



March 30, 2023

**VIA SERFF**

The Honorable Trinidad Navarro  
Insurance Commissioner  
Department of Insurance  
State of Delaware  
1351 West North Street, Suite 101  
Dover, DE 19004

Attention: Tanisha Merced, Deputy Insurance Commissioner

RE: **DCRB Filing No. 2301 Proposed Effective July 1, 2023  
Proposed Revisions to Delaware Basic Manual Provisions Related to  
COVID-19**

Dear Commissioner Navarro and Deputy Commissioner Merced:

On behalf of the members of the Delaware Compensation Rating Bureau (DCRB), we submit a filing with proposed revisions to the Workers Compensation Manual of Rules, Classifications and Rating Values for Workers Compensation and Employers Liability Insurance (Basic Manual). These revisions are proposed to become effective at 12:01 a.m. on July 1, 2023.

As the stay-at-home order was lifted and businesses have returned to operating in a more normal fashion, DCRB is proposing amendments to the Basic Manual. These proposals will establish an end date of June 30, 2023, to prior amendments made to manual provisions due to COVID-19. The proposed effective date of the changes is July 1, 2023, which corresponds to the National Council on Compensation Insurance (NCCI) proposed effective date of their own sunset of COVID-19 related provisions.

Attached to this filing letter is a memorandum to provide background and further information regarding the proposed changes to the Basic Manual, as well as two sets of Basic Manual pages. The first shows the proposed changes using "track changes" for tracking the newly inserted language. The second version reflects the manual pages without the "mark-up". Sections of the Basic Manual not impacted by the changes are shown as "unchanged."

Thank you in advance for your attention to this filing. The DCRB welcomes any question that you or the Department of Insurance staff may have regarding these proposals.

Sincerely,

William V. Taylor  
President

Enclosures: Filing Memorandum  
Proposed Basic Manual Provisions



TO: The Honorable Trinidad Navarro

FROM: Drew Kratz – Director, Classification & Underwriting

DATE: March 30, 2023

RE: DCRB Filing 2301 – Proposed Revisions to the Delaware Basic Manual Provisions Related to COVID-19

This memorandum provides a summary of the analysis performed by the DCRB which is reflected in the proposed changes to the provisions of the Delaware Basic Manual, Delaware Experience Rating Plan, and the Delaware Statistical Plan Manual. The proposed changes establish an expiration date of June 30, 2023, for COVID-19 related provisions and become effective as of July 1, 2023.

#### **BACKGROUND:**

In 2020, the DCRB filed multiple changes to the Delaware Basic Manual because of COVID-19's impact on the administration of the state's workers compensation system.

Delaware's prior stay-at-home order significantly impacted many distinct aspects of society. Some employers were forced to cease operating completely, some altered employee duties to enable them to work from home and others continued to pay their employees while not working at all. At that time remuneration and classification provisions in the Delaware Basic Manual did not contemplate this type of extraordinary event and DCRB Filing #2002 was submitted (and approved) to temporarily amend existing manual provisions to better contemplate the changes brought on by COVID-19. Filing #2002 proposed the changes be effective as of March 1, 2020, with an expiration date of December 31, 2020. DCRB Filing #2010 was subsequently submitted (and approved) to remove the originally filed December 31, 2020, expiration date allowing the COVID-19 related provisions to remain in place until a more conclusive expiration date was determined.

#### **CURRENT ENVIRONMENT:**

##### **Basis of Premium and Classification:**

Filing #2002 created a COVID-19 exception to the Basic Manual provisions allowing the temporary assignment of Classification Code 953, Clerical Office Employees (which until December 1, 2022, included telecommuting employees), to employees based on their amended duties meeting the definition of clerical office employees and so long as separate, accurate and verifiable payroll records were maintained. This change also permitted the temporary reassignment of all-inclusive classification codes to Code 953 so long as the employee's amended duties also meet the qualifications for assignment to Code 953. The exception ultimately indicates that once normal business operations are resumed, insureds' normal business classifications apply.

DCRB also submitted and received approval of Filing #2201 which proposed the creation of Classification Code 822 to be a standalone classification for telecommuting clerical employees and updated manual language to make it a part of the COVID-19 exception effective December 1, 2022. The creation of Code 822 means anyone who qualifies as a telecommuting clerical employee under the COVID-19 exception is assigned to Code 953 for policies in effect from March 1, 2020, to November 30, 2022, and they are assigned to Code

822 for policies in effect on December 1, 2022, until the proposed June 30, 2023, expiration date of the COVID-19 provisions. This change has no impact on ratemaking as Code 822 and Code 953 will remain combined until such time as credible payroll and loss experience can be developed for Code 822.

With respect to employees who continued to be paid while not performing any work duties of any kind for the employer (furloughed employees), filing #2002 made amendments to the Basic Manual and the Statistical Plan Manual to exclude such payments made during the time the Delaware's stay-at-home order was in place. The rationale being that as these employees are not engaged in work activities, they have no work-related exposure. Further, and unlike typical sick leave, vacation pay, bonus pay, and idle time pay, this is an extraordinary payroll event that was not contemplated within the assumptions of the current basis of payroll rules.

Regarding collecting payroll data attributed to such payments made to furloughed employees, filing #2002 required such amounts be reported utilizing Statistical Code 1212. Payments made to furloughed employees and reported under Code 1212 are excluded from premium, experience rating and merit rating calculations. The use of this statistical code also allows greater understanding of the impact of COVID-19 on the workers compensation system, for any special treatment and reporting purposes that may be required by the Department and/or other governmental entities.

#### **Exclusion of COVID-19 Claims from Experience Rating:**

DCRB Filing #2001 (Statistical Plan) established new coding values for use in recording and tracking losses applicable and/or attributable to COVID-19. The new coding values were established in collaboration with the Workers Compensation Insurance Organizations (WCIO) and the National Council on Compensation Insurance (NCCI). The codes are:

- Extraordinary Loss Event Code (Catastrophe Code) No. 12
- Nature of Injury Code No. 83 - COVID-19
- Cause of Injury Code No. 83 - Pandemic

The codes were created to facilitate quantifying the cost of workers' compensation claims attributable to the COVID-19 pandemic and determining special treatment in ratemaking and experience rating to the extent appropriate. As occurrence of COVID-19 workers compensation claims is not likely a strong indicator of future claim costs incurred by an employer, filing #2002 proposed that COVID-19 claims reported with the new statistical coding (Catastrophe Code 12) be excluded from experience and merit rating.

#### **Estimated Audit Coding:**

Filing #2002 also included the establishment of reporting requirements regarding estimated audit coding, if the final premium based on audited exposure cannot be reported due to COVID-19. If final premium based on audited exposure cannot be reported, the applicable exposure and premium is reported in the class code(s) and with the Estimated Audit Code as an "N".

#### **RECOMMENDATIONS:**

As the stay-at-home order was lifted and businesses have returned to operating in a more normal fashion, DCRB is proposing the addition of an expiration date to the COVID-19 related provisions. The proposed expiration date is June 30, 2023, which corresponds with the National Council on Compensation Insurance's (NCCI) proposed expiration date of their own sunseting of COVID-19 related provisions. The changes are proposed to take effect on July 1, 2023, which also corresponds with NCCI's proposal.

The proposed changes are:

- Updating of Basic Manual, Section I, Rule IV, Item B.4.a. (COVID-19 CORONAVIRUS EXCEPTION) to indicate it is applicable to new, renewal and in-force policies effective on March 1, 2020, through June 30, 2023, and the addition of language indicating the exception does not apply to new or renewal policies effective July 1, 2023, or later.
- Updating of Basic Manual, Section 1, Rule IV, Item C.8.b.4 (CHANGING CLASSIFICATIONS) to indicate the exception is applicable to new, renewal and in-force policies effective on March 1, 2020, through June 30, 2023, and the addition of language indicating the exception does not apply to new or renewal policies effective July 1, 2023, or later.
- Updating of Basic Manual, Section 1, Rule V, B.3.q. (REMUNERATION – PAYROLL - EXCLUSIONS) to indicate the exclusion of payments made to furloughed employees is applicable to new, renewal and in-force policies effective March 1, 2020, to June 30, 2023, and the addition of language indicating the exclusion does not apply to new or renewal policies effective July 1, 2023 or later.
- Updating of Basic Manual, Section I, Rule V, Item F.6.e (BASIS OF PREMIUM – ADDITIONAL INFORMATION – Payments to Paid Furloughed Employees During Federal, State and/or Local Emergency Orders, Laws or Regulations Issued Due to COVID-19 (Coronavirus) Pandemic) to indicate the rule is applicable to new, renewal and in-force policies effective March 1, 2020, through June 30, 2023 and the addition of language indicating the rule does not apply to new or renewal policies effective July 1, 2023, or later.
- Removal of line (73) (Payments to Paid Furloughed Employees Due to COVID-19) from the Premium Algorithm found in Basic Manual, Section 1, Rule VI, Item H effective July 1, 2023.
- The addition of language to Basic Manual, Section 5, Section IV, Item 1, viii (APPLICATION OF EXPERIENCE MODIFICATION – EXCEPTIONS – Premiums Not Subject to Experience Rating) to indicate premium developed under code 1212 – Payments Paid to Furloughed Employees Due to COVID-19 is applicable to new, renewal and in-force policies effective March 1, 2020 to June 30, 2023 and the addition of language indicating the exception does not apply to new or renewal policies effective July 1, 2023, or later.
- The addition of language to the Basic Manual, Section 5, Section V.4.b (TABULATION OF EXPERIENCE) to specify all claims reported with Catastrophe Code 12 with accident dates of December 1, 2019, through June 30, 2023, are excluded from experience rating and merit rating.

Additionally, a separate, but accompanying filing will be made regarding the Delaware Statistical Plan Manual. This filing proposes amended language to Statistical Plan Manual Section II, B.9.g (Paid Furloughed Employees – Code 1212), Section II, C.11.c (Catastrophe Code 12 for claims applicable or attributable to COVID-19) and Section IV, A.6.d.2 (Estimated Audit Coding Exception) to include an expiration date of June 30, 2023. The filing also proposes the removal of line (73) (Payments to Paid Furloughed Employees Due to COVID-19) from the premium algorithm.

If the June 30, 2023, expiration date for COVID-19 related provisions is approved, the COVID-19 related provisions no longer apply to any new and/or renewal policies issued on or after July 1, 2023. The temporary reassignment of employees to Code 953 or Code 822 will no longer apply and it will no longer be appropriate to report payroll for furloughed employees to Code 1212. Payroll will need to be assigned to the risk's normal business classification.

Revisions to the Delaware Basic Manual  
Related to COVID-19  
March 30, 2023

Finally, COVID-19 claims will no longer be reported to Catastrophe Number 12. Any future COVID-19 claims with an accident date of July 1, 2023, or later must continue to be reported with Nature of Injury Code 83—COVID-19, and, when applicable, these claims must be reported with Cause of Injury Code 83—Pandemic. Any claim with an accident date of July 1, 2023 or later, will be included in future experience rating and merit rating calculations.

**DELAWARE WORKERS COMPENSATION MANUAL OF RULES, CLASSIFICATIONS  
AND RATING VALUES FOR WORKERS COMPENSATION AND FOR EMPLOYERS  
LIABILITY INSURANCE**

*Proposed Effective July 1, 2023*

**INFORMATION PAGE** remains unchanged.

**PREFACE** remains unchanged.

**MEMBERSHIP** remains unchanged.

**TABLE OF CONTENTS** remains unchanged.

**SECTION 1 – UNDERWRITING RULES**

**RULE 1 – GENERAL** through **RULE III POLICY PREPARATION – INSURED, POLICY PERIOD AND STATE OF OPERATIONS** remain unchanged.

**RULE IV – CLASSIFICATIONS**

**A. GENERAL EXPLANATION** remains unchanged.

**B. CLASSIFICATIONS**

Remains unchanged.

Item 1 through Item 3 remain unchanged.

**4. Standard Exception Classification**

Remains unchanged.

- a. **CLERICAL OFFICE EMPLOYEES – Code 953** – are employees exclusively engaged in keeping the books or records of the insured or conducting correspondence or who are engaged wholly in office work where such books or records are kept, or such correspondence is conducted.

This classification shall be applied only to employees herein described who work exclusively in separate buildings or on separate floors or in departments on such floors which are separated from all other workplaces of the employer by floor to ceiling partitions except for retail stores where a partition at least five feet high is required and within which no work is performed other than clerical office duties as defined in this rule.

Office employees shall be separately classified except in connection with those classes which are designated “all employees including office.”

If any clerical office employee (including drafting employees) has any other regular duty, the entire payroll of that employee shall be assigned in accordance with the class to which the business is assigned.

**COVID 19 CORONAVIRUS EXCEPTION:** An employee’s job duties may be temporarily reclassified to Code 822 – Telecommuting Clerical Employees, during any emergency orders, laws or regulations issued due to COVID–19 (Coronavirus), if separate, accurate, verifiable records are maintained. If such records are not maintained, the employee is assigned to the classification applicable to their duties prior to any emergency orders, laws, or regulations issued due to the COVID–19 (Coronavirus) pandemic. Once normal business operations resume, appropriate classifications should be applied.

This exception is applicable for new, renewal and in-force policies in force effective on March 1, 2020, through June 30, 2023. ~~The exception will continue to remain in effect and will not expire until determined at a later date as circumstances warrant in consultation with Delaware regulatory authorities.~~

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[This exception does not apply to new or renewal policies with effective dates on or after July 1, 2023.](#)

This classification does not apply to:

- (1) The clerk, such as a counter, front desk, lobby, mall kiosk, time, stock or tally clerk or librarian, whose work is necessary, incidental, or part of any operation of the business other than clerical office. Such clerk should be assigned to the basic classification of the business.
- (2) A cashier who is responsible for accepting payment for merchandise or services rendered. The cashier's physical location may include but is not necessarily limited to a booth, behind a counter or on a sales floor. The cashier or any employee whose regular and frequent duty is accepting payment for merchandise or services rendered should be assigned to the basic classification of the business regardless of the physical work location.

Items b & c remain unchanged.

Item 5 through Item 6 remain unchanged.

**C. ASSIGNMENT OF CLASSIFICATION**

Item 1 through Item 7 remain unchanged.

**8. Changing Classifications**

- a. Remains unchanged.
- b. Item 1 through Item 3 remain unchanged.

(4) When the temporary interruption or suspension of normal business activities caused by COVID-19 results in a change in business operations, an employer may be temporarily reassigned to an alternate classification if separate, accurate, verifiable records are maintained. If such records are not maintained, the operations are assigned to the classification applicable to the business prior to any emergency orders, laws, or regulations issued due to the COVID-19 (Coronavirus) pandemic. Once normal business operations resume, appropriate classifications should be applied.

This exception is applicable for new, renewal and in-force policies in force effective on March 1, 2020, through June 30, 2023. ~~The exception will continue to remain in effect and will not expire until determined at a later date as circumstances warrant in consultation with Delaware regulatory authorities.~~

[This exception does not apply to new or renewal policies with effective dates on or after July 1, 2023.](#)

Item c through Item e remain unchanged.

Item 9 and Item 10 remain unchanged.

**D. SHOW THE CLASSIFICATION IN ITEM 4 OF THE INFORMATION PAGE** through **E. "NEW BUSINESS" EMPLOYEE CLASSIFICATION PROCEDURE** remain unchanged.

**RULE V – PREMIUM BASIS**

**A. BASIS OF PREMIUM – TOTAL REMUNERATION** remains unchanged.

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**B. REMUNERATION – PAYROLL**

Item 1 through Item 2 remain unchanged.

**3. Exclusions**

Item a. through Item p. remain unchanged.

q. Payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. However, any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees are not excluded.

Refer to Rule V.F.6 for the definitions of paid furloughed employees and payments to paid furloughed employees.

Item q. is applicable to new, renewal and in-force policies ~~in force effective~~ on March 1, ~~2020~~2020, through June 30, 2023. ~~Item q. will continue to remain in effect and will not expire until determined at a later date as circumstances warrant in consultation with Delaware regulatory authorities.~~

Item q. does not apply to new or renewal policies with effective dates on or after July 1, 2023.

Item 4 through Item 5 remain unchanged.

**C. ESTIMATED PAYROLLS through E. PAYROLL LIMITATION** remain unchanged.

**F. BASIS OF PREMIUM – ADDITIONAL INFORMATION**

Item 1 through Item 5 remain unchanged.

**6. Payments to Paid Furloughed Employees During Federal, State, and/or Local Emergency Orders, Laws or Regulations Issued Due to Covid-19 (Coronavirus) Pandemic.**

- a. For purposes of this, "paid furloughed employees" and "payments to paid furloughed employees" are defined within this rule. "Paid furloughed employees" means employees who continue to receive payments during a temporary layoff or an involuntary leave and are not performing any work duties for an employer.
- b. "Payments to paid furloughed employees" means payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws, or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. Such payments do not include any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees.
- c. Payments to paid furloughed employees must be assigned to Code 1212, in accordance with the Statistical Plan. Payments to paid furloughed employees made in accordance with this Rule V.F.6 are excluded from the premium, experience rating and merit rating calculations only if the employer keeps separate, accurate, and verifiable records. If separate, accurate, and verifiable records are not maintained, payroll is assigned to the classification for work normally performed by the employee prior to any emergency orders, laws, or regulations issued due to the COVID-19 (coronavirus) pandemic.



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- d. If an employee is requested to perform any duties for an employer, the employee is not deemed a paid furloughed employee for any period of time they are performing duties for the employer. If the employee is not deemed a paid furloughed employee, payroll must be assigned to the classification applicable to the work being performed in accordance with Manual Rule IV.A.1.
  
- e. Rule V.F.6 is ~~effective for~~ applicable to new, renewal and in-force policies ~~in force~~ effective on March 1, 2020, through June 30, 2023. ~~This rule will continue to remain in effect and will not expire until determined at a later date as circumstances warrant in consultation with Delaware regulatory authorities.~~

Rule V.F.6 does not apply to new or renewal policies with effective dates on or after July 1, 2023.

**RULE VI – RATING VALUES AND PREMIUM DETERMINATION**

**A. – DCRB RATING VALUES** through **G. – SCHEDULE RATING** remains unchanged.

**H. PREMIUM ALGORITHM**

**Delaware and Pennsylvania Premium Algorithm Preface:**

**Optional use upon July 1, 2000. Mandatory use for policies effective on or after January 1, 2002.**

The computation of workers compensation premium includes a broad complement of potential rating values, pricing programs and other similar or related variables. To the extent that these component parts of premium determination may be applied in a prescribed sequence and using defined formulas and/or relationships, several potential benefits arise including the following:

- Competitive differences within the marketplace can be more clearly defined and consistently applied;
  
- Similarly situated risks can receive comparable treatment with respect to specific rating values, pricing programs or other factors, increasing the equity of the marketplace;
  
- Analysis of the effects of various components of overall premium determination can be better understood and more intelligently compared across carriers, states and/or time;
  
- In the event that new pricing programs or other factors are introduced in the future, the defined existing formulas can provide a consistent basis for the development of programs and system procedures within the workers compensation industry.

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Line #	Item Name	Associated Statistical Code	Line #	Source & Derivation
(1)	Classification	xxxx	(1)	Carrier value
(2)	Exposure	xxxx	(2)	Risk characteristic
(3)	Carrier Rating Value	xxxx	(3)	Carrier value
(4)	Classification Manual Premium		(4)	(2)/100x(3) if classification has payroll exposure. Special procedures apply to noon-payroll classes.
(5)	Total Policy Manual Premium		(5)	Sum of (4) for all classifications on the policy
(6)	Employer Liability Increased Limits Factor	xxxx	(6)	Carrier value
(7)	Employer Liability Increased Limits Premium Charge		(7)	(5)x(6) expressed as decimal
(8)	Minimum Premium Employer Liability Increased Limits	9848	(8)	Carrier value
(9)	Minimum Premium Employer Liability Increased Limits Premium Charge		(9)	[(8)-(7)] if (7)<(8) and (6)>0, otherwise zero
(10)	Subject Deductible Credit Percentage	9848	(10)	Carrier value
(11)	Subject Deductible Premium Credit	9664	(11)	[(5)+(7)+(9)]x[(-10) expressed as a decimal]
(12)	Waiver of Subrogation Charge	9664	(12)	Carrier value - subject to experience modification
(13)	Waiver of Subrogation Premium	0930	(13)	Value from Line (12)
(14)	Total Subject Premium	0930	(14)	[(5)+(7)+(9)+(11)+(13)]
(15)	Experience Modification	9898	(15)	Zero for non-experience-rated risks
(16)	Modified Premium		(16)	(14)x(15)
(17)	Merit Rating Credit Factor	9885	(17)	Zero if Merit Rating Credit does not apply
(18)	Merit Rating Credit	9885	(18)	(14)x[(-17) expressed as a decimal]
(19)	Merit Rating Neutral Factor	9884	(19)	Zero whether Merit Rating Neutral Adjustment (no credit or debit) does or does not apply
(20)	Merit Rating Neutral Adjustment	9884	(20)	(14)x[(19) expressed as a decimal]
(21)	Merit Rating Debit Factor	9886	(21)	Zero if Merit Rating Debit does not apply
(22)	Merit Rating Charge	9886	(22)	(14)x[(21) expressed as a decimal]
(23)	Premium After Experience Modification or Merit Rating		(23)	(16) if Experience-Rated, [(14)+(18)+(20)+(22)] if Merit Rated, (14) if Non-Rated
(24)	Non-Ratable Classifications	xxxx	(24)	Carrier Value
(25)	Non-Ratable Classifications Exposure		(25)	Portion of payroll exposure subject to Non-Ratable Classifications
(26)	Non-Ratable Classification Rating Value	xxxx	(26)	Carrier Value
(27)	Non-Ratable Classification Premium		(27)	(25)/100x(26) [based on applicable Non-Ratable Classification exposure]
(28)	Workfare Program Employees Exposure (PA)	0982	(28)	Number of person weeks. A partial workweek for any worker to be counted as 1 person week.
(29)	Workfare Program Employees Rating Value Exposure (PA)	0982	(29)	Carrier Value
(30)	Workfare Program Employees Premium (PA)		(30)	(28) x (29)
(31)	Non-Ratable Classification Premium Total		(31)	Sum of all (27)+(30) premiums
(32)	Non-Ratable Classification Increased Limits Factor	xxxx	(32)	Carrier value
(33)	Non-Ratable Classification Increased Limits Premium Charge	xxxx	(33)	(31)x [(32) expressed as a decimal]
(34)	Minimum Premium Non-Ratable Classification Increased Limits	9848	(34)	Carrier value
(35)	Minimum Premium Non-Ratable Classification Increased Limits Premium Charge	9848	(35)	[(34)-(33)] if (33) < (34) and (32) > 0, otherwise zero
(36)	Premium Before Schedule Rating		(36)	(23)+(31)+(33)+(35)
(37)	Schedule Rating Plan Adjustment Factor	9887/9889	(37)	Carrier value - use 9887 for schedule credits and 9889 for schedule debits
(38)	Schedule Rating Plan Premium Adjustment	9887/9889	(38)	(36)x[(37) expressed as a decimal]. For schedule credits Line (38) will be negative
(39)	Certified Safety Committee Credit Factor (PA)	9890	(39)	Credit applies if insured is certified
(40)	Certified Safety Committee Premium Credit (PA)	9890	(40)	[(36)+(38)]x[(-39) expressed as a decimal]
(41)	Workplace Safety Program Credit Factor (DE)	9880	(41)	Credit applies if insured qualifies
(42)	Workplace Safety Program Premium Credit (DE)	9880	(42)	[(36)+(38)]x[(41) expressed as a de

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Line #	Item Name	Associated Statistical Code	Line #	Source & Derivation
(43)	Construction Classification Premium Adjustment Program Credit Factor	9046	(43)	Based on wage level(s), application to rating organization
(44)	Construction Classification Premium Adjustment Program Premium Credit	9046	(44)	[(36)+(38)]x[(-43) expressed as a decimal]
(45)	Drug-Free Workplace Factor (DE)	9846	(45)	Carrier value
(46)	Drug-Free Workplace Credit (DE)	9846	(46)	[(36)+(38)+(42)+(44)]x[(-45) expressed as a decimal]
(47)	Managed Care Factor (DE)	9874	(47)	Carrier value
(48)	Managed Care Credit (DE)	9874	(48)	[(36)+(38)+(42)+(44)+(46)]x[(-47) expressed as a decimal]
(49)	Package Credit Factor (DE)	9721	(49)	Carrier value
(50)	Package Credit (DE)	9721	(50)	[(36)+(38)+(42)+(44)+(46)+(48)]x[(-49) expressed as a decimal]
(51)	Premium After Managed Care and Package Credit If Applicable		(51)	[(36)+(38)+(40)+(42)+(44)+(46)+(48)+(50)]
(52)	Assigned Risk Surcharge Factor (DE)	0277	(52)	May apply to some or all assigned risks based on plan and characteristics of individual insured
(53)	Assigned Risk Premium Surcharge (DE)	0277	(53)	(51)x[(52) expressed as a decimal]
(54)	Deductible Credit Factor	9663	(54)	Carrier value
(55)	Deductible Premium Credit	9663	(55)	[(51)+(53)]x[(-54) expressed as a decimal]
(56)	Loss Constant	0032	(56)	Carrier value - may vary based on risk premium size
(57)	Loss Constant Charge	0032	(57)	Line (56) if applicable
(58)	Short Rate Cancellation Factor	0931	(58)	Carrier value - zero if short rate cancellation does not apply
(59)	Short Rate Premium	0931	(59)	[(51)+(53)+(55)+(57)]x[(58)-1.0000] if (58)>0, otherwise zero
(60)	Expense Constant	0900	(60)	Carrier value if applicable
(61)	Expense Constant Charge	0900	(61)	Line (60)
(62)	Minimum Premium	0990	(62)	Carrier value
(63)	Minimum Premium Charge	0990	(63)	If (62)>[(51)+(53)+(55)+(57)+(59)+(61)], (62)-[(51)+(53)+(55)+(57)+(59)+(61)], otherwise zero
(64)	Unit Statistical Report Total Standard Premium		(64)	[(51)+(53)+(55)+(57)+(59)+(63)]
(65)	Premium Discount Amount	0063/0064	(65)	Carrier value based on [(51)+(53)+(55)+(57)+(59)+(63)]
(66)	Additional premium Waiver of Subrogation (flat charge)	9115	(66)	Carrier value(s)
(67)	Terrorism	9740	(67)	(Total payroll/100) x carrier rating value
(68)	Catastrophe (other than Certified Acts of Terrorism)	9741	(68)	(Total payroll/100) x carrier rating value
(69)	Total Policy Premium Subject to Employer Assessment		(69)	(61)+(64)-(65)+(66)+(67) +(68)
(70)	Employer Assessment Factor Pursuant to Act 57 of 1997 (PA)	0938	(70)	PCRB value for the specific purpose of computing employer assessments
(71)	Employer Assessment Amount Pursuant to Act 57 of 1997 (PA)	0938	(71)	[(69)-(11)-(55)]x 70) NOTE: Cells (11) and (55) are credits. Subtracting these credits as shown effectively adds the premium reduction given for deductible coverage back into the premium for purposes of calculating employer assessments
(72)	Audit Noncompliance Charge	9757	(72)	Carrier Value x (69)
<del>(73)</del>	<del>Payments to Paid Furloughed Employees Due to Covid-19</del>	<del>1242</del>	<del>(73)</del>	<del>Risk characteristic</del>

**RULE VII – PREMIUM DISCOUNT** through **RULE XVII – MEMBER CARRIER DISPUTES (DISPUTE RESOLUTION CONFERENCE)** remain unchanged.

**SECTION 2 – CLASSIFICATIONS AND BUREAU RATING VALUES** remains unchanged.

**SECTION 3 – ENDORSEMENTS** remains unchanged.

**SECTION 4 – RULES AND PROCEDURE GOVERNING THE APPLICATION OF THE RETROSPECTIVE RATING PLANS - DELAWARE** remains unchanged.

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**SECTION 5 – EXPERIENCE RATING PLAN**

**SECTION I – INSTRUCTIONS** through **SECTION III – GENERAL PROVISIONS** remain unchanged.

**SECTION IV – APPLICATION OF EXPERIENCE MODIFICATION**

**1. Experience Modification**

Remains unchanged.

EXCEPTION (a) remains unchanged.

**EXCEPTIONS:**

Premiums No Subject to Experience Rating:

The following are not subject to experience rating:

Item i. through Item vii. remain unchanged.

viii. Premium developed under code 1212 – Payments Paid to Furloughed Employees Due to Covid-19

Exception viii is applicable to new, renewal and in-force policies effective March 1, 2020, through June 30, 2023.

Exception viii does not apply to new or renewal policies with effective dates on or after July 1, 2023.

Item 2 through Item 5 remain unchanged.

**SECTION V – TABULATION OF EXPERIENCE**

Item 1 through Item 3 remain unchanged.

Item 4. Losses. Incurred losses shall be tabulated by policy years in the manner indicated below:

(a) Remains unchanged.

(b) Loss which are subject to average or limiting values, as provided in Rule 5 of this Section, shall be Listed individually, showing the total cost of case as reported and as used for rating purposes. Multiple injury accidents shall be identified in the appropriate column of rating form.

**Exception:** All claims reported with Catastrophe Code No. 48 shall be excluded from experience rating calculations. Refer to Delaware Workers Compensation Statistical Plan Manual, Section 2.C.11 for definition of losses included under Catastrophe Code No. 48.

**Exception:** All claims reported with Catastrophe Code No. 12 with an accident date of December 1, 2019, through June 30, 2023, shall be excluded from experience ratings calculations. Refer to the Delaware Statistical Plan Manual, Section 2.C.11 for the definition of losses included under Catastrophe Code No. 12.

Item 5 through Item 8 remain unchanged.

**Section VI – RATING PROCEDURE - through EXPERIENCE RATING PLAN TABLE B** remain unchanged.

**SECTION VI – MERIT RATING PLAN** – remains unchanged.

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**INFORMATION PAGE** remains unchanged.

**PREFACE** remains unchanged.

**MEMBERSHIP** remains unchanged.

**TABLE OF CONTENTS** remains unchanged.

**SECTION 1 – UNDERWRITING RULES**

**RULE 1 – GENERAL** through **RULE III POLICY PREPARATION – INSURED, POLICY PERIOD AND STATE OF OPERATIONS** remain unchanged.

**RULE IV – CLASSIFICATIONS**

**A. GENERAL EXPLANATION** remains unchanged.

**B. CLASSIFICATIONS**

Remains unchanged.

Item 1 through Item 3 remain unchanged.

**4. Standard Exception Classification**

Remains unchanged.

- a. CLERICAL OFFICE EMPLOYEES – Code 953** – are employees exclusively engaged in keeping the books or records of the insured or conducting correspondence or who are engaged wholly in office work where such books or records are kept, or such correspondence is conducted.

This classification shall be applied only to employees herein described who work exclusively in separate buildings or on separate floors or in departments on such floors which are separated from all other workplaces of the employer by floor to ceiling partitions except for retail stores where a partition at least five feet high is required and within which no work is performed other than clerical office duties as defined in this rule.

Office employees shall be separately classified except in connection with those classes which are designated “all employees including office.”

If any clerical office employee (including drafting employees) has any other regular duty, the entire payroll of that employee shall be assigned in accordance with the class to which the business is assigned.

**COVID 19 CORONAVIRUS EXCEPTION:** An employee’s job duties may be temporarily reclassified to Code 822 – Telecommuting Clerical Employees, during any emergency orders, laws or regulations issued due to COVID–19 (Coronavirus), if separate, accurate, verifiable records are maintained. If such records are not maintained, the employee is assigned to the classification applicable to their duties prior to any emergency orders, laws, or regulations issued due to the COVID–19 (Coronavirus) pandemic. Once normal business operations resume, appropriate classifications should be applied.

This exception is applicable for new, renewal and in-force policies effective on March 1, 2020, through June 30, 2023.

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This exception does not apply to new or renewal policies with effective dates on or after July 1, 2023.

This classification does not apply to:

- (3) The clerk, such as a counter, front desk, lobby, mall kiosk, time, stock or tally clerk or librarian, whose work is necessary, incidental, or part of any operation of the business other than clerical office. Such clerk should be assigned to the basic classification of the business.
- (4) A cashier who is responsible for accepting payment for merchandise or services rendered. The cashier's physical location may include but is not necessarily limited to a booth, behind a counter or on a sales floor. The cashier or any employee whose regular and frequent duty is accepting payment for merchandise or services rendered should be assigned to the basic classification of the business regardless of the physical work location.

Items b & c remain unchanged.

Item 5 through Item 6 remain unchanged.

**C. ASSIGNMENT OF CLASSIFICATION**

Item 1 through Item 7 remain unchanged.

**8. Changing Classifications**

- a. Remains unchanged.
- b. Item 1 through Item 3 remain unchanged.

(4) When the temporary interruption or suspension of normal business activities caused by COVID-19 results in a change in business operations, an employer may be temporarily reassigned to an alternate classification if separate, accurate, verifiable records are maintained. If such records are not maintained, the operations are assigned to the classification applicable to the business prior to any emergency orders, laws, or regulations issued due to the COVID-19 (Coronavirus) pandemic. Once normal business operations resume, appropriate classifications should be applied.

This exception is applicable for new, renewal and in-force policies effective on March 1, 2020, through June 30, 2023.

This exception does not apply to new or renewal policies with effective dates on or after July 1, 2023.

Item c through Item e remain unchanged.

Item 9 and Item 10 remain unchanged.

**D. SHOW THE CLASSIFICATION IN ITEM 4 OF THE INFORMATION PAGE through E. "NEW BUSINESS" EMPLOYEE CLASSIFICATION PROCEDURE** remain unchanged.

**RULE V – PREMIUM BASIS**

**A. BASIS OF PREMIUM – TOTAL REMUNERATION** remains unchanged.

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**B. REMUNERATION – PAYROLL**

Item 1 through Item 2 remain unchanged.

**3. Exclusions**

Item a. through Item p. remain unchanged.

q. Payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. However, any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees are not excluded.

Refer to Rule V.F.6 for the definitions of paid furloughed employees and payments to paid furloughed employees.

Item q. is applicable to new, renewal and in-force policies effective on March 1, 2020, through June 30, 2023.

Item q. does not apply to new or renewal policies with effective dates on or after July 1, 2023.

Item 4 through Item 5 remain unchanged.

**C. ESTIMATED PAYROLLS through E. PAYROLL LIMITATION** remain unchanged.

**F. BASIS OF PREMIUM – ADDITIONAL INFORMATION**

Item 1 through Item 5 remain unchanged.

**6. Payments to Paid Furloughed Employees During Federal, State, and/or Local Emergency Orders, Laws or Regulations Issued Due to Covid-19 (Coronavirus) Pandemic.**

- a. For purposes of this, "paid furloughed employees" and "payments to paid furloughed employees" are defined within this rule. "Paid furloughed employees" means employees who continue to receive payments during a temporary layoff or an involuntary leave and are not performing any work duties for an employer.
- b. "Payments to paid furloughed employees" means payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws, or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. Such payments do not include any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees.
- c. Payments to paid furloughed employees must be assigned to Code 1212, in accordance with the Statistical Plan. Payments to paid furloughed employees made in accordance with this Rule V.F.6 are excluded from the premium, experience rating and merit rating calculations only if the employer keeps separate, accurate, and verifiable records. If separate, accurate, and verifiable records are not maintained, payroll is assigned to the classification for work normally performed by the employee prior to any emergency orders, laws, or regulations issued due to the COVID-19 (coronavirus) pandemic.

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- d. If an employee is requested to perform any duties for an employer, the employee is not deemed a paid furloughed employee for any period of time they are performing duties for the employer. If the employee is not deemed a paid furloughed employee, payroll must be assigned to the classification applicable to the work being performed in accordance with Manual Rule IV.A.1.
- e. Rule V.F.6 is applicable to new, renewal and in-force policies effective on March 1, 2020, through June 30, 2023.

Rule V.F.6 does not apply to new or renewal policies with effective dates on or after July 1, 2023.

**RULE VI – RATING VALUES AND PREMIUM DETERMINATION**

**A. – DCRB RATING VALUES** through **G. – SCHEDULE RATING** remains unchanged.

**H. PREMIUM ALGORITHM**

**Delaware and Pennsylvania Premium Algorithm Preface:**

**Optional use upon July 1, 2000. Mandatory use for policies effective on or after January 1, 2002.**

The computation of workers compensation premium includes a broad complement of potential rating values, pricing programs and other similar or related variables. To the extent that these component parts of premium determination may be applied in a prescribed sequence and using defined formulas and/or relationships, several potential benefits arise including the following:

- Competitive differences within the marketplace can be more clearly defined and consistently applied;
- Similarly situated risks can receive comparable treatment with respect to specific rating values, pricing programs or other factors, increasing the equity of the marketplace;
- Analysis of the effects of various components of overall premium determination can be better understood and more intelligently compared across carriers, states and/or time;
- In the event that new pricing programs or other factors are introduced in the future, the defined existing formulas can provide a consistent basis for the development of programs and system procedures within the workers compensation industry.



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Line #	Item Name	Associated Statistical Code	Line #	Source & Derivation
(1)	Classification	xxxx	(1)	Carrier value
(2)	Exposure	xxxx	(2)	Risk characteristic
(3)	Carrier Rating Value	xxxx	(3)	Carrier value
(4)	Classification Manual Premium		(4)	(2)/100x(3) if classification has payroll exposure. Special procedures apply to noon-payroll classes.
(5)	Total Policy Manual Premium		(5)	Sum of (4) for all classifications on the policy
(6)	Employer Liability Increased Limits Factor	xxxx	(6)	Carrier value
(7)	Employer Liability Increased Limits Premium Charge		(7)	(5)x(6) expressed as decimal
(8)	Minimum Premium Employer Liability Increased Limits	9848	(8)	Carrier value
(9)	Minimum Premium Employer Liability Increased Limits Premium Charge		(9)	[(8)-(7)] if (7)<(8) and (6)>0, otherwise zero
(10)	Subject Deductible Credit Percentage	9848	(10)	Carrier value
(11)	Subject Deductible Premium Credit	9664	(11)	[(5)+(7)+(9)]x[(-10) expressed as a decimal]
(12)	Waiver of Subrogation Charge	9664	(12)	Carrier value - subject to experience modification
(13)	Waiver of Subrogation Premium	0930	(13)	Value from Line (12)
(14)	Total Subject Premium	0930	(14)	[(5)+(7)+(9)+(11)+(13)]
(15)	Experience Modification	9898	(15)	Zero for non-experience-rated risks
(16)	Modified Premium		(16)	(14)x(15)
(17)	Merit Rating Credit Factor	9885	(17)	Zero if Merit Rating Credit does not apply
(18)	Merit Rating Credit	9885	(18)	(14)x[(-17) expressed as a decimal]
(19)	Merit Rating Neutral Factor	9884	(19)	Zero whether Merit Rating Neutral Adjustment (no credit or debit) does or does not apply
(20)	Merit Rating Neutral Adjustment	9884	(20)	(14)x[(19) expressed as a decimal]
(21)	Merit Rating Debit Factor	9886	(21)	Zero if Merit Rating Debit does not apply
(22)	Merit Rating Charge	9886	(22)	(14)x[(21) expressed as a decimal]
(23)	Premium After Experience Modification or Merit Rating		(23)	(16) if Experience-Rated, [(14)+(18)+(20)+(22)] if Merit Rated, (14) if Non-Rated
(24)	Non-Ratable Classifications	xxxx	(24)	Carrier Value
(25)	Non-Ratable Classifications Exposure		(25)	Portion of payroll exposure subject to Non-Ratable Classifications
(26)	Non-Ratable Classification Rating Value	xxxx	(26)	Carrier Value
(27)	Non-Ratable Classification Premium		(27)	(25)/100x(26) [based on applicable Non-Ratable Classification exposure]
(28)	Workfare Program Employees Exposure (PA)	0982	(28)	Number of person weeks. A partial workweek for any worker to be counted as 1 person week.
(29)	Workfare Program Employees Rating Value Exposure (PA)	0982	(29)	Carrier Value
(30)	Workfare Program Employees Premium (PA)		(30)	(28) x (29)
(31)	Non-Ratable Classification Premium Total		(31)	Sum of all (27)+(30) premiums
(32)	Non-Ratable Classification Increased Limits Factor	xxxx	(32)	Carrier value
(33)	Non-Ratable Classification Increased Limits Premium Charge	xxxx	(33)	(31)x [(32) expressed as a decimal]
(34)	Minimum Premium Non-Ratable Classification Increased Limits	9848	(34)	Carrier value
(35)	Minimum Premium Non-Ratable Classification Increased Limits Premium Charge	9848	(35)	[(34)-(33)] if (33) < (34) and (32) > 0, otherwise zero
(36)	Premium Before Schedule Rating		(36)	(23)+(31)+(33)+(35)
(37)	Schedule Rating Plan Adjustment Factor	9887/9889	(37)	Carrier value - use 9887 for schedule credits and 9889 for schedule debits
(38)	Schedule Rating Plan Premium Adjustment	9887/9889	(38)	(36)x[(37) expressed as a decimal]. For schedule credits Line (38) will be negative
(39)	Certified Safety Committee Credit Factor (PA)	9890	(39)	Credit applies if insured is certified
(40)	Certified Safety Committee Premium Credit (PA)	9890	(40)	[(36)+(38)]x[(-39) expressed as a decimal]
(41)	Workplace Safety Program Credit Factor (DE)	9880	(41)	Credit applies if insured qualifies
(42)	Workplace Safety Program Premium Credit (DE)	9880	(42)	[(36)+(38)]x[(41) expressed as a de

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Line #	Item Name	Associated Statistical Code	Line #	Source & Derivation
(43)	Construction Classification Premium Adjustment Program Credit Factor	9046	(43)	Based on wage level(s), application to rating organization
(44)	Construction Classification Premium Adjustment Program Premium Credit	9046	(44)	[(36)+(38)]x[(-43) expressed as a decimal]
(45)	Drug-Free Workplace Factor (DE)	9846	(45)	Carrier value
(46)	Drug-Free Workplace Credit (DE)	9846	(46)	[(36)+(38)+(42)+(44)]x[(-45) expressed as a decimal]
(47)	Managed Care Factor (DE)	9874	(47)	Carrier value
(48)	Managed Care Credit (DE)	9874	(48)	[(36)+(38)+(42)+(44)+(46)]x[(-47) expressed as a decimal]
(49)	Package Credit Factor (DE)	9721	(49)	Carrier value
(50)	Package Credit (DE)	9721	(50)	[(36)+(38)+(42)+(44)+(46)+(48)]x[(-49) expressed as a decimal]
(51)	Premium After Managed Care and Package Credit If Applicable		(51)	[(36)+(38)+(40)+(42)+(44)+(46)+(48)+(50)]
(52)	Assigned Risk Surcharge Factor (DE)	0277	(52)	May apply to some or all assigned risks based on plan and characteristics of individual insured
(53)	Assigned Risk Premium Surcharge (DE)	0277	(53)	(51)x[(52) expressed as a decimal]
(54)	Deductible Credit Factor	9663	(54)	Carrier value
(55)	Deductible Premium Credit	9663	(55)	[(51)+(53)]x[(-54) expressed as a decimal]
(56)	Loss Constant	0032	(56)	Carrier value - may vary based on risk premium size
(57)	Loss Constant Charge	0032	(57)	Line (56) if applicable
(58)	Short Rate Cancellation Factor	0931	(58)	Carrier value - zero if short rate cancellation does not apply
(59)	Short Rate Premium	0931	(59)	[(51)+(53)+(55)+(57)]x[(58)-1.0000] if (58)>0, otherwise zero
(60)	Expense Constant	0900	(60)	Carrier value if applicable
(61)	Expense Constant Charge	0900	(61)	Line (60)
(62)	Minimum Premium	0990	(62)	Carrier value
(63)	Minimum Premium Charge	0990	(63)	If (62)>[(51)+(53)+(55)+(57)+(59)+(61)], (62)-[(51)+(53)+(55)+(57)+(59)+(61)], otherwise zero
(64)	Unit Statistical Report Total Standard Premium		(64)	[(51)+(53)+(55)+(57)+(59)+(63)]
(65)	Premium Discount Amount	0063/0064	(65)	Carrier value based on [(51)+(53)+(55)+(57)+(59)+(63)]
(66)	Additional premium Waiver of Subrogation (flat charge)	9115	(66)	Carrier value(s)
(67)	Terrorism	9740	(67)	(Total payroll/100) x carrier rating value
(68)	Catastrophe (other than Certified Acts of Terrorism)	9741	(68)	(Total payroll/100) x carrier rating value
(69)	Total Policy Premium Subject to Employer Assessment		(69)	(61)+(64)-(65)+(66)+(67) +(68)
(70)	Employer Assessment Factor Pursuant to Act 57 of 1997 (PA)	0938	(70)	PCRB value for the specific purpose of computing employer assessments
(71)	Employer Assessment Amount Pursuant to Act 57 of 1997 (PA)	0938	(71)	[(69)-(11)-(55)]x 70) NOTE: Cells (11) and (55) are credits. Subtracting these credits as shown effectively adds the premium reduction given for deductible coverage back into the premium for purposes of calculating employer assessments
(72)	Audit Noncompliance Charge	9757	(72)	Carrier Value x (69)

**RULE VII – PREMIUM DISCOUNT** through **RULE XVII – MEMBER CARRIER DISPUTES (DISPUTE RESOLUTION CONFERENCE)** remain unchanged.

**SECTION 2 – CLASSIFICATIONS AND BUREAU RATING VALUES** remains unchanged.

**SECTION 3 – ENDORSEMENTS** remains unchanged.

**SECTION 4 – RULES AND PROCEDURE GOVERNING THE APPLICATION OF THE RETROSPECTIVE RATING PLANS - DELAWARE** remains unchanged.

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**SECTION 5 – EXPERIENCE RATING PLAN**

**SECTION I – INSTRUCTIONS** through **SECTION III – GENERAL PROVISIONS** remain unchanged.

**SECTION IV – APPLICATION OF EXPERIENCE MODIFICATION**

**1. Experience Modification**

Remains unchanged.

EXCEPTION (a) remains unchanged.

**EXCEPTIONS:**

Premiums No Subject to Experience Rating:

The following are not subject to experience rating:

Item i. through Item vii. remain unchanged.

viii. Premium developed under code 1212 – Payments Paid to Furloughed Employees Due to Covid-19

Exception viii is applicable to new, renewal and in-force policies effective March 1, 2020, through June 30, 2023.

Exception viii does not apply to new or renewal policies with effective dates on or after July 1, 2023.

Item 2 through Item 5 remain unchanged.

**SECTION V – TABULATION OF EXPERIENCE**

Item 1 through Item 3 remain unchanged.

Item 4. Losses. Incurred losses shall be tabulated by policy years in the manner indicated below:

(a) Remains unchanged.

(b) Loss which are subject to average or limiting values, as provided in Rule 5 of this Section, shall be Listed individually, showing the total cost of case as reported and as used for rating purposes. Multiple injury accidents shall be identified in the appropriate column of rating form.

**Exception:** All claims reported with Catastrophe Code No. 48 shall be excluded from experience rating calculations. Refer to Delaware Workers Compensation Statistical Plan Manual, Section 2.C.11 for definition of losses included under Catastrophe Code No. 48.

**Exception:** All claims reported with Catastrophe Code No. 12 with an accident date of December 1, 2019, through June 30, 2023, shall be excluded from experience ratings calculations. Refer to the Delaware Statistical Plan Manual, Section 2.C.11 for the definition of losses included under Catastrophe Code No. 12.

Item 5 through Item 8 remain unchanged.

**Section VI – RATING PROCEDURE - through EXPERIENCE RATING PLAN TABLE B** remain unchanged.

**SECTION VI – MERIT RATING PLAN** – remains unchanged.