



October 7, 2020

DCRB CIRCULAR NO. 987

To All Members of the DCRB:

RE: F-CLASSIFICATION FILING
PROPOSED EFFECTIVE DECEMBER 1, 2020
DCRB FILING NO. 2008

The DCRB submitted a rating value filing to the Delaware Insurance Department intended for Delaware F-Classifications with a proposed effective date of December 1, 2020. That filing, DCRB Filing No. 2008, proposes an overall increase in collectible rate level of 6.53 percent in residual market rates and an overall increase of 1.49 percent for the voluntary market loss costs.

As part of this filing, the United States Harbor Workers' Compensation Coverage Percentage is proposed to increase to 110.36 percent effective December 1, 2020. The tax multiplier applicable to F-Classification business is proposed to change from 1.1287 to 1.1193.

Once DCRB Filing No. 2008 has been adjudicated and approved, each licensed Delaware carrier will be required to make a filing for a loss cost multiplier, rates and/or other related rating values with the Department of Insurance. This requirement will apply even if a carrier intends to retain its current pricing values and programs intact. Accordingly, in order to preserve the desired and possibly necessary flexibility in pricing Delaware workers compensation policies, it is strongly recommended that all policies issued with effective dates on and after December 1, 2020 be qualified as carrying tentative rates, using the Pending Rate Change Endorsement, WC 00 04 04, for this purpose. Any policies issued at current rates or on a "to-be-determined" basis for which approved rating values are changed as a result of DCRB Filing No. 2008 and/or any subsequent carrier filing(s) must be endorsed subsequently with the new carrier rates.

The complete filing package for DCRB Filing No. 2008 is available at www.dcrb.com in the "Filings" section of the website.

Members and other interested parties are encouraged to use the website to access all parts of the filing package for informational purposes.

Attached for immediate reference are tables of current and proposed December 1, 2020 F-Classification rating values.

Questions concerning this filing should be directed to Brent Otto, Vice President of Actuarial Services and Chief Actuary at botto@dcrb.com, or to Ken Creighton, Director of Actuarial Services at kcreighton@dcrb.com.

William V. Taylor
President

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Attachment

Remember to visit our web site at www.dcrb.com for more information about this and other topics.

DELAWARE WORKERS COMPENSATION MANUAL

SECTION 2

CLASSIFICATIONS & RATING VALUES

EFFECTIVE DATE: ~~JUNE 1, 2018~~ DECEMBER 1, 2020

MISCELLANEOUS VALUES

United States Longshore and Harbor Workers Compensation Premium Discount Percentages. The following premium discounts are applicable to Standard Premiums:

Total Workers Compensation Standard Premium		
First	\$ 10,000	None
Next	\$ 190,000	9.1%
Next	\$ 1,550,000	11.3%
Over	\$ 1,750,000	12.3%

**DELAWARE
UNITED STATES LONGSHORE AND HARBOR WORKERS RATES
MANUAL RATES, LOSS COSTS AND EXPECTED LOSS RATES**

Code No.	Assigned Risk Rates	Loss Costs	Min. Prem.	Experience Rating Plan Expected Loss Rate Table*			Hazard Group A-G
				A-1	A-2	A-3	
6824F	<u>6.939.08</u>	<u>5.366.70</u>	<u>2,130-2,860</u>	<u>2.954.03</u>	<u>2.954.03</u>	<u>2.954.03</u>	F
6826F	<u>7.047.93</u>	<u>5.435.85</u>	<u>2,155-2,540</u>	<u>2.993.52</u>	<u>2.993.52</u>	<u>2.993.52</u>	E
6843F	<u>7.889.99</u>	<u>6.107.37</u>	<u>2,385-3,000</u>	<u>3.364.43</u>	<u>3.364.43</u>	<u>3.364.43</u>	G
6872F	<u>9.92-12.37</u>	<u>7.689.13</u>	<u>2,925-3,000</u>	<u>4.235.49</u>	<u>4.2353.49</u>	<u>4.235.49</u>	G
7309F	<u>27.62-28.41</u>	<u>21.39-20.96</u>	3,000	<u>11.77-12.61</u>	<u>11.77-12.61</u>	<u>11.77-12.61</u>	G
7313F	<u>10.04-10.38</u>	<u>7.777.66</u>	<u>2,955-3,000</u>	<u>4.284.61</u>	<u>4.284.61</u>	<u>4.284.61</u>	G
7317F	<u>21.34-21.98</u>	<u>16.52-16.21</u>	3,000	<u>9.109.75</u>	<u>9.109.75</u>	<u>9.109.75</u>	G
7327F	<u>11.39-14.92</u>	<u>8.82-11.01</u>	3,000	<u>4.866.62</u>	<u>4.866.62</u>	<u>4.866.62</u>	G
7366F	<u>5.34-7.00</u>	<u>4.145.16</u>	<u>1,710-2,280</u>	<u>2.283.11</u>	<u>2.283.11</u>	<u>2.283.11</u>	G
8709F	<u>2.14-2.80</u>	<u>1.65-2.07</u>	<u>860-1,105</u>	<u>0.941.24</u>	<u>0.941.24</u>	<u>0.941.24</u>	G
8726F	<u>2.90-3.37</u>	<u>2.24-2.49</u>	<u>1,065-1,265</u>	<u>1.241.50</u>	<u>1.241.50</u>	<u>1.241.50</u>	E

* Table A-1 applies to the most current policy year, Table A-2 to the first prior policy year, and Table A-3 to the second prior policy year.

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with Rule XII..... ~~105.34~~110.36% (~~2.053~~42.1036 X Carrier Rate)

USL&H Expense Constant..... ~~\$295~~320

The Residual Market Expense Constant is..... ~~\$295~~320

DELAWARE WORKERS COMPENSATION MANUAL

SECTION 2

CLASSIFICATIONS & RATING VALUES

EFFECTIVE DATE: ~~JUNE 1, 2018~~DECEMBER 1, 2020

UNITED STATES LONGSHORE AND HARBOR WORKERS' ACT

Tax Multiplier for coverage developed on classifications providing U.S.L. benefits.....~~4.1287~~1.1193