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 2014 through 2023.

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	
2016	435,151	855	855	855	855	855	855	855	855		
2017	450,818	17,822	20,072	20,021	20,021	36,649	36,649	36,649			
2018	223,287	33,550	33,550	77,433	74,971	74,971	74,971				
2019	249,122	6,242	10,642	10,642	10,642	10,642					
2020	176,749	50,232	25,829	26,829	26,829						
2021	186,877	69,162	68,991	68,991							
2022	313,760	62,186	140,147								
2023	205,353	-									
	1-2	1,177,002	1,455,458								
	2-3		1,378,580	1,518,422							
	3-4			1,449,431	1,331,558						
	4-5				1,304,729	1,358,290					
	5-6					1,348,865	1,359,759				
	6-7						1,284,788	1,306,199			
	7-8							1,269,550	1,285,527		
	8-9								1,285,112	1,285,112	
	9-10									1,257,977	1,257,977
	Weighted Avg	1.2366	1.1014	0.9187	1.0411	1.0081	1.0167	1.0126	1.0000	1.0000	
		1.3518	1.0932	0.9925	1.0804	1.0378	1.0295	1.0126	1.0000	1.0000	
	Arithmetic Avg	1.0658	1.1658	0.9790	1.1571	1.0109	1.0214	1.0151	1.0000	1.0000	
		1.4754	1.3843	1.1874	1.2128	1.0481	1.0368	1.0151	1.0000	1.0000	

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	
2007	*	*	*	*	*	*	****	1.0000	1.0000	
2008	*	*	*	*	*	*	*	*	*	
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	
2011	*	*	*	*	*	*	*	*	*	
2012	1.4967	1.0668	0.8430	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	
2014	0.9240	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		
2016	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
2017	1.1262	0.9975	1.0000	1.8305	1.0000	1.0000				
2018	1.0000	2.3080	0.9682	1.0000	1.0000					
2019	1.7049	1.0000	1.0000	1.0000						
2020	0.5142	1.0387	1.0000							
2021	0.9975	1.0000								
2022	2.2537									
7 Yr Weighted Average	1.2501	1.2396	0.9866	1.0272	1.0000	1.0000	1.0000	1.0000	1.0000	
Weighted Avg (All available)	1.2366	1.1014	0.9187	1.0411	1.0081	1.0167	1.0126	1.0000	1.0000	
Selected (All available)	1.2403	1.0801	1.0267	1.0089	1.0030	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	1.5705	1.2563	1.0134	1.0272	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Weighted Avg (All available)	1.3518	1.0932	0.9925	1.0804	1.0378	1.0295	1.0126	1.0000	1.0000	1.0000
Selected (All available)	1.3937	1.1237	1.0404	1.0133	1.0044	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	22,072	22,072	22,072	
2016	435,151	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	19,351	19,351	19,351			
2018	223,287	73,256	73,293	56,662	45,614	46,142	46,142				
2019	249,122	25,581	7,336	10,240	10,240	10,240					
2020	176,749	37,774	27,922	28,237	28,237						
2021	186,877	30,430	19,192	19,387							
2022	313,760	85,920	138,734								
2023	205,353	-									
	1-2	654,932	830,524								
	2-3		691,790	748,798							
	3-4			729,411	698,644						
	4-5				670,407	669,120					
	5-6					625,484	634,742				
	6-7						627,233	637,120			
	7-8							618,144	620,422		
	8-9								642,736	642,736	
	9-10									620,664	620,664
	Weighted Avg	1.2681	1.0824	0.9578	0.9981	1.0148	1.0158	1.0037	1.0000	1.0000	
		1.3576	1.0706	0.9891	1.0326	1.0346	1.0195	1.0037	1.0000	1.0000	
	Arithmetic Avg	1.1778	1.0316	0.9508	1.0224	1.0122	1.0210	1.0025	1.0000	1.0000	
		1.2236	1.0389	1.0071	1.0592	1.0360	1.0235	1.0025	1.0000	1.0000	

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	
2007	*	*	*	*	*	*	****	1.0000	1.0000	
2008	*	*	*	*	*	****	1.0000	1.0000	1.0000	
2009	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	
2011	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	
2013	1.3845	1.0110	1.0000	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	1.0000	1.0000	
2015	1.0000	1.0000	1.0000	1.0000	1.0000	1.1213	1.0000	1.0000		
2016	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000			
2017	0.9804	0.9995	0.7710	1.2878	1.0000	1.0000				
2018	1.0005	0.7731	0.8050	1.0116	1.0000					
2019	0.2868	1.3959	1.0000	1.0000						
2020	0.7392	1.0113	1.0000							
2021	0.6307	1.0102								
2022	1.6147									
7 Yr Weighted Average	1.0475	0.9224	0.9075	1.0161	1.0000	1.0048	1.0000	1.0000	1.0000	
Weighted Avg (All available)	1.2681	1.0824	0.9578	0.9981	1.0148	1.0158	1.0037	1.0000	1.0000	
Selected (All available)	1.2696	1.0713	1.0188	1.0050	1.0013	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	0.8952	0.8546	0.9265	1.0210	1.0048	1.0048	1.0000	1.0000	1.0000	1.0000
Weighted Avg (All available)	1.3575	1.0705	0.9890	1.0326	1.0346	1.0195	1.0037	1.0000	1.0000	1.0000
Selected (All available)	1.3949	1.0987	1.0256	1.0067	1.0017	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

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

a = (0.2318606)
b = (1.110746)

R^2 = 0.9763

	Incurred Development	All Year Average	Points Used		Points Used - 1	Fitted Value	Fitted Value + 1	Selected	
1	1st to 2nd	1.2366	1.2366		0.2366	0.2403	1.2403	1.2403	
2	2nd to 3rd	1.1014	1.1014		0.1014	0.0801	1.0801	1.0801	
3	3rd to 4th	0.9187	1.0000	*	-	0.0267	1.0267	1.0267	
4	4th to 5th	1.0411	1.0000	*	-	0.0089	1.0089	1.0089	
5	5th to 6th	1.0081	1.0000	*	-	0.0030	1.0030	1.0030	
6	6th to 7th	1.0167	1.0000	*	-	0.0010	1.0010	1.0010	
7	7th to 8th	1.0126	1.0000	*	-	0.0003	1.0003	1.0003	
8	8th to 9th	1.0000	1.0000	*	-	0.0001	1.0001	1.0001	
9	9th to 10th	1.0000	1.0000	*	-	-	1.0000	1.0000	
10									
	10th to Ultimate							1.0000	*

* Selected

DELAWARE COMPENSATION RATING BUREAU, INC.

F-CLASS UNIT STATISTICAL PLAN EXPERIENCE

FITTED DEVELOPMENT FACTORS

MEDICAL INCURRED LOSSES

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

a = 1.286452
b = 0.248315

R^2 = 0.9928

	Incurred Development	All Year Average	Points Used		Points Used - 1	Fitted Value	Fitted Value + 1	Selected	
1	1st to 2nd	1.2681	1.2681		0.2681	0.2696	1.2696	1.2696	
2	2nd to 3rd	1.0824	1.0824		0.0824	0.0713	1.0713	1.0713	
3	3rd to 4th	0.9578	1.0000	*	-	0.0188	1.0188	1.0188	
4	4th to 5th	0.9981	1.0000	*	-	0.0050	1.0050	1.0050	
5	5th to 6th	1.0148	1.0000	*	-	0.0013	1.0013	1.0013	
6	6th to 7th	1.0158	1.0000	*	-	0.0003	1.0003	1.0003	
7	7th to 8th	1.0037	1.0000	*	-	0.0001	1.0001	1.0001	
8	8th to 9th	1.0000	1.0000	*	-	-	1.0000	1.0000	
9	9th to 10th	1.0000	1.0000	*	-	-	1.0000	1.0000	
10									
	10th to Ultimate							1.0000	*

* Selected

DELAWARE COMPENSATION RATING BUREAU

F-CLASS UNIT STATISTICAL PLAN EXPERIENCE

ULTIMATE LOSS RATIOS

	Policy Year	Standard Earned Premium	Premium On-Level Factor	Adjusted Premium	Reported Incurred Loss	Report Level	Loss Development Factor	Trend Factor to 12/1/2027	Benefit On-Level Factor	Ultimate Incurred Loss	Loss Ratio
		(1)	(2)	(3) = (1) * (2)	(4)	(5)	(6)	(7)	(8)	(9)=(4)*(6)*(8)	(10)=(9)/(3)
Indemnity											
	2014	714,332	0.9450	675,044	21,009	10	1.0000	1.7657	1.0228	37,942	0.0562
	2015	711,123	0.9450	672,011	27,135	9	1.0000	1.6897	1.0219	46,853	0.0697
	2016	435,151	0.9450	411,218	855	8	1.0001	1.6169	1.0209	1,411	0.0034
	2017	450,818	0.9453	426,158	36,649	7	1.0004	1.5473	1.0193	57,824	0.1357
	2018	223,287	0.9660	215,695	74,971	6	1.0014	1.4807	1.0175	113,107	0.5244
	2019	249,122	0.9824	244,737	10,642	5	1.0044	1.4169	1.0158	15,384	0.0629
	2020	176,749	0.9782	172,896	26,829	4	1.0133	1.3559	1.0139	37,373	0.2162
	2021	186,877	0.9222	172,338	68,991	3	1.0404	1.2975	1.0114	94,193	0.5466
	2022	313,760	0.9238	289,851	140,147	2	1.1237	1.2416	1.0090	197,294	0.6807
	2023*	205,353	0.9503	195,147	0	1	1.3937	1.1882	1.0063	10,636	0.0545
	10 Year Total	3,666,572		3,475,095	407,228		0.7175			612,017	0.1761

* A Bornheutter-Ferguson method was used to determine the Ultimate Incurred Loss for Policy Year 2023.
The Expected Loss Ratio used relied on the weighted average Ultimate Loss Ratio for the 9 years prior of .1834

	Policy Year	Standard Earned Premium	Premium On-Level Factor	Adjusted Premium	Reported Incurred Loss	Report Level	Loss Development Factor	Trend Factor to 12/1/2027	Benefit On-Level Factor	Ultimate Incurred Loss	Loss Ratio
Medical											
	2014	714,332	0.9450	675,044	29,757	10	1.0000	1.8323		54,524	0.0808
	2015	711,123	0.9450	672,011	22,072	9	1.0000	1.7484		38,590	0.0574
	2016	435,151	0.9450	411,218	3,547	8	1.0000	1.6683		5,918	0.0144
	2017	450,818	0.9453	426,158	19,351	7	1.0001	1.5919		30,808	0.0723
	2018	223,287	0.9660	215,695	46,142	6	1.0004	1.5190		70,117	0.3251
	2019	249,122	0.9824	244,737	10,240	5	1.0017	1.4494		14,867	0.0607
	2020	176,749	0.9782	172,896	28,237	4	1.0067	1.3830		39,314	0.2274
	2021	186,877	0.9222	172,338	19,387	3	1.0256	1.3197		26,240	0.1523
	2022	313,760	0.9238	289,851	138,734	2	1.0987	1.2592		191,943	0.6622
	2023*	205,353	0.9503	195,147	0	1	1.3949	1.2016		8,372	0.0429
	10 Year Total	3,666,572		3,475,095	317,467					480,693	0.1383

* A Bornheutter-Ferguson method was used to determine the Ultimate Incurred Loss for Policy Year 2023.
The Expected Loss Ratio used relied on the weighted average Ultimate Loss Ratio for the 9 years prior of .1440

	Policy Year	Standard Earned Premium	Premium On-Level Factor	Adjusted Premium	Reported Incurred Loss	Report Level	Loss Development Factor	Trend Factor to 12/1/2027	Benefit On-Level Factor	Ultimate Incurred Loss	Loss Ratio
Total											
	2014	714,332	0.9450	675,044	50,766	10				**92,466**	0.1370
	2015	711,123	0.9450	672,011	49,207	9				**85,443**	0.1271
	2016	435,151	0.9450	411,218	4,402	8				**7,329**	0.0178
	2017	450,818	0.9453	426,158	56,000	7				**88,632**	0.2080
	2018	223,287	0.9660	215,695	121,113	6				**183,224**	0.8495
	2019	249,122	0.9824	244,737	20,882	5				**30,251**	0.1236
	2020	176,749	0.9782	172,896	55,066	4				**76,687**	0.4435
	2021	186,877	0.9222	172,338	88,378	3				**120,433**	0.6988
	2022	313,760	0.9238	289,851	278,881	2				**389,237**	1.3429
	2023	205,353	0.9503	195,147	0	1				**19,008**	0.0974
	10 Year Total	3,666,572		3,475,095	724,695					**1,092,710**	0.3144

Indemnity Trend Calculation

Fiscal Year	NAWW	Annual Percent Change
1994	369.15	
1995	380.46	3.1%
1996	391.22	2.8%
1997	400.53	2.4%
1998	417.87	4.3%
1999	435.88	4.3%
2000	450.64	3.4%
2001	466.91	3.6%
2002	483.04	3.5%
2003	498.27	3.2%
2004	515.39	3.4%
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%
2025	999.55	3.8%
2026	1041.35	4.2%

Period	NAWW Exp Fit Trend	
2016 - 2026	4.3%	11 pt
2017 - 2026	**4.5%**	**10 pt**
2018 - 2026	4.7%	9 pt
2019 - 2026	4.9%	8 pt
2020 - 2026	5.1%	7 pt
2021 - 2026	5.0%	6 pt
2022 - 2026	4.7%	5 pt
2023 - 2026	4.3%	4 pt
2024 - 2026	4.0%	3 pt
Selection	4.5%	

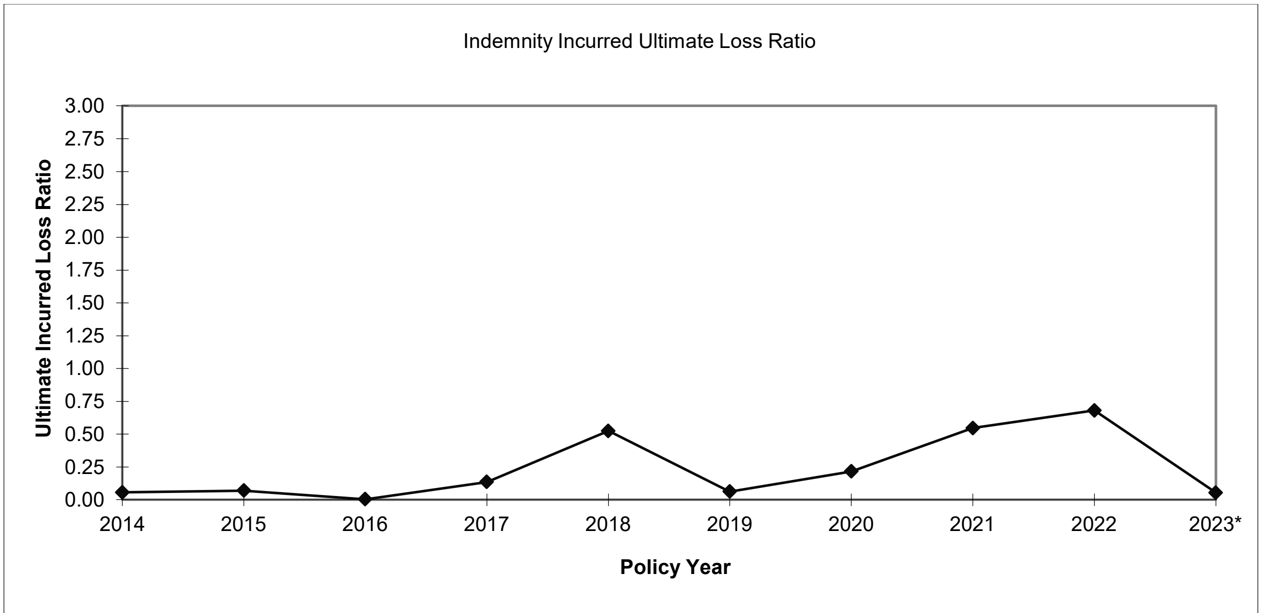
NAWW source:
https://www.dol.gov/agencies/owcp/dlhwc/NAWWinfo

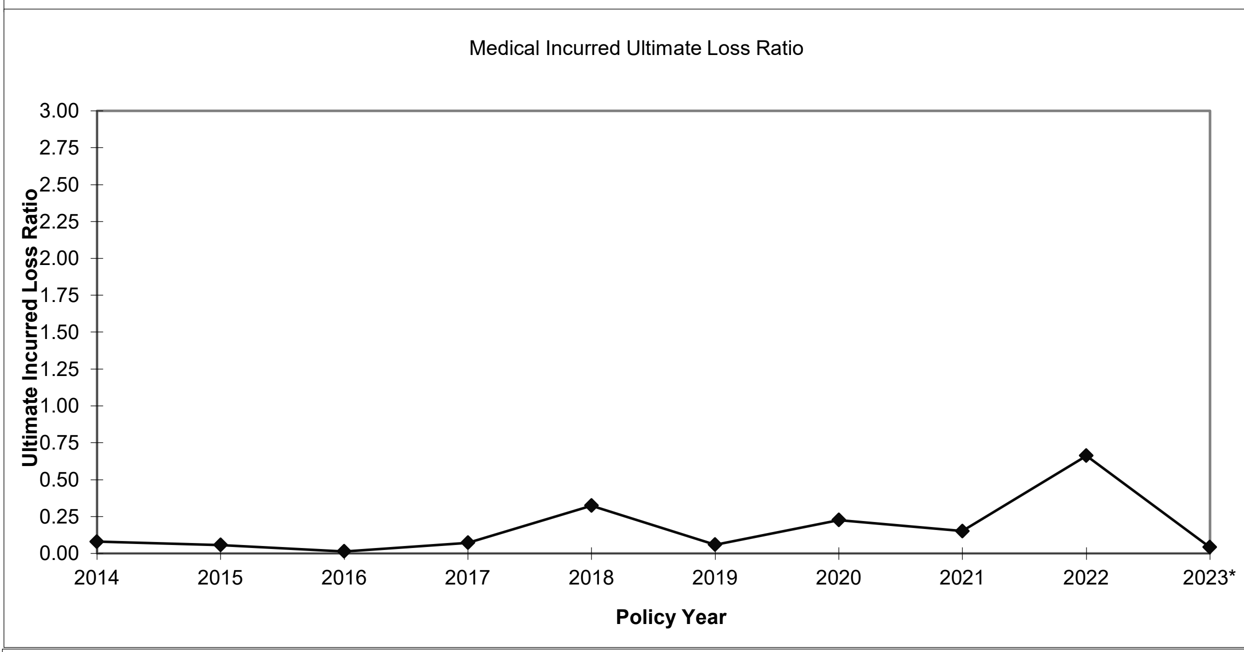
Medical Trend Calculation

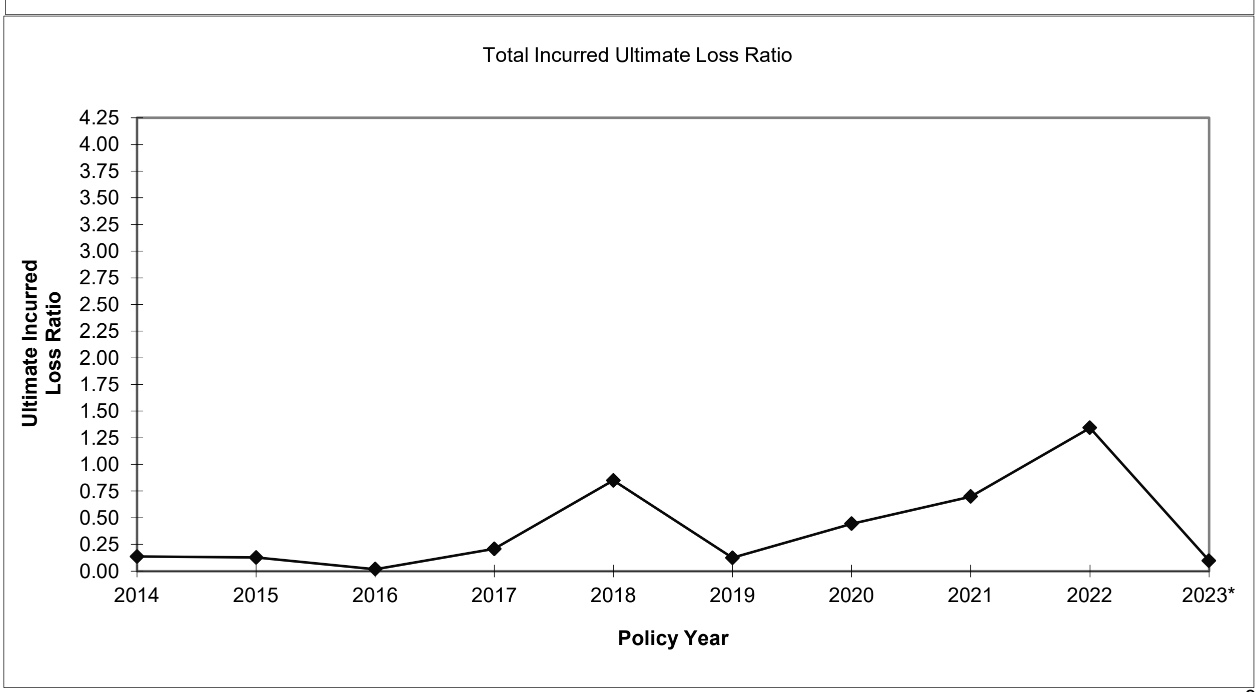
Calendar Year	Medicare Index	Annual Percent Change
2002	54	
2003	59	9.3%
2004	67	13.6%
2005	78	16.4%
2006	89	14.1%
2007	94	5.6%
2008	96	2.1%
2009	96	0.0%
2010	111	15.6%
2011	115	3.6%
2012	100	-13.0%
2013	105	5.0%
2014	105	0.0%
2015	105	0.0%
2016	122	16.2%
2017	134	9.8%
2018	134	0.0%
2019	136	1.5%
2020	145	6.6%
2021	149	2.4%
2022	170	14.5%
2023	165	-3.1%
2024	175	5.9%
2025	185	5.9%
2026	203	9.7%

Period	Exp Fit Trend	
2016-2026	4.8%	11 pt
2017-2026	**4.8%**	**10 pt**
2018-2026	5.2%	9 pt
2019-2026	5.5%	8 pt
2020-2026	5.4%	7 pt
2021-2026	5.5%	6 pt
2022-2026	4.8%	5 pt
2023-2026	7.0%	4 pt
2024-2026	7.8%	3 pt
Selection	4.8%	

Source:
2026 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/2026; Page 213, Table V.E2


Indemnity Incurred Ultimate Loss Ratio
Ultimate Incurred Loss Ratio
3.00
2.75
2.50
2.25
2.00
1.75
1.50
1.25
1.00
0.75
0.50
0.25
0.00
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023*
Policy Year


Medical Incurred Ultimate Loss Ratio
Ultimate Incurred Loss Ratio
3.00
2.75
2.50
2.25
2.00
1.75
1.50
1.25
1.00
0.75
0.50
0.25
0.00
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023*
Policy Year


Total Incurred Ultimate Loss Ratio
Ultimate Incurred Loss Ratio
4.25
4.00
3.75
3.50
3.25
3.00
2.75
2.50
2.25
2.00
1.75
1.50
1.25
1.00
0.75
0.50
0.25
0.00
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023*
Policy Year