

DELAWARE COMPENSATION RATING BUREAU, INC.

Delaware Workplace Safety Program and Merit Rating Plan

Effective July 1, 1999, a revised Workplace Safety Program was introduced in the State of Delaware. All experience rated risks are eligible to participate, removing the previously imposed upper limit of \$60,000. The credit is equal to 20% of the complement of their experience rating plan credibility. Page 29.1 shows Workplace Safety Program data for eligible and participating risks under the new program.

Also effective July 1, 1999, a Merit Rating Plan was established in the State of Delaware. This Plan is for risks not eligible for Experience Rating. In order to qualify for a Merit Rating discount, a risk must have no indemnity claims during the last three completed policy periods. The program is revenue neutral with one indemnity claim and the risk receives a surcharge for two or more indemnity claims.

Page 29.2 shows the surcharge to manual residual market rates and voluntary market loss costs for the Merit Rating Plan and Workplace Safety Program.

DELAWARE COMPENSATION RATING BUREAU, INC.

**DELAWARE WORKPLACE SAFETY PROGRAM
RATING YEAR 2011**

Policy Size		Participating				Eligible		% Participating	
From	To	# Risks	Std Premium	Credit	% Credit	# Risks	Std Premium	# Risks	SEP
3,161	5,000	144	591,135	112,313	19.0%	1,273	5,101,469	11.3%	11.6%
5,001	7,500	166	1,041,469	197,699	19.0%	1,003	6,215,866	16.6%	16.8%
7,501	10,000	135	1,168,713	219,205	18.8%	596	5,128,746	22.7%	22.8%
10,001	12,500	110	1,243,195	228,609	18.4%	397	4,462,664	27.7%	27.9%
12,501	15,000	95	1,285,062	232,850	18.1%	289	3,931,298	32.9%	32.7%
15,001	17,500	73	1,185,819	211,006	17.8%	240	3,879,384	30.4%	30.6%
17,501	20,000	64	1,201,020	210,363	17.5%	179	3,350,011	35.8%	35.9%
20,001	25,000	90	1,998,930	341,711	17.1%	231	5,143,203	39.0%	38.9%
25,001	30,000	81	2,225,800	368,682	16.6%	194	5,318,094	41.8%	41.9%
30,001	35,000	56	1,816,044	291,586	16.1%	121	3,915,259	46.3%	46.4%
35,001	40,000	44	1,646,440	257,624	15.6%	114	4,266,102	38.6%	38.6%
40,001	45,000	36	1,530,364	231,829	15.1%	89	3,775,178	40.4%	40.5%
45,001	50,000	31	1,475,626	220,972	15.0%	76	3,617,435	40.8%	40.8%
50,001	55,000	28	1,466,317	214,109	14.6%	58	3,040,299	48.3%	48.2%
55,001	60,000	32	1,833,541	262,107	14.3%	70	4,023,788	45.7%	45.6%
60,001	70,000	35	2,263,157	306,495	13.5%	78	5,079,909	44.9%	44.6%
70,001	80,000	28	2,110,897	272,937	12.9%	74	5,561,825	37.8%	38.0%
80,001	90,000	22	1,863,444	240,989	12.9%	47	3,977,315	46.8%	46.9%
90,001	100,000	14	1,333,650	153,267	11.5%	41	3,877,804	34.1%	34.4%
100,001	200,000	84	11,944,162	1,225,193	10.3%	202	28,270,645	41.6%	42.2%
200,001	300,000	26	6,433,241	501,502	7.8%	70	17,169,676	37.1%	37.5%
300,001	400,000	6	2,191,734	166,651	7.6%	30	10,218,845	20.0%	21.4%
400,001	500,000	3	1,362,150	111,699	8.2%	15	6,603,315	20.0%	20.6%
500,001	1,000,000	11	7,576,325	357,422	4.7%	35	22,650,130	31.4%	33.4%
1,000,001	& higher	3	3,511,184	116,038	3.3%	25	41,344,840	12.0%	8.5%
3,161	60,000	1,185	21,709,475	3,600,665	16.6%	4,930	65,168,796	24.0%	33.3%
60,001	& higher	232	40,589,944	3,452,193	8.5%	617	144,754,304	37.6%	28.0%
Grand Total		1,417	62,299,419	7,052,858	11.3%	5,547	209,923,100	25.5%	29.7%

Average Credit - All Eligible Risks

3.36%

Delaware Compensation Rating Bureau, Inc.

Offset for Merit Rating Plan and Workplace Safety Program - December 1, 2012

Risk Type	Manual Premium	Merit Rating Adjustment	%	Workplace Safety Adjustment	%	Combined Adjustment	%
Non-Rated Risks							
1. Not Qualified for MRP	5,570,889	-	0.00%			-	0.00%
2. Qualified for MRP Discount	6,844,460	(342,229)	-5.00%			(342,229)	-5.00%
3. Qualified for MRP No Adjustment	489,301	-	0.00%			-	0.00%
4. Qualified for MRP Surcharge	271,586	13,581	5.00%			13,581	5.00%
Total Non-Rated Risks	13,176,236	(328,648)	-2.49%			(328,648)	-2.49%
Experience Rated Risks	163,559,286			(5,495,592)	-3.36%	(5,495,592)	-3.36%
All Risks	176,735,522	(328,648)	-0.19%	(5,495,592)	-3.11%	(5,824,240)	-3.30%
Adjustment to Manual Premium *							3.41% *

* .0341 = 176,735,522 / (176,735,522-5,824,240) - 1.0