



August 9, 2024

VIA SERFF

The Honorable Trinidad Navarro
Insurance Commissioner
Insurance Department
State of Delaware
1351 West North Street, Suite 101
Dover, DE 19904

Attention: Tanisha Merced, Deputy Insurance Commissioner

RE: DCRB Filing No. 2403
Workers Compensation Residual Market Rate and Voluntary Market Loss Cost Filing
Proposed Effective December 1, 2024 (Selected Portions Effective June 1, 2025)
and Revisions to Designated Auditable Payrolls

Dear Commissioner Navarro:

On behalf of the members of the Delaware Compensation Rating Bureau, Inc. (DCRB), enclosed is a filing of proposed changes to Residual Market Rates and Voluntary Market Loss Costs in Delaware, along with changes to associated rating values and supplementary rate and rule information. This filing also includes revisions to the Designated Auditable Payroll language with updated manual pages in Section 1 of the Basic Manual. This is combined with the Annual Filing as it already contains both rate and rule revisions, interdependencies between them, and a common effective date. The filing also contains adjustments to ensure revenue neutrality regarding the approved changes to the Experience Rating Plan contained in Filing No. 2402, with the same effective date. The following summarizes the annualized overall impact of the proposed changes:

Indicated and Proposed Changes	
Residual Market Rates	Voluntary Market Loss Costs
-4.83%	-3.98%

This filing is made in compliance with the provisions of House Bill 241, workers compensation insurance legislation enacted in 1993. Most of these revisions are proposed to be effective on a new and renewal basis for workers compensation insurance policies with effective dates on or after 12:01 a.m., December 1, 2024. The portions of this filing updating the table of qualifying wages and credits for the Delaware Construction Classification Premium Adjustment Program are proposed to be effective on a new and renewal basis for workers compensation policies with effective dates on or after 12:01 a.m., June 1, 2025.

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Like the past few years, the filing includes considerations related to the COVID-19 pandemic, such as the treatment of COVID-19 claims and COVID-19 economic-related adjustments. These considerations are described in the Actuarial Memorandum. In preparing this filing, the DCRB has carefully considered current Delaware experience and has applied various actuarial and economic analytical techniques that collectively support the proposal. No methodology changes were made with this year's filing.

The anticipated impact of House Bill 373 of 2014 is fully incorporated in the calculations underlying the proposed change and no new legislative changes applied.

Please direct any questions to Brent Otto, Vice President of Actuarial Services and Chief Actuary, or Jesse Marass, Director of Actuarial Services. DCRB staff will be pleased to cooperate with and assist the Insurance Department in its prompt consideration of these proposals.

Sincerely,

William V. Taylor
President