

DELAWARE COMPENSATION RATING BUREAU, INC.
F-CLASS FILING

Indicated Change in Rate Level

This exhibit shows the indicated change in overall rate level for Delaware Federal Classes. It includes the estimated effect of the 10/1/23 benefit change and a section to reflect the adjustment of the indicated change in overall rate level to the indicated change in manual rate level.

INDICATED CHANGE IN RATE LEVEL

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(1) Trended Policy Year Loss Ratio for Policy Period 12/1/22 - 12/1/23	0.3105	0.1461	0.4566
(2) Credibility	0.0500	0.0500	
(3) Loss Ratio Underlying Current Rates	0.3564	0.2071	0.5635
(4) Credibility Weighted Trended Loss Ratio $(1)*(2) + (3)*[1.0-(2)]$	0.3541	0.2041	0.5582
(5) Ratio of Loss Adjustment Expense (LAE) to Loss	0.2689	0.2689	0.2689
(6) Trended Policy Year Loss and Loss Adjustment Ratio $(4)*(1.0+(5))$	0.4493	0.2590	0.7083
(7) Permissible Loss and Loss Adjustment Ratio			0.7304
(8) Indicated Change in Rates $(6) / (7)$			0.9697
(9) Estimated Effect of the 10/1/23 Benefit Change			1.0007
(10) Indicated Change in Overall Rate Level $(8) * (9)$			0.9704 -2.96%
(11) Indicated Change in Voluntary Market Loss Costs $(10) / \text{Change in Average LCMs } [1.2935 / 1.3556]$			1.0170 1.70%

LCM = $(1 / \text{Loss, LAE and Federal Assessment Ratio})$

INDICATED CHANGE IN MANUAL LEVEL

	Total
(12) Current Collectible Premium Ratio	0.9693
(13) Proposed Collectible Premium Ratio	0.9340
(14) Indicated Change in Manual Rate Level $[(10) * (13)] / (12)$	0.9351
(15) Indicated Change in Voluntary Market Manual Loss Cost Level $(11) * [(13) / (12)]$	0.9800