

Delaware Compensation Rating Bureau, Inc.



United Plaza Building • Suite 1500
30 South 17th Street
Philadelphia, PA 19103-4007
(302) 654-1435 (215) 568-2371
FAX (215) 564-4328
www.dcrb.com

October 12, 2016

VIA SERFF

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: DCRB Amended Filing No. 1603
Workers Compensation Residual Market Rate and Voluntary Market Loss Cost
Filing
Proposed Effective December 1, 2016

Dear Commissioner Weldin-Stewart:

Consistent with discussions held between representatives of the Department of Insurance, the Ratepayer Advocate and the Delaware Compensation Rating Bureau, Inc. (DCRB), I am submitting Amended Filing No. 1603 containing 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 in Filing No. 1603.

The rating values presented in this amended filing reflect changes by class code with overall average impacts of 0.0% for collectible residual market rates and 0.0% for collectible voluntary market loss costs. These changes, which differ from the proposed changes in the original Filing No. 1603 (overall average increases of 3.18% in residual market rates and 1.68% in voluntary market loss costs), resulted from discussions between the Department of Insurance, the Ratepayer Advocate and the DCRB.

With this amended filing, and only for this filing, the DCRB has agreed to disregard its standard adjustment from the indicated residual market rate change to calculate the indicated voluntary market loss cost change. Our practice has been to calculate a factor that reflects the change in the level of expenses underlying residual market rates. The factor is then used in the determination of the indicated change in voluntary market loss costs. The factor used for the adjustment, as originally filed, was 0.9855. This amended filing makes a one-time exception to the standard adjustment and ignores this factor. As a result, the overall changes for both markets are the same.

This amended filing presents revised exhibits that replace those submitted with the original filing. All other exhibits in original Filing No. 1603 are incorporated in Amended Filing No. 1603 by reference. In addition to this SERFF submission, the revised exhibits will be available on the DCRB's website: www.dcrb.com.

The revised exhibits are 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:

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

The DCRB looks forward to a prompt approval of Amended Filing No. 1603 and welcomes any questions that you or your staff may have about this matter.

Sincerely,



William V. Taylor
President

Attachments

cc (by email):

Allan Becker, INS Consultants, Inc.
Mike Morro, INS Consultants, Inc.
David Macesic, INS Consultants, Inc.
David Heppen, Risk & Regulatory Consulting, LLC
Deborah Rosenberg, Risk & Regulatory Consulting, LLC
Allan I. Schwartz, AIS Risk Consultants, Inc.
Fred Townsend, Ratepayer Advocate
Seth Cooley, Duane Morris LLP