

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 10/1/21 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 12/1/20 - 12/1/21	0.3828	0.1814	0.5641
(2) Credibility	0.0500	0.0500	
(3) Loss Ratio Underlying Current Rates Trended at 0.0% to 12/1/21	0.3793	0.2227	0.6020
(4) Credibility Weighted Trended Loss Ratio (1)*(2) + (3)*[1.0-(2)]	0.3795	0.2206	0.6001
(5) Ratio of Loss Adjustment Expense (LAE) to Loss *	0.2351	0.2351	0.2351
(6) Trended Policy Year Loss and Loss Adjustment Ratio (4)*(1.0+(5))	0.4687	0.2725	0.7412
(7) Permissible Loss and Loss Adjustment Ratio			0.6960
(8) Indicated Change in Rates (6) / (7)			1.0649
(9) Estimated Effect of the 10/1/21 Benefit Change			1.0004
(10) Indicated Change in Overall Rate Level (8) * (9)			1.0653 6.53%
(11) Change in Voluntary Market Loss Costs (10) * [0.7377 / 0.7743]			1.0149 1.49%

INDICATED CHANGE IN MANUAL LEVEL

	Total
(12) Current Collectible Premium Ratio	0.9697
(13) Proposed Collectible Premium Ratio	0.9693
(14) Indicated Change in Manual Rate Level [(10) * (13)] / (12)	1.0649
(15) Indicated Change in Voluntary Market Manual Loss Cost Level (11) * [(13) / (12)]	1.0145

* The LAE ratio was calculated as an average of the prior value in the F-Class filing effective 6/1/18 (0.2087) and the indicated LAE ratio in the pending Delaware state act filing (0.2614). In prior filings, the Delaware state act LAE ratio was typically selected.