

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 10/1/11 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 12/1/10 - 12/01/11	0.3950	0.4461	0.8411
(2) Credibility	0.0500	0.0500	0.0500
(3) Loss Ratio Underlying Current Rates Trended at 0.0% to 12/1/11	0.3475	0.1978	0.5453
(4) Credibility Weighted Trended Loss Ratio $(1)*(2) + (3)*[1.0-(2)]$	0.3499	0.2102	0.5601
(5) Ratio of Loss Adjustment Expense to Loss	0.1538	0.1538	0.1538
(6) Trended Policy Year Loss and Loss Adjustment Ratio $(4)*(1.0+(5))$	0.4037	0.2425	0.6462
(7) Permissible Loss and Loss Adjustment Ratio			0.6577
(8) Indicated Change in Rates $(6) / (7)$			0.9825
(9) Estimated Effect of the 10/1/11 Benefit Change			0.9996
(10) Indicated Change in Overall Rate Level $(8)*(9)$			0.9821
(11) Change in Voluntary Market Loss Costs $(10) * [0.7731 / 0.7373]$			1.0298

INDICATED CHANGE IN MANUAL LEVEL

	Total
(12) Current Collectible Premium Ratio	1.0115
(13) Proposed Collectible Premium Ratio	0.9633
(14) Indicated Change in Manual Rate Level $[(10) * (13)] / (12)$	0.9353
(15) Indicated Change in Voluntary Market Manual Loss Cost Level $(11) * [(13) / (12)]$	0.9807