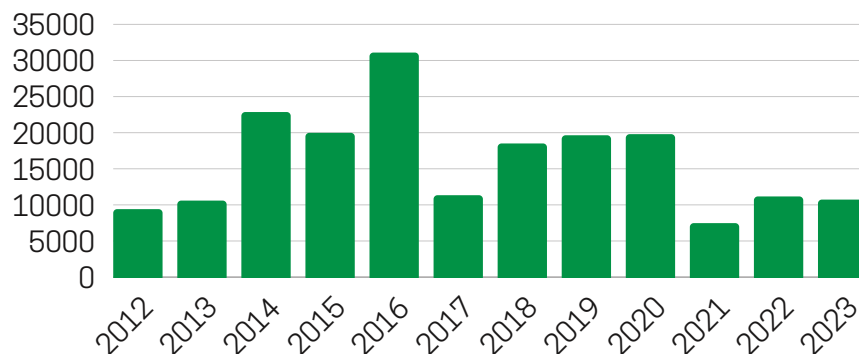


DELAWARE INSURANCE PLAN DEPOPULATION

Prior Year Premium For Risks Obtaining Voluntary Market Coverage



Prior Year Average Premium For Risks Obtaining Voluntary Market Coverage



USR SUBMISSIONS BY POLICY YEAR AND TYPE OF REPORT

Type of Report	Total Report	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
First	57,454	13	9	35	80	150	161	907	20,705	16,862	18,532
Second	1,553	11	3	10	18	31	51	589	424	416	
Third	1,028	10	3	7	17	39	386	308	258		
Fourth	725	11	4	6	27	288	193	196			
Fifth	473	12	7	8	211	127	108				
Sixth	334	11	10	139	94	80					
Seventh	281	17	126	71	67						
Eighth	197	93	56	48							
Ninth	90	45	45								
Tenth	39	39									
Total	62,174	262	263	324	514	715	899	2,000	21,387	17,278	18,532

TRUSTED | ESSENTIAL | OBJECTIVE

Founded in 1917, the Delaware Compensation Rating Bureau (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.

STAY CONNECTED

We are here to meet your workers compensation needs, with a roster of experts and ample resources to bring your team or organization up to speed.



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