F-Class Exhibit 2
As Filed

DELAWARE COMPENSATION RATING BUREAU, INC.
F-CLASS FILING

Expense Loading

This exhibit details the development of the permissible loss and loss adjustment expense ratio. Underwriting profit is computed through an internal rate of return model.

Results of the DCRB's analysis of the minimum premium formula and expense constant are shown at the bottom of the exhibit.

EXPENSE LOADING AND PERMISSIBLE LOSS RATIO

	Current %	Proposed %	
Losses	60.26	61.22	
Loss Adjustment Expense (c)	16.25	15.43	a
Loss & Loss Adjustment	76.51	76.65	
Commission	4.29	5.63	
Premium Discount	8.15	8.06	
State Premium Tax	2.00	2.00	
Other State Tax	0.30	0.29	
Uncollectible Premium	3.21	4.39	
Federal Assessment	4.45	2.74	b
Deviations	0.00	0.00	
Policyholder Dividends	0.00	0.00	
Underwriting Profit	-2.66	-3.90	
Variable Expense Total	19.74	19.21	
Permissible Loss, Loss Adjustment and Fixed Expense Ratio		80.79	
General Expenses	2.51	2.63	
Other Acquisition	1.24	1.51	
Fixed Expense Total	3.75	4.14	
Permissible Loss & Loss Adjustment Expense Ratio		76.65	
Permissible Loss & Loss Adjustment Expense & Loss Based Assessment Ratio	80.96	**79.39**	

a - As ratio to loss, Loss Adjustment Expense = 0.252

b - As ratio to loss, Federal Assessment = 0.0448

MINIMUM PREMIUM:

It is proposed that the Minimum Premium formula be revised from (335 * Rate) + Expense Constant to

(360 * Rate) + Expense Constant

It is proposed that the Minimum Premium be subject to a Maximum Minimum Premium of $3,000.

EXPENSE CONSTANT:

It is proposed that the Expense Constant increase from $375 to $410.