

DELAWARE COMPENSATION RATING BUREAU, INC.  
F-CLASS FILING

ANALYSIS OF EXPERIENCE

The following pages present an analysis of Delaware F-Class experience. The analysis is based on data reported to the DCRB under the Unit Statistical Plan.

Page 1 (indemnity) and page 2 (medical) present reported standard earned premiums, incurred losses by policy year and age-to-age development factors based on reported losses separately. Losses are shown through 10th report which is the latest report currently available under the Unit Statistical Plan. A weighted average based on all available data points was calculated and formed the basis for the factors ultimately selected. The process for calculation of selected loss development factors and a tail factor are shown on pages 3 and 4. Factors to ultimate are calculated by compounding the age-to-age and 10th-to-ultimate factors.

Page 3 (indemnity) and page 4 (medical) show the derivation of selected age-to-age and 10th-to-ultimate development factors.

Page 5 shows the calculation of indemnity and medical ultimate loss ratios.

Derivation of the indemnity and medical trend factors are shown on page 5 is presented on page 6 (indemnity) and page 7 (medical). Frequency trend was selected as 0% given the very limited number of claims resulting in no credible observed patterns.

Page 8 shows indemnity, medical and total ultimate loss ratio graphs for Policy Years 2012 through 2021.

DELAWARE COMPENSATION RATING BUREAU

F-CLASS UNIT STATISTICAL PLAN EXPERIENCE

REPORTED STANDARD EARNED PREMIUM AND INDEMNITY INCURRED LOSSES

Policy Year	Standard Earned Premium	Reported Indemnity Incurred Losses Report Level									
		1	2	3	4	5	6	7	8	9	10
2006	60,391	24,302	63,269	63,269	63,269	100,202	111,096	132,507	148,484	148,484	148,484
2007	48,666	-	-	-	-	-	-	-	440	440	440
2008	48,825	-	-	-	-	-	-	-	-	-	-
2009	57,944	11,096	11,096	11,096	11,096	11,096	11,096	11,096	11,096	11,096	11,096
2010	50,384	-	-	-	-	1,217	1,217	1,217	1,217	1,217	1,217
2011	56,401	-	-	-	-	-	-	-	-	-	-
2012	392,236	460,298	688,913	734,939	619,528	619,528	619,528	619,528	619,528	619,528	619,528
2013	424,881	415,686	407,219	456,203	456,203	456,203	456,203	456,203	456,203	456,203	456,203
2014	714,332	22,738	21,009	21,009	21,009	21,009	21,009	21,009	21,009	21,009	21,009
2015	711,123	27,135	27,135	27,135	27,135	27,135	27,135	27,135	27,135	27,135	27,135
2016	435,151	855	855	855	855	855	855	855	855	855	855
2017	450,818	17,822	20,072	20,021	20,021	20,021	20,021	20,021	20,021	20,021	20,021
2018	223,287	33,550	33,550	77,433	74,971	74,971	74,971	74,971	74,971	74,971	74,971
2019	227,508	6,242	10,642	10,642	10,642	10,642	10,642	10,642	10,642	10,642	10,642
2020	158,543	50,232	94,202	94,202	94,202	94,202	94,202	94,202	94,202	94,202	94,202
2021	159,252	69,162	69,162	69,162	69,162	69,162	69,162	69,162	69,162	69,162	69,162

Age-to-Age Development Factors

Policy Year	Report									
	1 - 2	2 - 3	3 - 4	4 - 5	5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	10 - ULT
2006	****	1.0000	1.0000	1.5837	1.1087	1.1927	1.1206	1.0000	1.0000	1.0000
2007	*	*	*	*	*	*	****	1.0000	1.0000	1.0000
2008	*	*	*	*	*	*	*	*	*	*
2009	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2010	*	*	*	****	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2011	*	*	*	*	*	*	*	*	*	*
2012	1.4967	1.0668	0.8430	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2013	0.9796	1.1203	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2014	0.9240	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2015	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2016	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2017	1.1262	0.9975	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2018	1.0000	2.3080	0.9682	0.9682	0.9682	0.9682	0.9682	0.9682	0.9682	0.9682
2019	1.7049	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2020	1.8753	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
7 Yr Weighted Average	1.3083	1.1783	0.9119	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Weighted Avg (All available)	1.2573	1.1082	0.9165	1.0303	1.0088	1.0172	1.0129	1.0000	1.0000	1.0000
Selected (All available)	1.2612	1.0860	1.0283	1.0093	1.0031	1.0010	1.0003	1.0001	1.0000	1.0000

Development Factors to Ultimate

	1-ULT	2-ULT	3-ULT	4-ULT	5-ULT	6-ULT	7-ULT	8-ULT	9-ULT	10-ULT
7 Yr Weighted Average	1.4058	1.0745	0.9119	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Weighted Avg (All available)	1.3676	1.0877	0.9815	1.0709	1.0394	1.0303	1.0129	1.0000	1.0000	1.0000
Selected (All available)	1.4279	1.1322	1.0425	1.0138	1.0045	1.0014	1.0004	1.0001	1.0000	1.0000

\* No reported losses.

\*\*\*\* Loss development factor not used

DELAWARE COMPENSATION RATING BUREAU

F-CLASS UNIT STATISTICAL PLAN EXPERIENCE

REPORTED STANDARD EARNED PREMIUM AND MEDICAL INCURRED LOSSES

Policy Year	Standard Earned Premium	Reported Medical Incurred Losses Report Level									
		1	2	3	4	5	6	7	8	9	10
2006	60,391	36,593	63,593	82,957	81,768	75,628	84,886	92,386	94,664	94,664	94,664
2007	48,666	-	-	-	-	-	-	-	25,861	25,861	25,861
2008	48,825	-	-	-	-	-	-	375	375	375	375
2009	57,944	37,131	37,131	37,131	37,131	37,131	38,633	38,633	38,633	38,633	38,633
2010	50,384	-	-	-	-	3,735	3,735	3,735	3,735	3,735	3,735
2011	56,401	39	39	39	39	39	39	39	39	39	39
2012	392,236	128,335	214,965	263,895	249,833	249,833	249,833	249,833	249,833	249,833	249,833
2013	424,881	126,996	175,831	177,772	177,767	177,767	177,767	177,767	177,767	177,767	177,767
2014	714,332	29,757	29,757	29,757	29,757	29,757	29,757	29,757	29,757	29,757	29,757
2015	711,123	19,685	19,685	19,685	19,685	19,685	19,685	19,685	19,685	19,685	19,685
2016	435,151	3,547	3,547	3,547	3,547	3,547	3,547	3,547	3,547	3,547	3,547
2017	450,818	19,888	19,499	19,489	15,026	15,026					
2018	223,287	73,256	73,293	56,662	42,801						
2019	227,508	25,581	7,336	10,240							
2020	158,543	37,774	40,174								
2021	159,252	30,430									

Age-to-Age Development Factors

Policy Year	Report									
	1 - 2	2 - 3	3 - 4	4 - 5	5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	10 - ULT
2006	1.7378	1.3045	0.9857	0.9249	1.1224	1.0884	1.0247	1.0000	1.0000	1.0000
2007	*	*	*	*	*	*	****	1.0000	1.0000	1.0000
2008	*	*	*	*	*	****	1.0000	1.0000	1.0000	1.0000
2009	1.0000	1.0000	1.0000	1.0000	****	1.0000	1.0000	1.0000	1.0000	1.0000
2010	*	*	*	****	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2011	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2012	1.6750	1.2276	0.9467	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2013	1.3845	1.0110	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000		
2014	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
2015	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000				
2016	1.0000	1.0000	1.0000	1.0000	1.0000					
2017	0.9804	0.9995	0.7710	1.0000						
2018	1.0005	0.7731	0.7554							
2019	0.2868	1.3959								
2020	1.0635									
7 Yr Weighted Average	0.9227	0.9641	0.9433	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
Weighted Avg (All available)	1.2716	1.0876	0.9514	0.9934	1.0180	1.0131	1.0508	1.0000	1.0000	
Selected (All available)	1.2734	1.0763	1.0195	1.0049	1.0012	1.0003	1.0001	1.0000	1.0000	1.0000

Development Factors to Ultimate

	1-ULT	2-ULT	3-ULT	4-ULT	5-ULT	6-ULT	7-ULT	8-ULT	9-ULT	10-ULT
7 Yr Weighted Average	0.8392	0.9095	0.9433	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Weighted Avg (All available)	1.4168	1.1142	1.0244	1.0767	1.0838	1.0646	1.0508	1.0000	1.0000	1.0000
Selected (All available)	1.4063	1.1044	1.0261	1.0065	1.0016	1.0004	1.0001	1.0000	1.0000	1.0000

\* No reported losses.

\*\*\*\* Loss development factor not used

**DELAWARE COMPENSATION RATING BUREAU, INC.**

**F-CLASS UNIT STATISTICAL PLAN EXPERIENCE**

**FITTED DEVELOPMENT FACTORS**

**INDEMNITY INCURRED LOSSES**

$Y = \exp(a+b*x)$

a = (0.2318606)

b = (1.110746)

R<sup>2</sup> = 0.9782

<u>Incurred Development</u>	<u>All Year Average</u>	<u>Points Used</u>	<u>Points Used - 1</u>	<u>Fitted Value</u>	<u>Fitted Value + 1</u>	<u>Selected</u>
1st to 2nd	1.2573	1.2573	0.2573	0.2612	1.2612	1.2612
2nd to 3rd	1.1082	1.1082	0.1082	0.0860	1.0860	1.0860
3rd to 4th	0.9165	1.0000 *	-	0.0283	1.0283	1.0283
4th to 5th	1.0303	1.0000 *	-	0.0093	1.0093	1.0093
5th to 6th	1.0088	1.0000 *	-	0.0031	1.0031	1.0031
6th to 7th	1.0172	1.0000 *	-	0.0010	1.0010	1.0010
7th to 8th	1.0129	1.0000 *	-	0.0003	1.0003	1.0003
8th to 9th	1.0000	1.0000 *	-	0.0001	1.0001	1.0001
9th to 10th	1.0000	1.0000 *	-	-	1.0000	1.0000
10th to Ultimate						1.0000 *

\* Selected

DELAWARE COMPENSATION RATING BUREAU, INC.

F-CLASS UNIT STATISTICAL PLAN EXPERIENCE

FITTED DEVELOPMENT FACTORS

MEDICAL INCURRED LOSSES

$Y = 1 - \exp(-a * b^x)$

a = 1.286452  
b = 0.248315

R<sup>2</sup> = 0.9925

<u>Incurred Development</u>	<u>All Year Average</u>	<u>Points Used</u>	<u>Points Used - 1</u>	<u>Fitted Value</u>	<u>Fitted Value + 1</u>	<u>Selected</u>
1st to 2nd	1.2716	1.2716	0.2716	0.2734	1.2734	1.2734
2nd to 3rd	1.0876	1.0876	0.0876	0.0763	1.0763	1.0763
3rd to 4th	0.9514	1.0000 *	-	0.0195	1.0195	1.0195
4th to 5th	0.9934	1.0000 *	-	0.0049	1.0049	1.0049
5th to 6th	1.0180	1.0000 *	-	0.0012	1.0012	1.0012
6th to 7th	1.0131	1.0000 *	-	0.0003	1.0003	1.0003
7th to 8th	1.0508	1.0000 *	-	0.0001	1.0001	1.0001
8th to 9th	1.0000	1.0000 *	-	-	1.0000	1.0000
9th to 10th	1.0000	1.0000 *	-	-	1.0000	1.0000
10th to Ultimate						1.0000 *

\* Selected

DELAWARE COMPENSATION RATING BUREAU

F-CLASS UNIT STATISTICAL PLAN EXPERIENCE

ULTIMATE LOSS RATIOS

Policy Year	Standard Earned Premium (1)	Premium On-Level Factor (2)	Adjusted Premium (3) = (1) * (2)	Reported Incurred Loss (4)	Report Level (5)	Loss Development Factor (6)	Trend Factor to 12/1/2025 (7)	Benefit On-Level Factor (8)	Ultimate Incurred Loss (9)=(4)*(6)*(8)	Loss Ratio (10)=(9)/(3)
<b>Indemnity</b>										
2012	392,236	0.9944	390,039	619,528	10	1.0000	1.6189	1.0198	1,022,802	2.6223
2013	424,881	0.9944	422,502	456,203	9	1.0000	1.5596	1.0188	724,879	1.7157
2014	714,332	0.9944	710,332	21,009	8	1.0001	1.5025	1.0179	32,135	0.0452
2015	711,123	0.9944	707,141	27,135	7	1.0004	1.4475	1.0171	39,966	0.0565
2016	435,151	0.9944	432,714	855	6	1.0014	1.3945	1.0162	1,213	0.0028
2017	450,818	0.9947	448,429	20,021	5	1.0045	1.3435	1.0151	27,427	0.0612
2018	223,287	1.0166	226,994	74,971	4	1.0138	1.2943	1.0135	99,701	0.4392
2019	227,508	1.0338	235,198	10,642	3	1.0425	1.2469	1.0117	13,995	0.0595
2020	158,543	1.0338	163,902	94,202	2	1.1322	1.2013	1.0101	129,415	0.7896
2021	159,252	0.9704	154,538	69,162	1	1.4279	1.1573	1.0083	115,238	0.7457
<b>9 Year Total</b>	<b>3,504,895</b>		<b>3,501,750</b>	<b>774,200</b>					<b>1,183,969</b>	<b>0.3381</b>
<b>Medical</b>										
2012	392,236	0.9944	390,039	249,833	10	1.0000	1.7657		441,132	1.1310
2013	424,881	0.9944	422,502	177,767	9	1.0000	1.6897		300,368	0.7109
2014	714,332	0.9944	710,332	29,757	8	1.0000	1.6169		48,114	0.0677
2015	711,123	0.9944	707,141	19,685	7	1.0001	1.5473		30,461	0.0431
2016	435,151	0.9944	432,714	3,547	6	1.0004	1.4807		5,254	0.0121
2017	450,818	0.9947	448,429	15,026	5	1.0016	1.4169		21,324	0.0476
2018	223,287	1.0166	226,994	42,801	4	1.0065	1.3559		58,410	0.2573
2019	227,508	1.0338	235,198	10,240	3	1.0261	1.2975		13,633	0.0580
2020	158,543	1.0338	163,902	40,174	2	1.1044	1.2416		55,088	0.3361
2021	159,252	0.9704	154,538	30,430	1	1.4063	1.1882		50,845	0.3290
<b>9 Year Total</b>	<b>3,504,895</b>		<b>3,501,750</b>	<b>369,427</b>					<b>583,497</b>	<b>0.1666</b>
<b>Total</b>										
2012	392,236	0.9944	390,039	869,361	10				1,463,934	3.7533
2013	424,881	0.9944	422,502	633,970	9				1,025,247	2.4266
2014	714,332	0.9944	710,332	50,766	8				80,249	0.1130
2015	711,123	0.9944	707,141	46,820	7				70,427	0.0996
2016	435,151	0.9944	432,714	4,402	6				6,467	0.0149
2017	450,818	0.9947	448,429	35,047	5				48,751	0.1087
2018	223,287	1.0166	226,994	117,772	4				158,111	0.6965
2019	227,508	1.0338	235,198	20,882	3				27,628	0.1175
2020	158,543	1.0338	163,902	134,376	2				184,503	1.1257
2021	159,252	0.9704	154,538	99,592	1				166,083	1.0747
<b>9 Year Total</b>	<b>3,504,895</b>		<b>3,501,750</b>	<b>1,143,627</b>					<b>1,767,466</b>	<b>0.5047</b>

### Indemnity Trend Calculation

Fiscal Year	NAWW	Annual Percent Change	Period	NAWW Exp Fit Trend
1994	369.15		2014 - 2024	3.6% 11 pt
1995	380.46	3.1%	2015 - 2024	<b>3.8% 10 pt</b>
1996	391.22	2.8%	2016 - 2024	4.1% 9 pt
1997	400.53	2.4%	2017 - 2024	4.4% 8 pt
1998	417.87	4.3%	2018 - 2024	4.7% 7 pt
1999	435.88	4.3%	2019 - 2024	5.1% 6 pt
2000	450.64	3.4%	2020 - 2024	5.5% 5 pt
2001	466.91	3.6%	2021 - 2024	5.7% 4 pt
2002	483.04	3.5%	2022 - 2024	5.6% 3 pt
2003	498.27	3.2%		
2004	515.39	3.4%	Selection	<b>3.8%</b>
2005	523.58	1.6%		
2006	536.82	2.5%		
2007	557.22	3.8%		
2008	580.18	4.1%		
2009	600.31	3.5%		
2010	612.33	2.0%		
2011	628.42	2.6%		
2012	647.60	3.1%		
2013	662.59	2.3%		
2014	673.34	1.6%		
2015	688.51	2.3%		
2016	703.00	2.1%		
2017	718.24	2.2%		
2018	735.89	2.5%		
2019	755.38	2.6%		
2020	780.04	3.3%		
2021	816.35	4.7%		
2022	863.49	5.8%		
2023	916.99	6.2%		
2024	963.29	5.0%		

NAWW source:  
<https://www.dol.gov/agencies/owcp/dlhwc/NAWWinfo>

### Medical Trend Calculation

Calendar Year	Medicare Index	Annual Percent Change	Period	Exp Fit Trend
2002	54		2014-2025	5.1% 11 pt
2003	59	9.3%	2015-2025	<b>4.5% 10 pt</b>
2004	67	13.6%	2016-2025	4.5% 9 pt
2005	78	16.4%	2017-2025	4.9% 8 pt
2006	89	14.1%	2018-2025	5.1% 7 pt
2007	94	5.6%	2019-2025	4.9% 6 pt
2008	96	2.1%	2020-2025	4.8% 5 pt
2009	96	0.0%	2021-2025	3.1% 4 pt
2010	111	15.6%	2022-2025	5.9% 3 pt
2011	115	3.6%		
2012	100	-13.0%	Selection	4.5%
2013	105	5.0%		
2014	105	0.0%		
2015	105	0.0%		
2016	122	16.2%		
2017	134	9.8%		
2018	134	0.0%		
2019	136	1.5%		
2020	145	6.6%		
2021	149	2.4%		
2022	170	14.5%		
2023	165	-3.1%		
2024	175	5.9%		
2025	185	5.9%		

Source:

2024 Annual Report of the Boards of Trustees of the Federal Hospital Insurance and Federal Supplementary Medical Insurance Trust Funds  
<https://www.cms.gov/oact/tr/2024>; Page 204, Table V.E2



