

DELAWARE COMPENSATION RATING BUREAU, INC. (DCRB)

ANALYSIS OF EXPERIENCE UNDER THE DELAWARE WORKPLACE SAFETY PROGRAM (DWSP)

The following narrative and exhibits present a review of experience related to the Delaware Workplace Safety Program (DWSP). This program provides opportunity for employers meeting specified eligibility criteria to apply for workers compensation premium credits subject to passing safety inspections performed by licensed inspection firms retained for this purpose through the Delaware Department of Insurance.

The program was first introduced effective February 1, 1989. Prior to July 1, 1999 employers were eligible for the Workplace Safety Program if they were experience rated and had annual premiums based on Delaware residual market rates of \$60,000 or less. The credits ranged from 5 percent to 20 percent based on risk size.

Effective July 1, 1999, a revised Workplace Safety Program was introduced in the State of Delaware. Under the new program, all experience rated risks are eligible to participate, removing the previously imposed upper limits of \$60,000. Credits are computed as 20 percent times the complement of each risk's experience rating plan credibility.

The DCRB has compiled and reviewed aggregate statistical data for the above-referenced program covering its inception in 1994 through 2008. Results of that compilation and review are set forth below. Exhibits I through XV show 16 experience statistics for various groups of employers for 1994 through 2008 respectively. Exhibit XVI shows the total for Policy Years 1994 through 2008. The 16 statistics are described in the accompanying appendix. Exhibits I through XVI each present the statistics separately for each of three groups of policies, as described below:

1. Experience for policies eligible for participation in the DWSP during the indicated 12-month experience period (Column (1)). Since July 1, 1999, this is in effect ALL Delaware experience rated policies for workers' compensation insurance.
2. Experience for policies qualifying for and participating in the DWSP during the indicated 12-month experience period (Column (2)).
3. Experience for policies not qualifying for and participating in the DWSP during the indicated 12-month experience period (Column (3)).

The following summary observations are based on a review of Exhibits I through XVI.

- For the total of the fifteen years 1994 to 2008, shown in Exhibit XVI, the average credit provided to participating employers was 10.97 percent (Line (15)) while the actual performance of the qualifying employers during the years to which the credits applied indicated that a debit of 5.17 percent (Line (16)) was necessary to balance the experience of participating employers with that of non-participating employers.
- With the exception of 2002, for each year in the study the DWSP credits provided to qualifying employers were higher than the adjustments indicated based on actual experience for the participating employers. Indicated adjustments vary widely from

year to year with a range from 49.96 percent debits to 20.55 percent credits. For ten of the fifteen years in this study, the indicated adjustments were debits, in which case participating risks would have had to pay a surcharge (rather than receiving a credit) in order to balance their experience with that of all other eligible risks.

- Average policy size for participating employers was relatively flat through 1998 but increased sharply in every year through 2007 due to the change in eligibility requirements introduced during 1999. Even under the pre-1998 program, average policy size for participating employers has been consistently higher than that of non-participating employers.
- The portion of eligible premium dollars represented by participating risks dropped steadily from 1996 through 2000 and then began increasing in response to the expanded eligibility standards.
- Over the fifteen year period of this study, claim frequency for participating risks has been slightly higher than that of non-participating risks for indemnity, medical-only and total claim frequency.
- Over the fifteen-year period of this study, participating risks showed 5 percent higher indemnity claim severity, a 5 percent lower medical-only severity, and, on a combined basis, participating risks exhibited a 5 percent higher claim severity than that of non-participating risks.
- The fact that indicated adjustments may be higher (or lower) than actual credits provided does not mean that the employers in question should have paid lower (or higher) workers' compensation premiums than they, in fact, did. The comparisons done in Exhibits I through XVI are based on Delaware Bureau assigned risk rates only. Actual workers' compensation premiums paid by both qualified and non-qualified employers in those years were affected by many pricing parameters, programs and considerations not reflected in those lost costs. Such additional pricing factors would include but not be limited to individual insurers' respective loss cost multipliers, schedule rating credits or debits, dividend plans, retrospective rating plans and subclassifications.

APPENDIX

Described below are the 16 statistics used in the DWSP analysis shown in the attached Exhibits I through XVI.

- (1) Number of Risks: The number of policies issued to groups of employers variously described in each column of Exhibits I through XVI. Note that some Delaware employers may not have a workers' compensation policy (i.e., self-insureds or those not subject to mandatory coverage), and some insured employers may change insurers and, thus, may have different policies in effect during a given year(s).
- (2) Standard Premium: The product of reported exposures for each group of employers variously described in each column of Exhibits I through XVI times approved Bureau residual market rates and times each employer's experience modification (if applicable).
- (3) Average Premium: Computed by dividing total standard premium by the number of policies reported.
- (4) Safety Credits: The total amount of premium credits given under the DWSP to participating employers included in each column of Exhibits I through XVI.
- (5) Net Premium: The standard premium less any applicable DWSP credits are shown in Exhibits I through XVI. For non-participating employers, net premium and standard premium are equal, because no DWSP credits were applied.
- (6) Number of Indemnity Claims: The number of indemnity claims reported on the policies variously described in each column of Exhibits I through XVI. Indemnity claims are cases involving some wage loss or other form of benefit payable to the worker or their dependents in addition to any applicable treatment costs.
- (7) Number of Total Claims: The number of claims reported on the policies variously described in each column of Exhibits I through XVI. These counts include both indemnity claims and medical-only claims, those cases involving only payment of medical treatment costs.
- (8) Indemnity Claim Frequency: The number of indemnity claims reported per \$1,000 of net premium in each group of policies presented in Exhibits I through XVI.
- (9) Total Claim Frequency: The number of total claims reported per \$1,000 of net premium in each group of policies presented in Exhibits I through XVI. Total claim frequency is shown bold-faced and underlined, as this statistic is one of the key bases of comparison between employer groups used in the DCRB's review of the DWSP.
- (10) Incurred Losses: The reported dollar value of losses incurred on the various groups of policies presented on Exhibits I through XVI for indemnity and medical-only claims.

- (11) Average Claim: Total incurred losses divided by the total number of claims. Average claim amounts are shown bold-faced and underlined, as this statistic is another of the key bases of comparison between employer groups used in the DCRB's review of the DWSP.
- (12) Loss Ratio: The total incurred losses divided by the net premium for each group of policies presented on Exhibits I through XVI. Loss ratios are shown bold-faced and underlined, as this statistic is the third key basis of comparison between employer groups used in the DCRB's review of the DWSP.

The last four experience statistics are computed only for column (2) in each exhibit, which is the only column exclusively comprised of participants in the DWSP. These statistics are described below:

- (13) Net Premium to Balance DWSP and Non-Participating Loss Ratios: This is the amount of net premium which would produce the same loss ratio for the DWSP participants studied in each exhibit's column (2) as was reported for all non-participating employers.
- (14) Indicated DWSP Credits to Balance: This is the difference between premium for the DWSP participants studied in each exhibit's column (2) and the balancing net premium computed in item (13).
- (15) Average DWSP Credit Factor: This is the average ratio of DWSP credits actually granted to premium for the DWSP participants studied in each exhibit's column (2). The average DWSP credit is shown bold-faced and underlined, as this statistic is a key measure of the operation of the DWSP.
- (16) Indicated DWSP Credit Factor: This is the average DWSP credit or debit ratio, which would have resulted in the balancing DWSP credits, computed in item (14). This indicated DWSP credit is shown bold-faced and underlined, as this statistic is a key measure of the operation of the DWSP, especially for purposes of comparison to the actual average DWSP credit shown in item (15).

**Delaware Workplace Safety Program Analysis
Safety Program Credit 1994**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	3,222	462	2,760
(2) Standard Premium	\$46,290,998	\$9,671,559	\$36,619,439
(3) Average Premium (2)/(1)	\$14,367	\$20,934	\$13,268
(4) Safety Credits	\$1,823,089	\$1,823,089	\$0
(5) Net Premium (2)-(4)	\$44,467,909	\$7,848,470	\$36,619,439
(6) # of Indemnity Claims	1,465	345	1,120
(7) # of Total Claims	5,158	1,364	3,794
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0316	0.0357	0.0306
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.1114</u>	<u>0.1410</u>	<u>0.1036</u>
(10) Incurred Losses	\$19,868,590	\$4,157,316	\$15,711,274
(11) Average Claim (10)/(7)	<u>\$3,852</u>	<u>\$3,048</u>	<u>\$4,141</u>
(12) Loss Ratio (10)/(5)	<u>44.7%</u>	<u>53.0%</u>	<u>42.9%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$9,696,245	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$24,686	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1885</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.0026</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 1995**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	3,580	534	3,046
(2) Standard Premium	\$42,257,968	\$9,880,226	\$32,377,742
(3) Average Premium (2)/(1)	\$11,804	\$18,502	\$10,630
(4) Safety Credits	\$1,841,674	\$1,841,674	\$0
(5) Net Premium (2)-(4)	\$40,416,294	\$8,038,552	\$32,377,742
(6) # of Indemnity Claims	1,290	297	993
(7) # of Total Claims	4,488	1,184	3,304
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0305	0.0301	0.0307
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.1062</u>	<u>0.1198</u>	<u>0.1020</u>
(10) Incurred Losses	\$19,205,411	\$4,234,964	\$14,970,447
(11) Average Claim (10)/(7)	<u>\$4,279</u>	<u>\$3,577</u>	<u>\$4,531</u>
(12) Loss Ratio (10)/(5)	<u>47.5%</u>	<u>52.7%</u>	<u>46.2%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$9,169,517	
(14) Indicated CSC Credits to Balance (2)-(13)		\$710,709	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1864</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>0.0719</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 1996**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	3,707	512	3,195
(2) Standard Premium	\$43,188,532	\$9,039,856	\$34,148,676
(3) Average Premium (2)/(1)	\$11,651	\$17,656	\$10,688
(4) Safety Credits	\$1,735,652	\$1,735,652	\$0
(5) Net Premium (2)-(4)	\$41,452,880	\$7,304,204	\$34,148,676
(6) # of Indemnity Claims	1,182	296	886
(7) # of Total Claims	3,986	1,081	2,905
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0274	0.0327	0.0259
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0923</u>	<u>0.1196</u>	<u>0.0851</u>
(10) Incurred Losses	\$19,551,987	\$4,705,252	\$14,846,735
(11) Average Claim (10)/(7)	<u>\$4,905</u>	<u>\$4,353</u>	<u>\$5,111</u>
(12) Loss Ratio (10)/(5)	<u>47.2%</u>	<u>64.4%</u>	<u>43.5%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$10,813,580	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$1,773,724	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1920</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.1962</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 1997**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	3,797	540	3,257
(2) Standard Premium	\$48,120,846	\$10,004,065	\$38,116,781
(3) Average Premium (2)/(1)	\$12,673	\$18,526	\$11,703
(4) Safety Credits	\$1,933,786	\$1,933,786	\$0
(5) Net Premium (2)-(4)	\$46,187,060	\$8,070,279	\$38,116,781
(6) # of Indemnity Claims	1,130	278	852
(7) # of Total Claims	3,897	970	2,927
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0235	0.0278	0.0224
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0810</u>	<u>0.0970</u>	<u>0.0768</u>
(10) Incurred Losses	\$18,532,057	\$4,002,371	\$14,529,686
(11) Average Claim (10)/(7)	<u>\$4,755</u>	<u>\$4,126</u>	<u>\$4,964</u>
(12) Loss Ratio (10)/(5)	<u>40.1%</u>	<u>49.6%</u>	<u>38.1%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$10,506,190	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$502,125	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1933</u>	
(16) Indicated CSC Credit Factor		<u>-0.0502</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 1998**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	3,889	569	3,320
(2) Standard Premium	\$49,956,382	\$10,187,424	\$39,768,958
(3) Average Premium (2)/(1)	\$12,846	\$17,904	\$11,979
(4) Safety Credits	\$1,920,329	\$1,920,329	\$0
(5) Net Premium (2)-(4)	\$48,036,053	\$8,267,095	\$39,768,958
(6) # of Indemnity Claims	1,010	246	764
(7) # of Total Claims	3,575	970	2,605
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0202	0.0241	0.0192
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0716</u>	<u>0.0952</u>	<u>0.0655</u>
(10) Incurred Losses	\$18,281,413	\$3,490,843	\$14,790,570
(11) Average Claim (10)/(7)	<u>\$5,114</u>	<u>\$3,599</u>	<u>\$5,678</u>
(12) Loss Ratio (10)/(5)	<u>38.1%</u>	<u>42.2%</u>	<u>37.2%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$9,378,264	
(14) Indicated CSC Credits to Balance (2)-(13)		\$809,160	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1885</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>0.0794</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 1999**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	4,050	631	3,419
(2) Standard Premium	\$75,216,212	\$13,550,487	\$61,665,725
(3) Average Premium (2)/(1)	\$18,572	\$21,475	\$18,036
(4) Safety Credits	\$2,262,931	\$2,262,931	\$0
(5) Net Premium (2)-(4)	\$72,953,281	\$11,287,556	\$61,665,725
(6) # of Indemnity Claims	1,775	349	1,426
(7) # of Total Claims	6,140	1,226	4,914
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0236	0.0258	0.0231
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0816</u>	<u>0.0905</u>	<u>0.0797</u>
(10) Incurred Losses	\$33,694,407	\$7,786,915	\$25,907,492
(11) Average Claim (10)/(7)	<u>\$5,488</u>	<u>\$6,351</u>	<u>\$5,272</u>
(12) Loss Ratio (10)/(5)	<u>46.2%</u>	<u>69.0%</u>	<u>42.0%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$18,543,842	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$4,993,355	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1670</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.3685</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 2000**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	4,450	718	3,732
(2) Standard Premium	\$121,278,441	\$19,717,835	\$101,560,606
(3) Average Premium (2)/(1)	\$27,254	\$27,462	\$27,213
(4) Safety Credits	\$2,620,500	\$2,620,500	\$0
(5) Net Premium (2)-(4)	\$118,657,941	\$17,097,335	\$101,560,606
(6) # of Indemnity Claims	2,570	407	2,163
(7) # of Total Claims	9,892	1,536	8,356
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0212	0.0206	0.0213
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0816</u>	<u>0.0779</u>	<u>0.0823</u>
(10) Incurred Losses	\$48,615,658	\$8,115,348	\$40,500,310
(11) Average Claim (10)/(7)	<u>\$4,915</u>	<u>\$5,283</u>	<u>\$4,847</u>
(12) Loss Ratio (10)/(5)	<u>41.0%</u>	<u>47.5%</u>	<u>39.9%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$20,353,970	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$636,135	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1329</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.0323</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 2001**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	4,450	739	3,711
(2) Standard Premium	\$123,523,649	\$23,397,948	\$100,125,701
(3) Average Premium (2)/(1)	\$27,758	\$31,662	\$26,981
(4) Safety Credits	\$2,882,627	\$2,882,627	\$0
(5) Net Premium (2)-(4)	\$120,641,022	\$20,515,321	\$100,125,701
(6) # of Indemnity Claims	2,440	442	1,998
(7) # of Total Claims	9,285	1,704	7,581
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0198	0.0189	0.0200
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0752</u>	<u>0.0728</u>	<u>0.0757</u>
(10) Incurred Losses	\$58,615,400	\$10,155,410	\$48,459,990
(11) Average Claim (10)/(7)	<u>\$6,313</u>	<u>\$5,960</u>	<u>\$6,392</u>
(12) Loss Ratio (10)/(5)	<u>48.6%</u>	<u>49.5%</u>	<u>48.4%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$20,981,578	
(14) Indicated CSC Credits to Balance (2)-(13)		\$2,416,370	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1232</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>0.1033</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 2002**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	4,656	849	3,807
(2) Standard Premium	\$146,627,646	\$31,844,593	\$114,783,053
(3) Average Premium (2)/(1)	\$31,492	\$37,508	\$30,151
(4) Safety Credits	\$3,945,545	\$3,945,545	\$0
(5) Net Premium (2)-(4)	\$142,682,101	\$27,899,048	\$114,783,053
(6) # of Indemnity Claims	2,505	552	1,953
(7) # of Total Claims	9,131	2,033	7,098
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0171	0.0173	0.0170
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0623</u>	<u>0.0638</u>	<u>0.0618</u>
(10) Incurred Losses	\$63,239,564	\$11,423,697	\$51,815,867
(11) Average Claim (10)/(7)	<u>\$6,926</u>	<u>\$5,619</u>	<u>\$7,300</u>
(12) Loss Ratio (10)/(5)	<u>44.3%</u>	<u>40.9%</u>	<u>45.1%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$25,300,910	
(14) Indicated CSC Credits to Balance (2)-(13)		\$6,543,683	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1239</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>0.2055</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 2003**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	5,373	990	4,383
(2) Standard Premium	\$173,945,207	\$44,675,114	\$129,270,093
(3) Average Premium (2)/(1)	\$32,374	\$45,126	\$29,494
(4) Safety Credits	\$5,048,288	\$5,048,288	\$0
(5) Net Premium (2)-(4)	\$168,896,919	\$39,626,826	\$129,270,093
(6) # of Indemnity Claims	2,450	707	1,743
(7) # of Total Claims	8,830	2,460	6,370
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0141	0.0158	0.0135
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0508</u>	<u>0.0551</u>	<u>0.0493</u>
(10) Incurred Losses	\$60,272,633	\$17,625,167	\$42,647,466
(11) Average Claim (10)/(7)	<u>\$6,826</u>	<u>\$7,165</u>	<u>\$6,695</u>
(12) Loss Ratio (10)/(5)	<u>35.7%</u>	<u>44.5%</u>	<u>33.0%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$53,436,174	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$8,761,060	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1130</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.1961</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 2004**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	5,762	1,082	4,680
(2) Standard Premium	\$201,392,935	\$50,331,731	\$151,061,204
(3) Average Premium (2)/(1)	\$34,952	\$46,517	\$32,278
(4) Safety Credits	\$5,637,154	\$5,637,154	\$0
(5) Net Premium (2)-(4)	\$195,755,781	\$44,694,577	\$151,061,204
(6) # of Indemnity Claims	2,387	713	1,674
(7) # of Total Claims	8,586	2,394	6,192
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0119	0.0142	0.0111
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0426</u>	<u>0.0476</u>	<u>0.0410</u>
(10) Incurred Losses	\$74,613,052	\$20,482,352	\$54,130,700
(11) Average Claim (10)/(7)	<u>\$8,690</u>	<u>\$8,556</u>	<u>\$8,742</u>
(12) Loss Ratio (10)/(5)	<u>38.1%</u>	<u>45.8%</u>	<u>35.8%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$57,179,096	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$6,847,365	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1120</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.1360</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 2005**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	5,901	1,204	4,697
(2) Standard Premium	\$241,791,194	\$66,305,387	\$175,485,807
(3) Average Premium (2)/(1)	\$40,975	\$55,071	\$37,361
(4) Safety Credits	\$7,969,908	\$7,969,908	\$0
(5) Net Premium (2)-(4)	\$233,821,286	\$58,335,479	\$175,485,807
(6) # of Indemnity Claims	2,310	696	1,614
(7) # of Total Claims	8,128	2,390	5,738
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0096	0.0105	0.0092
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0336</u>	<u>0.0360</u>	<u>0.0327</u>
(10) Incurred Losses	\$72,518,514	\$20,056,163	\$52,462,351
(11) Average Claim (10)/(7)	<u>\$8,922</u>	<u>\$8,392</u>	<u>\$9,143</u>
(12) Loss Ratio (10)/(5)	<u>31.0%</u>	<u>34.4%</u>	<u>29.9%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$67,115,066	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$809,679	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1202</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.0122</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 2006**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	6,425	1,301	5,124
(2) Standard Premium	\$290,101,172	\$78,876,094	\$211,225,078
(3) Average Premium (2)/(1)	\$45,152	\$60,627	\$41,223
(4) Safety Credits	\$9,189,065	\$9,189,065	\$0
(5) Net Premium (2)-(4)	\$280,912,107	\$69,687,029	\$211,225,078
(6) # of Indemnity Claims	2,247	704	1,543
(7) # of Total Claims	8,092	2,468	5,624
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0077	0.0089	0.0073
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0279</u>	<u>0.0313</u>	<u>0.0266</u>
(10) Incurred Losses	\$73,099,227	\$23,520,359	\$49,578,868
(11) Average Claim (10)/(7)	<u>\$9,034</u>	<u>\$9,530</u>	<u>\$8,816</u>
(12) Loss Ratio (10)/(5)	<u>26.0%</u>	<u>33.8%</u>	<u>23.5%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$100,230,706	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$21,354,612	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1165</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.2707</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 2007**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	6,846	1,465	5,381
(2) Standard Premium	\$304,322,190	\$90,472,454	\$213,849,736
(3) Average Premium (2)/(1)	\$44,453	\$61,756	\$39,742
(4) Safety Credits	\$10,684,797	\$10,684,797	\$0
(5) Net Premium (2)-(4)	\$293,637,393	\$79,787,657	\$213,849,736
(6) # of Indemnity Claims	2,167	718	1,449
(7) # of Total Claims	8,075	2,475	5,600
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0071	0.0079	0.0068
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0265</u>	<u>0.0274</u>	<u>0.0262</u>
(10) Incurred Losses	\$75,918,080	\$29,423,438	\$46,494,642
(11) Average Claim (10)/(7)	<u>\$9,402</u>	<u>\$11,888</u>	<u>\$8,303</u>
(12) Loss Ratio (10)/(5)	<u>25.9%</u>	<u>36.9%</u>	<u>21.7%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$135,675,785	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$45,203,331	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1181</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.4996</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 2008**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	6,809	1,544	5,265
(2) Standard Premium	\$253,915,761	\$74,374,562	\$179,541,199
(3) Average Premium (2)/(1)	\$37,291	\$48,170	\$34,101
(4) Safety Credits	\$8,196,077	\$8,196,077	\$0
(5) Net Premium (2)-(4)	\$245,719,684	\$66,178,485	\$179,541,199
(6) # of Indemnity Claims	1,908	558	1,350
(7) # of Total Claims	7,452	2,165	5,287
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0075	0.0075	0.0075
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0293</u>	<u>0.0291</u>	<u>0.0294</u>
(10) Incurred Losses	\$68,482,727	\$19,703,821	\$48,778,906
(11) Average Claim (10)/(7)	<u>\$9,190</u>	<u>\$9,101</u>	<u>\$9,226</u>
(12) Loss Ratio (10)/(5)	<u>27.9%</u>	<u>29.8%</u>	<u>27.2%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$72,504,370	
(14) Indicated CSC Credits to Balance (2)-(13)		\$1,870,192	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1102</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>0.0251</u>	

**Delaware Workplace Safety Program Analysis
Safety Program Credit 1994-2008**

	(1) Eligibles	(2) Participating	(3) Non-Participating
Statistic			
(1) Number of Risks	72,917	13,140	59,777
(2) Standard Premium	\$2,161,929,133	\$542,329,335	\$1,619,599,798
(3) Average Premium (2)/(1)	\$29,649	\$41,273	\$27,094
(4) Safety Credits	\$59,495,345	\$59,495,345	\$0
(5) Net Premium (2)-(4)	\$2,102,433,788	\$482,833,990	\$1,619,599,798
(6) # of Indemnity Claims	28,836	7,308	21,528
(7) # of Total Claims	104,715	26,420	78,295
(8) Indemnity Claim Frequency (6)/{(2)/1,000}	0.0133	0.0135	0.0133
(9) Total Claim Frequency (7)/{(2)/1,000}	<u>0.0484</u>	<u>0.0487</u>	<u>0.0483</u>
(10) Incurred Losses	\$724,508,720	\$188,883,416	\$535,625,304
(11) Average Claim (10)/(7)	<u>\$6,919</u>	<u>\$7,149</u>	<u>\$6,841</u>
(12) Loss Ratio (10)/(5)	<u>34.5%</u>	<u>39.1%</u>	<u>33.1%</u>
(13) Net Premium to Balance CSC & Non-Participating LRs: Col(2)Line(5)*Col(2)Line(12)/Col(3)Line(12)		\$570,356,768	
(14) Indicated CSC Credits to Balance (2)-(13)		-\$28,027,433	
(15) Average CSC Credit Factor (4)/(2)		<u>0.1097</u>	
(16) Indicated CSC Credit Factor (14)/(2)		<u>-0.0517</u>	