

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 Bureau under the Unit Statistical Plan.

Reported Premium and Losses - Pages 1 and 2 present reported standard earned premiums and incurred losses by policy year separately for indemnity (page 1) and medical (page 2). Losses are shown through 10th report which is the latest report currently available under the Unit Statistical Plan.

Indicated Loss Development Factors - Page 3 (indemnity) and page 4 (medical) show age-to-age development factors based on reported losses. An 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 5 and 6. Factors to ultimate are calculated by compounding the age-to-age and 10th-to-ultimate factors.

Selected Loss Development Factors - Pages 5 (indemnity) and page 6 (medical) show the derivation of selected age-to-age and 10th-to-ultimate development factors. The residuals of all years available average indicated age-to-age development factors from pages 3 and 4 were fitted to a curve of the form $y = a * (1 + x)^b$ for indemnity and $y = a + b/x + c/x^2 + d/x^3 + e/x^4$ for medical. A value of 1.0000 was selected from 9th to 10th and 10th to 11th for medical to ensure a more reasonable shape for the final fitted curve. These factors became the “selected” values on pages 3 and 4.

Loss Ratios - Indemnity and medical ultimate loss ratios are calculated on page 7.

Graphs - Indemnity, medical and total ultimate loss ratio graphs for policy years 1998 through 2007 are shown on page 8.

Trend Summary - An analysis of loss ratio trend is summarized on page 9. Linear trend lines were used to project trended loss ratios for indemnity and medical using combinations of policy years ranging from four to ten points. Exponential curves were also considered but the lack of data points left the results meaningless. Five year average loss ratios, and 0% annual trend, were selected for both indemnity and medical losses. The resulting trended loss ratios are 39.50% for indemnity and 44.61% for medical.

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
92	56,087	95,532	127,989	150,623	150,624	132,476	132,476	132,476	132,476	132,476	132,476
93	62,218	0	0	0	0	0	0	0	0	0	0
94	165,218	0	0	0	0	0	0	0	0	0	0
95	180,644	79,814	622,787	622,787	83,681	83,681	83,681	83,681	83,681	83,681	83,681
96	1,320,294	244,297	187,592	149,250	143,642	139,346	139,347	139,347	139,347	139,347	139,347
97	889,932	157,409	165,047	150,694	150,694	150,695	150,695	150,695	150,695	150,695	150,695
98	266,646	193,633	255,825	6,842	6,842	6,842	6,842	6,842	6,842	6,842	6,842
99	122,888	255,451	0	0	0	0	0	0	0	0	0
00	729,382	98,351	93,587	116,565	240,363	240,363	240,363	240,363	240,363		
01	1,682,660	348,057	348,057	356,873	401,561	402,101	402,099	402,099			
02	350,922	131,206	459,669	275,146	505,102	505,103	505,103				
03	362,857	79,831	55,340	54,887	54,887	54,887					
04	98,094	19,831	78,278	79,623	79,623						
05	58,268	28,679	11,546	11,546							
06	61,871	24,302	45,464								
07	47,213	-									

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
92	56,087	51,599	78,320	86,078	86,079	80,465	80,465	80,465	80,465	80,465	80,465
93	62,218	0	0	0	0	0	0	0	0	0	0
94	165,218	1,566	1,566	1,566	1,566	1,566	1,566	1,566	1,566	1,566	1,566
95	180,644	51,473	53,941	54,788	54,239	54,260	54,830	54,830	54,830	54,830	54,830
96	1,320,294	105,845	101,444	93,570	103,172	96,923	96,923	96,923	96,923	96,923	96,923
97	889,932	116,041	111,935	106,102	106,102	95,476	95,476	97,476	95,476	95,476	95,476
98	266,646	100,596	92,752	19,637	13,493	13,493	13,493	13,493	13,493	13,493	13,493
99	122,888	159,749	56	56	56	56	56	56	56	56	56
00	729,382	39,180	38,112	44,443	38,626	38,626	38,626	39,431	39,431		
01	1,682,660	148,676	148,676	120,360	124,672	122,672	120,940	120,940			
02	350,922	100,501	155,214	148,338	185,603	187,894	187,889				
03	362,857	56,385	50,531	42,175	42,175	42,175					
04	98,094	53,461	59,659	55,932	56,807						
05	58,268	37,037	34,694	34,694							
06	61,871	36,593	63,593								
07	47,213	-									

DELAWARE COMPENSATION RATING BUREAU
 "F" CLASS UNIT STATISTICAL PLAN EXPERIENCE
 INDEMNITY INCURRED LOSS DEVELOPMENT FACTORS

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
92	****	1.1768	1.0000	0.8795	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
93	*	*	*	*	*	*	*	*	*	*
94	*	*	*	*	*	*	*	*	*	*
95	7.8030	1.0000	0.1344	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
96	0.7679	****	0.9624	0.9701	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
97	****	0.9130	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
98	1.3212	****	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
99	****	*	*	*	*	*	*	*	*	*
00	0.9516	1.2455	2.0621	1.0000	1.0000	1.0000	1.0000			
01	1.0000	****	1.1252	1.0013	1.0000	1.0000				
02	3.5034	****	1.8358	1.0000	1.0000					
03	0.6932	0.9918	1.0000	1.0000						
04	3.9473	1.0172	1.0000							
05	0.4026	1.0000								
06	1.8708									
3 Yr Average	2.0736	1.0030	1.2786	1.0004	1.0000	1.0000	1.0000	1.0000	1.0000	
Average (All available)	2.2261	1.0492	1.1120	0.9834	1.0000	1.0000	1.0000	1.0000	1.0000	
Selected (All available)	2.2256	1.0713	1.0095	1.002	1.0006	1.0002	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
3 Yr Average										
Average (All available)	2.5540	1.1473	1.0935	0.9834	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Selected (All available)	2.4139	1.0846	1.0124	1.0029	1.0009	1.0003	1.0001	1.0000	1.0000	1.0000

* No reported losses.

**** Loss development factor not used

DELAWARE COMPENSATION RATING BUREAU
 "F" CLASS UNIT STATISTICAL PLAN EXPERIENCE
 MEDICAL INCURRED LOSS DEVELOPMENT FACTORS

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
92	****	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
93	*	*	*	*	*	*	*	*	*	*
94	*	*	*	*	*	*	*	*	*	*
95	1.0479	1.0157	0.9900	1.0004	1.0105	1.0000	1.0000	1.0000	1.0000	1.0000
96	0.9584	****	1.1026	0.9394	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
97	****	0.9479	1.0000	0.8999	1.0000	1.0209	0.9795	1.0000	1.0000	1.0000
98	0.9220	****	0.6871	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
99	****	*	*	*	*	*	*	*	*	*
00	0.9727	1.1661	0.8691	1.0000	1.0000	1.0208	1.0000			
01	1.0000	****	1.0358	0.9840	0.9859	1.0000				
02	1.5444	0.9557	1.2512	1.0123	1.0000					
03	0.8962	0.8346	1.0000	1.0000						
04	1.1159	0.9375	1.0156							
05	0.9367	1.0000								
06	1.7378									
3 Yr Average	1.1855	0.9855	1.0520	0.9947	1.0000	1.0070	0.9932	1.0000	1.0000	
Average (All available)	1.1132	0.9822	0.9951	0.9818	0.9996	1.0060	0.9966	1.0000	1.0000	
Selected (All available)	1.1132	0.9829	0.9894	0.9938	0.9964	0.9980	0.9991	1.0000	1.0000	1.0000
Development Factors to Ultimate										
3 Yr Average	1-ULT	2-ULT	3-ULT	4-ULT	5-ULT	6-ULT	7-ULT	8-ULT	9-ULT	10-ULT
Average (All available)	1.0707	0.9618	0.9792	0.9840	1.0022	1.0026	0.9966	1.0000	1.0000	1.0000
Selected (All available)	1.0688	0.9601	0.9768	0.9873	0.9935	0.9971	0.9991	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

$Y = a*(1+x)^b$

a = 158.4256

b = (7.0142)

R ^ 2 = 0.9904

<u>Incurred Development</u>	<u>All Year Average</u>	<u>All Year Average - 1</u>	<u>Fitted Value</u>	<u>Fitted Value + 1</u>	<u>Selected</u>
1st to 2nd	2.2261	1.2261	1.2256	2.2256	2.2256
2nd to 3rd	1.0492	0.0492	0.0713	1.0713	1.0713
3rd to 4th	1.1120	0.1120	0.0095	1.0095	1.0095
4th to 5th	0.9834	(0.0166)	0.0020	1.0020	1.0020
5th to 6th	1.0000	-	0.0006	1.0006	1.0006
6th to 7th	1.0000	-	0.0002	1.0002	1.0002
7th to 8th	1.0000	-	0.0001	1.0001	1.0001
8th to 9th	1.0000	-	-	1.0000	1.0000
9th to 10th	1.0000	-	-	1.0000	1.0000
10th to 11th	1.0000	-	-	1.0000	1.0000
10th to Ultimate					1.0000

DELAWARE COMPENSATION RATING BUREAU, INC.

"F" CLASS UNIT STATISTICAL PLAN EXPERIENCE

FITTED DEVELOPMENT FACTORS

MEDICAL INCURRED LOSSES

$Y = a + b/x + c/x^2 + d/x^3 + e/x^4$

a 0.0055
 b (0.0460)
 c 0.0382
 d (0.2626)
 e 0.3781

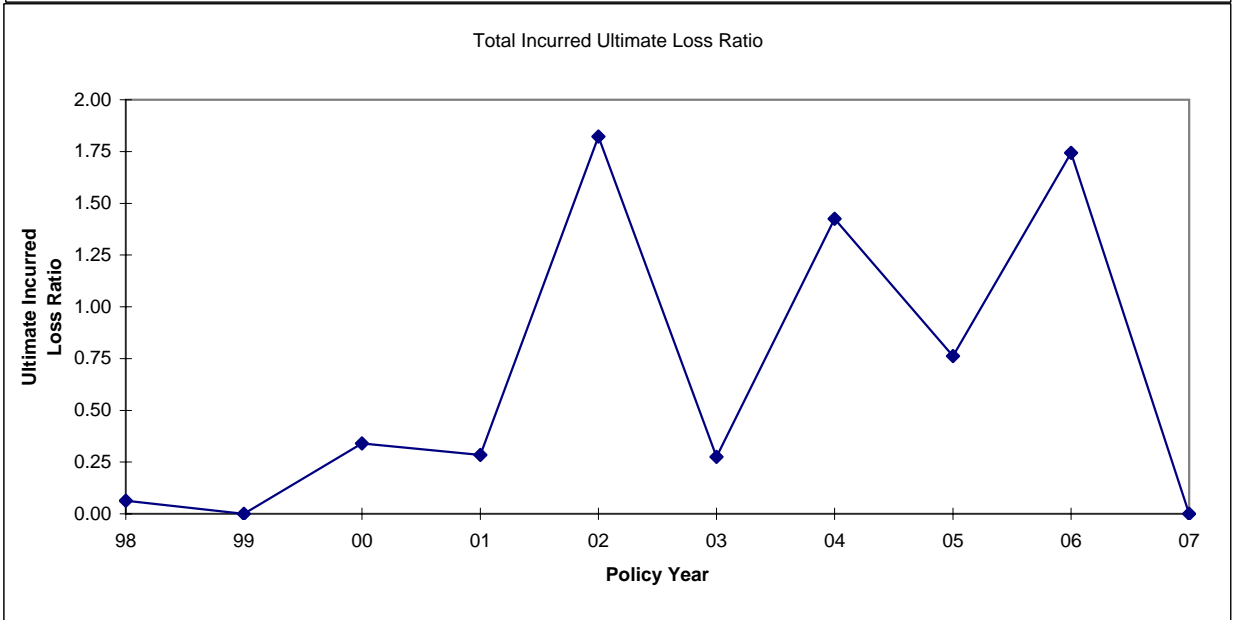
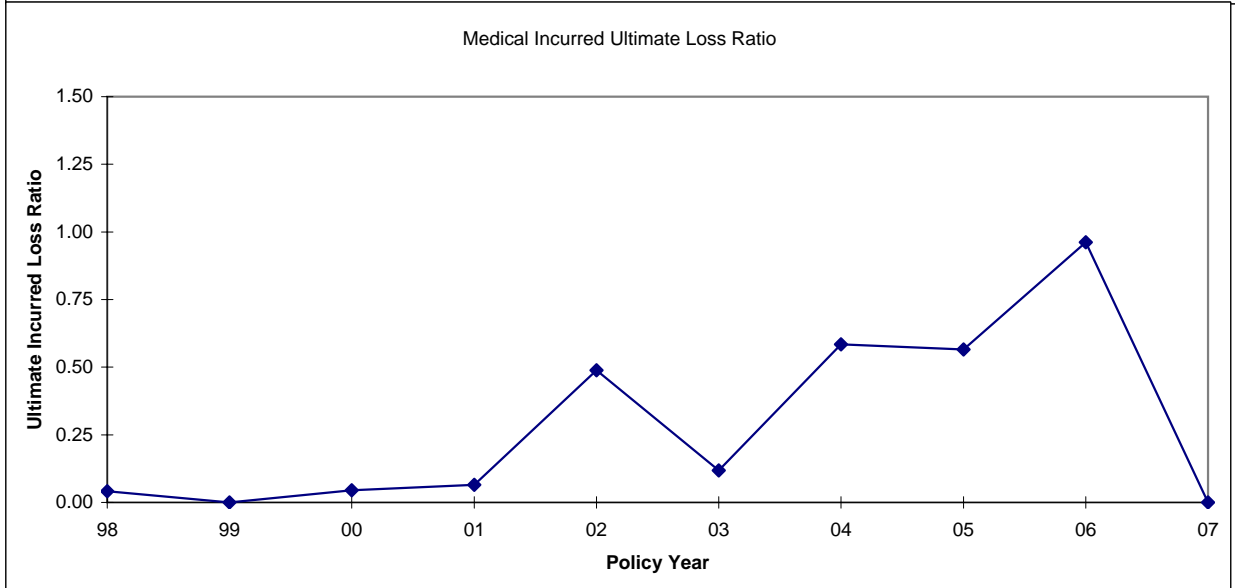
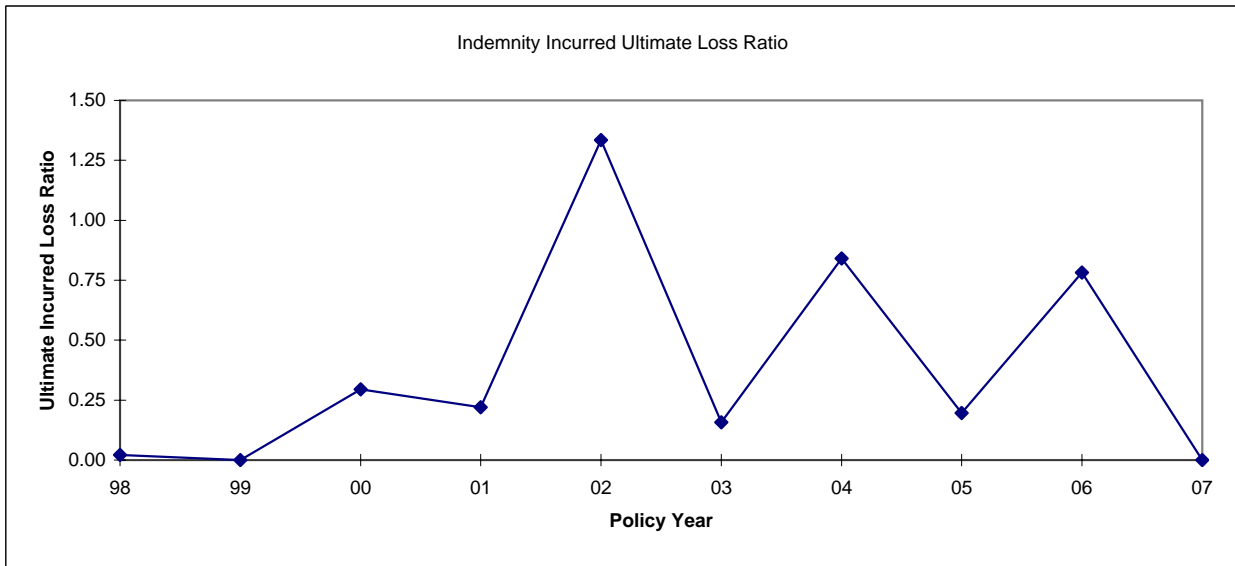
R ^ 2 = 0.9640

<u>Incurred Development</u>	<u>All Year Average</u>	<u>All Year Average - 1</u>	<u>Fitted Value</u>	<u>Fitted Value + 1</u>	<u>Selected</u>
1st to 2nd	1.1132	0.1132	0.1132	1.1132	1.1132
2nd to 3rd	0.9822	(0.0178)	(0.0171)	0.9829	0.9829
3rd to 4th	0.9951	(0.0049)	(0.0106)	0.9894	0.9894
4th to 5th	0.9818	(0.0182)	(0.0062)	0.9938	0.9938
5th to 6th	0.9996	(0.0004)	(0.0036)	0.9964	0.9964
6th to 7th	1.0060	0.0060	(0.0020)	0.9980	0.9980
7th to 8th	0.9966	(0.0034)	(0.0009)	0.9991	0.9991
8th to 9th	1.0000	-	(0.0000)	1.0000	1.0000
9th to 10th	1.0000	-	0.0006	1.0006	1.0000 *
10th to 11th	1.0000	-	0.0011	1.0011	1.0000 *
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	Loss On-Level Factor	Ultimate Incurred Loss	Loss Ratio
	(1)	(2)	(3) = (1) * (2)	(4)	(5)	(6)	(7)	(8)=(4)*(6)/(7)	(9)=(8)/(3)
Indemnity									
1998	266,646	1.2118	323,122	6,842	10	1.0000	1.0230	6,999	0.0217
1999	122,888	1.2118	148,916	0	9	1.0000	1.0206	0	0.0000
2000	729,382	1.2040	878,176	240,363	8	1.0000	1.0790	259,352	0.2953
2001	1,682,660	1.1057	1,860,517	402,099	7	1.0001	1.0158	408,493	0.2196
2002	350,922	1.0936	383,768	505,103	6	1.0003	1.0135	512,075	1.3343
2003	362,857	0.9757	354,040	54,887	5	1.0009	1.0112	55,552	0.1569
2004	98,094	0.9777	95,907	79,623	4	1.0029	1.0090	80,573	0.8401
2005	58,268	1.0279	59,894	11,546	3	1.0124	1.0072	11,773	0.1966
2006	61,871	1.0262	63,492	45,464	2	1.0846	1.0061	49,611	0.7814
2007	47,213	1.0576	49,932	0	1	2.4139	1.0050	0	0.0000
10 Year Total	3,780,801		4,217,764	1,345,927				1,384,428	0.3282
5 Year Average									0.3950
Medical									
1998	266,646	1.2118	323,122	13,493	10	1.0000		13,493	0.0418
1999	122,888	1.2118	148,916	56	9	1.0000		56	0.0004
2000	729,382	1.2040	878,176	39,431	8	1.0000		39,431	0.0449
2001	1,682,660	1.1057	1,860,517	120,940	7	0.9991		120,831	0.0649
2002	350,922	1.0936	383,768	187,889	6	0.9971		187,344	0.4882
2003	362,857	0.9757	354,040	42,175	5	0.9935		41,901	0.1184
2004	98,094	0.9777	95,907	56,807	4	0.9873		56,086	0.5848
2005	58,268	1.0279	59,894	34,694	3	0.9768		33,889	0.5658
2006	61,871	1.0262	63,492	63,593	2	0.9601		61,056	0.9616
2007	47,213	1.0576	49,932	0	1	1.0688		0	0.0000
10 Year Total	3,780,801		4,217,764	559,078				554,087	0.1314
5 Year Average									0.4461
Total									
1998	266,646	1.2118	323,122	20,335	10			20,492	0.0634
1999	122,888	1.2118	148,916	56	9			56	0.0004
2000	729,382	1.2040	878,176	279,794	8			298,783	0.3402
2001	1,682,660	1.1057	1,860,517	523,039	7			529,324	0.2845
2002	350,922	1.0936	383,768	692,992	6			699,419	1.8225
2003	362,857	0.9757	354,040	97,062	5			97,453	0.2753
2004	98,094	0.9777	95,907	136,430	4			136,659	1.4249
2005	58,268	1.0279	59,894	46,240	3			45,662	0.7624
2006	61,871	1.0262	63,492	109,057	2			110,667	1.7430
2007	47,213	1.0576	49,932	0	1			0	0.0000
10 Year Total	3,780,801		4,217,764	1,905,005				1,938,515	0.4596
5 Year Average									0.8411



		3 points	4 points	5 points	6 points	7 points	8 points	9 points	10 points
INDEMNITY									
LINEAR	Average Loss Ratio	0.3260	0.4545	0.3950	0.5516	0.5041	0.4780	0.4249	0.3846
	Trended Loss Ratio	(0.0590)	(0.4003)	0.2119	(0.2906)	0.1396	0.3262	0.5307	0.6302
	Trend Factor	(0.1810)	(0.8807)	0.5365	(0.5268)	0.2769	0.6824	1.2490	1.6386
	Annual. Trend Factor	#NUM!	#NUM!	0.9244	#NUM!	0.8785	0.9656	1.0188	1.0390
EXPONENTIAL	R^2	0.0585	0.3543	0.0231	0.3169	0.0744	0.0160	0.0084	0.0498
	Trended Loss Ratio	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
	Trend Factor	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
	Annual. Trend Factor	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
	R^2	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!

		3 points	4 points	5 points	6 points	7 points	8 points	9 points	10 points
MEDICAL									
LINEAR	Average Loss Ratio	0.5091	0.5281	0.4461	0.4531	0.3977	0.3536	0.3143	0.2871
	Trended Loss Ratio	(0.5989)	(0.0720)	0.5150	0.4639	0.6511	0.7255	0.7578	0.7432
	Trend Factor	(1.1764)	(0.1363)	1.1544	1.0238	1.6372	2.0518	2.4111	2.5886
	Annual. Trend Factor	#NUM!	#NUM!	1.0183	1.0026	1.0510	1.0681	1.0766	1.0764
EXPONENTIAL	R^2	0.3426	0.1958	0.0032	0.0001	0.0698	0.1669	0.2580	0.3050
	Trended Loss Ratio	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
	Trend Factor	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
	Annual. Trend Factor	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
	R^2	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!

		3 points	4 points	5 points	6 points	7 points	8 points	9 points	10 points
TOTAL									
LINEAR	Average Loss Ratio	0.8351	0.9826	0.8411	1.0047	0.9018	0.8316	0.7392	0.6717
	Trended Loss Ratio	(0.6579)	(0.4723)	0.7269	0.1733	0.7907	1.0517	1.2885	1.3734
EXPONENTIAL	Trended Loss Ratio	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!