

Delaware Compensation Rating Bureau, Inc.



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November 13, 2015

VIA E-MAIL & OVERNIGHT DELIVERY

The Honorable Karen Weldin-Stewart, CIR-ML
Insurance Commissioner
Department of Insurance
State of Delaware
841 Silver Lake Boulevard
Dover, DE 19904-2465

Attention: W. Harding Drane

RE: Amendment to DCRB Filing No. 1502
Workers Compensation Residual Market Rate and Voluntary Market Loss Cost
Filing
Proposed Effective December 1, 2015

Dear Commissioner Weldin-Stewart:

Consistent with discussions held between representatives of the Insurance Department, the Ratepayer Advocate and the Delaware Compensation Rating Bureau, Inc. (DCRB), I am hereby filing revisions to residual market rates and voluntary market loss costs on behalf of the members of the DCRB. This filing amends and supersedes our original submission of DCRB Filing No. 1502.

The schedules of rating values presented herewith reflect overall average increases of 7.09 percent in residual market rates and 7.20 percent in voluntary market loss costs. These changes, which differ from DCRB Filing No. 1502's original proposals (overall average increases of 14.92 percent in residual market rates and 15.03 percent in voluntary market loss costs), were arrived at following discussions between the Insurance Department, the Ratepayer Advocate and the DCRB.

But for the values presented herewith as being additions to or revisions from the original form of DCRB Filing No. 1502, all other components of DCRB Filing No. 1502, as originally filed, are incorporated herein by reference.

The exhibits being submitted with this amendment to DCRB Filing No. 1502 reflect adjustments to rating values arising from a compromise between the DCRB, the Insurance Department and the Ratepayer Advocate concerning the rating value changes indicated by the DCRB's analysis of the most current available experience. Thus, the following exhibits, reflecting revisions to originally filed documents, are included as follows:

- Summary of Material for Modification of Experience - Brown Book
- Exhibit 12 Indicated Residual Market Rate Change
- Exhibit 20 Review of Experience Rating Plan Parameters
- Exhibit 27 Manual Rates, Loss Costs and Expected Loss Rates
- Exhibit 28 Index to Classification Exhibits
- Class Book
- Exhibit 30 Distribution of Residual Market Rate Changes and Classifications with Proposed Capped Changes
- Exhibit 31a Summary of Indicated and Proposed Residual Market Rates by Class Code
- Exhibit 31b Summary of Indicated and Proposed Residual Market Rates by Percentage Change

Other completed Property & Casualty Filing Forms provided in support of this filing are enclosed as described below:

- Filing Fee Form
- State Specific Requirements
- Property & Casualty Transmittal Document
- Property & Casualty Rate / Rule Filing Schedule

The DCRB looks forward to a prompt approval of this amendment to DCRB Filing No. 1502 and would welcome any questions that you or your staff may have about this matter.

Sincerely,



William V. Taylor
President

Enclosures

- C: Ann Lyon, Delaware Insurance Department
Allan Becker, INS Consultants, Inc. (electronic copy only)
Bob Gardner, INS Consultants, Inc. (electronic copy only)
David Macesic, INS Consultants, Inc. (electronic copy only)
Christopher Tait, Milliman, Inc. (electronic copy only)
Allan I. Schwartz, AIS Risk Consultants, Inc. (electronic copy only)
Fred Townsend, Ratepayer Advocate (electronic copy only)
Kathleen Makowski, DAG, c/o Delaware Insurance Department (*electronic copy only*)
Seth Cooley, Duane Morris LLP (*electronic copy only*)