

DELAWARE COMPENSATION RATING BUREAU, INC.

Closure Rates, Payout Ratios and Average Claim Costs

Page 1 lists the indemnity closure rates - the ratio of number of claims closed to number of claims reported - by policy year and report level. Page 2 lists the claim frequency per \$1,000,000 of payroll - the ratio of number of indemnity claims reported to payroll. These values are taken from the unit statistical data.

Pages 3 thru 6 list the ratios of reported paid losses to incurred losses, by policy year and maturity level separately for indemnity and medical losses. Pages 3 and 4 relate paid losses to reported case incurred losses. Losses on page 3 are unlimited and losses on page 4 are limited. Pages 5 and 6 relate payments to projected ultimate incurred losses with ultimate losses derived using the average of paid and incurred methods for indemnity and medical which is the basis for staff loss development projections in this proposal. Losses on page 5 are unlimited and losses on page 6 are limited.

Pages 7 and 8 show the average costs for open, closed and incurred claims by policy year and report level. Page 7 is for indemnity and page 8 is for medical on indemnity. These values are calculated from the unit statistical data.

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIO OF NUMBER OF CLOSED INDEMNITY CLAIMS
TO NUMBER OF REPORTED INDEMNITY CLAIMS

POLICY	YEAR	FIRST	SECOND	THIRD	FOURTH	FIFTH
	78					0.9573
	79				0.9474	0.9572
	80			0.9321	0.9461	0.9547
	81		0.8926	0.9163	0.9316	0.9414
	82	0.7860	0.8779	0.9113	0.9338	0.9410
	83	0.7957	0.8713	0.9048	0.9327	0.9460
	84	0.7811	0.8702	0.9067	0.9231	0.9378
	85	0.7365	0.8522	0.8890	0.9209	0.9370
	86	0.7785	0.8690	0.9127	0.9396	0.9530
	87	0.7513	0.8633	0.9028	0.9282	0.9455
	88	0.7354	0.8509	0.8926	0.9252	0.9504
	89	0.7330	0.8203	0.8812	0.9229	0.9372
	90	0.7081	0.8195	0.8821	0.9146	0.9412
	91	0.7112	0.8172	0.8748	0.9139	0.9417
	92	0.6885	0.8068	0.8738	0.9192	0.9464
	93	0.6565	0.7963	0.8657	0.9105	0.9356
	94	0.6688	0.7978	0.8823	0.9240	0.9435
	95	0.6468	0.7913	0.8754	0.9172	0.9433
	96	0.6411	0.7958	0.8736	0.9118	0.9329
	97	0.6591	0.8109	0.8766	0.9203	0.9399
	98	0.6369	0.8076	0.8775	0.9086	
	99	0.6061	0.7808	0.8582		
	00	0.6109	0.7717			
	01	0.5948				

DELAWARE COMPENSATION RATING BUREAU, INC.

CLAIM FREQUENCY PER \$1,000,000 OF PAYROLL

POLICY					
YEAR	FIRST	SECOND	THIRD	FOURTH	FIFTH
1991	0.7938	0.8017	0.8059	0.7991	0.7987
1992	0.7367	0.7463	0.7486	0.7447	0.7492
1993	0.7488	0.7534	0.7573	0.7571	0.7534
1994	0.6825	0.6910	0.6951	0.6904	0.6910
1995	0.6295	0.6598	0.6448	0.6430	0.6430
1996	0.5828	0.5908	0.5948	0.5959	0.5971
1997	0.5165	0.5304	0.5347	0.5369	0.5369
1998	0.4478	0.4574	0.4594	0.4599	
1999	0.4441	0.4526	0.4552		
2000	0.4083	0.4190			
2001	0.3364				

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIO OF PAID LOSSES TO REPORTED INCURRED LOSSES - UNLIMITED LOSSES

Policy Year	Maturity (in months)																							
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252			
INDEMNITY																								
Prior																					0.9375	0.9372	0.9509	NA
1983																	0.8996	0.9171	0.9229	0.9415	0.9455			
1984																0.9319	0.9392	0.9139	0.9367	0.9387				
1985															0.9252	0.9411	0.9318	0.9520	0.9604					
1986														0.9049	0.9153	0.9151	0.9190	0.9137						
1987													0.9393	0.9448	0.9512	0.9553	0.9646							
1988										0.9241	0.9250	0.9271	0.9320	0.8888										
1989									0.9290	0.9486	0.9393	0.9313	0.9588											
1990								0.9333	0.9426	0.8978	0.9255	0.9221												
1991								0.9184	0.9244	0.9340	0.9324	0.9352												
1992								0.9201	0.9046	0.9263	0.9274	0.9316												
1993							0.8297	0.8532	0.8917	0.9027	0.9187													
1994						0.8374	0.8420	0.8530	0.8885	0.9238														
1995					0.8156	0.8686	0.8867	0.8875	0.8761															
1996				0.6919	0.7657	0.8259	0.8781	0.8896																
1997			0.5999	0.7203	0.8199	0.8584	0.8574																	
1998		0.4424	0.6543	0.8087	0.8493	0.8663																		
1999	0.2848	0.4416	0.6269	0.7237	0.8294																			
2000	0.3038	0.4091	0.5596	0.6674																				
2001	0.2576	0.4021	0.5682																					
2002	0.2179	0.3831																						
2003	0.2460																							

MEDICAL																								
Prior																					0.9388	0.9563	0.9586	NA
1983																	0.9476	0.9373	0.9411	0.9578	0.9645			
1984																0.7557	0.7657	0.7649	0.7749	0.7787				
1985															0.8472	0.8509	0.8567	0.8693	0.8803					
1986													0.9283	0.9287	0.9408	0.9381	0.9309							
1987													0.8852	0.8790	0.9056	0.9021	0.9346							
1988										0.9764	0.9750	0.9716	0.9755	0.9148										
1989									0.8875	0.8939	0.8823	0.8797	0.8675											
1990									0.9628	0.9542	0.9572	0.9499	0.9218											
1991									0.9378	0.9502	0.9478	0.9399	0.9307											
1992								0.8120	0.8166	0.8226	0.8201	0.8216												
1993							0.9009	0.8992	0.9020	0.9069	0.8766													
1994						0.9414	0.9450	0.9329	0.9072	0.8984														
1995					0.9068	0.9050	0.9011	0.9082	0.8311															
1996				0.8688	0.8928	0.8918	0.8712	0.8598																
1997			0.8432	0.8925	0.9073	0.9086	0.8509																	
1998		0.6834	0.8196	0.8547	0.8737	0.8898																		
1999	0.4728	0.7431	0.8638	0.8880	0.8916																			
2000	0.3244	0.7029	0.8177	0.8208																				
2001	0.3301	0.7014	0.8201																					
2002	0.3186	0.5201																						
2003	0.4739																							

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIO OF PAID LOSSES TO REPORTED INCURRED LOSSES - LIMITED LOSSES

Policy Year	Maturity (in months)																					
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228	240	252	
INDEMNITY																						
Prior																			0.9458	0.9456	0.9601	NA
1983																	0.9231	0.9317	0.9300	0.9502	0.9547	
1984																0.9593	0.9622	0.9479	0.9745	0.9831		
1985															0.9663	0.9901	0.9777	0.9939	0.9977			
1986														0.9145	0.9185	0.9209	0.9303	0.9287				
1987													0.9455	0.9521	0.9588	0.9647	0.9740					
1988												0.9274	0.9284	0.9364	0.9373	0.8980						
1989											0.9462	0.9570	0.9534	0.9470	0.9782							
1990										0.9572	0.9684	0.9514	0.9645	0.9371								
1991									0.9234	0.9290	0.9430	0.9441	0.9524									
1992								0.9586	0.9329	0.9455	0.9480	0.9596										
1993							0.8606	0.8867	0.9239	0.9254	0.9269											
1994						0.8374	0.8420	0.8530	0.8885	0.9237												
1995					0.8353	0.8871	0.9033	0.9020	0.8931													
1996				0.6979	0.7657	0.8259	0.8781	0.8896														
1997			0.6067	0.7268	0.8197	0.8583	0.8598															
1998		0.4424	0.6547	0.8091	0.8511	0.8680																
1999	0.2848	0.4782	0.6679	0.7549	0.8274																	
2000	0.3181	0.4091	0.5596	0.6688																		
2001	0.2647	0.4021	0.5682																			
2002	0.2382	0.4193																				
2003	0.2623																					
MEDICAL																						
Prior																			0.9669	0.9705	0.9728	NA
1983																	0.9600	0.9498	0.9535	0.9578	0.9647	
1984																0.9655	0.9617	0.9644	0.9744	0.9663		
1985															0.9751	0.9716	0.9710	0.9927	0.9959			
1986														0.9597	0.9556	0.9644	0.9651	0.9622				
1987													0.9490	0.9411	0.9429	0.9464	0.9486					
1988												0.9822	0.9801	0.9786	0.9852	0.9757						
1989											0.9568	0.9644	0.9584	0.9575	0.9495							
1990										0.9654	0.9572	0.9620	0.9560	0.9360								
1991									0.9431	0.9517	0.9520	0.9451	0.9456									
1992								0.9626	0.9589	0.9549	0.9612	0.9518										
1993							0.9424	0.9421	0.9458	0.9379	0.9063											
1994						0.9414	0.9450	0.9329	0.9290	0.9266												
1995					0.9268	0.9290	0.9227	0.9187	0.9014													
1996				0.8761	0.8928	0.8918	0.8712	0.8598														
1997			0.8579	0.9012	0.9047	0.9061	0.8530															
1998		0.6834	0.8212	0.8564	0.8766	0.8926																
1999	0.4728	0.7395	0.8627	0.8946	0.9005																	
2000	0.3889	0.7029	0.8177	0.8244																		
2001	0.4053	0.7014	0.8201																			
2002	0.3611	0.6683																				
2003	0.4644																					

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIOS OF REPORTED PAID LOSSES TO PROJECTED ULTIMATE INCURRED LOSSES - UNLIMITED LOSSES

INDEMNITY - AVERAGE OF INCURRED AND PAID TO 20th

Policy Year	Maturity (in months)																		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228
1985															0.9029	0.9138	0.9214	0.9282	0.9385
1986														0.8713	0.8890	0.8969	0.9049	0.9105	
1987													0.9038	0.9100	0.9147	0.9200	0.9291		
1988												0.8527	0.8581	0.8656	0.8797	0.8849			
1989											0.8631	0.8800	0.8927	0.9059	0.9108				
1990										0.8376	0.8507	0.8755	0.8795	0.8842					
1991									0.8242	0.8408	0.8530	0.8626	0.8803						
1992								0.8148	0.8288	0.8492	0.8597	0.8675							
1993							0.7387	0.7782	0.8103	0.8246	0.8493								
1994						0.7307	0.7625	0.7801	0.8109	0.8379									
1995					0.6704	0.7281	0.7549	0.7824	0.8007										
1996				0.5501	0.6421	0.7021	0.7656	0.7887											
1997			0.4037	0.5548	0.6430	0.6867	0.7521												
1998		0.2493	0.4470	0.5939	0.6638	0.7263													
1999	0.0593	0.2230	0.4003	0.5686	0.6688														
2000	0.0483	0.2013	0.3907	0.5392															
2001	0.0430	0.1929	0.3991																
2002	0.0399	0.2048																	

MEDICAL - AVERAGE OF INCURRED AND PAID TO 20th

Policy Year	Maturity (in months)																		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228
1985															0.7152	0.7261	0.7346	0.7484	0.7628
1986														0.7383	0.7488	0.7560	0.7647	0.7766	
1987														0.7265	0.7343	0.7446	0.7545	0.7693	
1988												0.7095	0.7158	0.7236	0.7366	0.7515			
1989											0.6746	0.6844	0.6940	0.7090	0.7215				
1990										0.7034	0.7146	0.7208	0.7285	0.7320					
1991									0.6904	0.6980	0.7044	0.7151	0.7229						
1992								0.5938	0.6116	0.6279	0.6466	0.6660							
1993							0.6298	0.6444	0.6567	0.6619	0.6744								
1994						0.6053	0.6163	0.6337	0.6549	0.6676									
1995					0.5499	0.5690	0.5837	0.5995	0.6255										
1996				0.5212	0.5506	0.5735	0.6001	0.6191											
1997			0.4460	0.5096	0.5367	0.5671	0.5965												
1998		0.3629	0.4803	0.5235	0.5553	0.5881													
1999	0.0979	0.3451	0.4622	0.5245	0.5620														
2000	0.0618	0.3011	0.4290	0.5047															
2001	0.0811	0.3242	0.4546																
2002	0.0638	0.2801																	

DELAWARE COMPENSATION RATING BUREAU, INC.

RATIOS OF REPORTED PAID LOSSES TO PROJECTED ULTIMATE INCURRED LOSSES - LIMITED LOSSES

INDEMNITY - AVERAGE OF INCURRED AND PAID TO 20th

Policy Year	Maturity (in months)																		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228
1985															0.9380	0.9475	0.9519	0.9550	0.9612
1986														0.8905	0.9062	0.9133	0.9204	0.9242	
1987														0.9182	0.9241	0.9283	0.9332	0.9418	
1988												0.8683	0.8729	0.8800	0.8942	0.8992			
1989											0.8879	0.9042	0.9163	0.9285	0.9322				
1990										0.8759	0.8890	0.8971	0.9011	0.9056					
1991									0.8474	0.8646	0.8771	0.8869	0.9048						
1992								0.8559	0.8703	0.8866	0.8947	0.8990							
1993								0.7697	0.8092	0.8406	0.8530	0.8734							
1994						0.7502	0.7829	0.8010	0.8326	0.8598									
1995					0.7045	0.7644	0.7892	0.8151	0.8313										
1996				0.5665	0.6612	0.7230	0.7884	0.8122											
1997			0.4166	0.5723	0.6634	0.7086	0.7761												
1998		0.2571	0.4610	0.6126	0.6846	0.7490													
1999	0.0618	0.2323	0.4169	0.5828	0.6870														
2000	0.0495	0.2064	0.4007	0.5529															
2001	0.0439	0.1973	0.4082																
2002	0.0427	0.2192																	

MEDICAL - AVERAGE OF INCURRED AND PAID TO 20th

Policy Year	Maturity (in months)																		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228
1985															0.8481	0.8540	0.8564	0.8617	0.8694
1986														0.8152	0.8251	0.8317	0.8398	0.8489	
1987														0.8028	0.8080	0.8160	0.8223	0.8360	
1988												0.7949	0.8011	0.8090	0.8233	0.8394			
1989											0.7809	0.7879	0.7948	0.8088	0.8196				
1990										0.7743	0.7862	0.7925	0.8006	0.8041					
1991									0.7619	0.7702	0.7774	0.7891	0.7974						
1992								0.7219	0.7406	0.7554	0.7728	0.7881							
1993								0.7140	0.7291	0.7409	0.7446	0.7562							
1994						0.6811	0.6935	0.7131	0.7370	0.7504									
1995					0.6470	0.6693	0.6835	0.6984	0.7243										
1996				0.5805	0.6132	0.6387	0.6683	0.6896											
1997			0.4985	0.5671	0.5982	0.6332	0.6670												
1998		0.4068	0.5383	0.5868	0.6224	0.6593													
1999	0.1140	0.3941	0.5296	0.5885	0.6331														
2000	0.0695	0.3386	0.4824	0.5676															
2001	0.0912	0.3648	0.5114																
2002	0.0829	0.3636																	

DELAWARE COMPENSATION RATING BUREAU, INC.

AVERAGE CLOSED, OPEN & INCURRED INDEMNITY CLAIMS

<u>POLICY YEAR</u>	<u>AVERAGE CLOSED</u>	<u>% CHANGE</u>	<u>AVERAGE OPEN</u>	<u>% CHANGE</u>	<u>AVERAGE INCURRED</u>	<u>% CHANGE</u>
*****	*****	*****	FIRST REPORT	*****	*****	*****
94	1,083		16,889		6,317	
95	1,309	20.87%	15,975	-5.41%	6,489	2.72%
96	1,427	9.01%	17,444	9.20%	7,175	10.57%
97	1,430	0.21%	15,546	-10.88%	6,242	-13.00%
98	1,610	12.59%	16,068	3.36%	6,860	9.90%
99	1,764	9.57%	17,339	7.91%	7,899	15.15%
00	1,847	4.71%	19,402	11.90%	8,678	9.86%
01	2,123	14.94%	22,033	13.56%	10,190	17.42%
*****	*****	*****	SECOND REPORT	*****	*****	*****
93	2,131		32,631		8,342	
94	2,238	5.02%	30,070	-7.85%	7,866	-5.71%
95	2,640	17.96%	29,335	-2.44%	8,210	4.37%
96	3,036	15.00%	32,189	9.73%	8,990	9.50%
97	2,982	-1.78%	31,516	-2.09%	8,379	-6.80%
98	3,180	6.64%	30,158	-4.31%	8,369	-0.12%
99	3,612	13.58%	34,978	15.98%	10,488	25.32%
00	3,746	3.71%	40,700	16.36%	12,182	16.15%
*****	*****	*****	THIRD REPORT	*****	*****	*****
92	3,213		45,445		8,542	
93	3,764	17.15%	44,438	-2.22%	9,226	8.01%
94	3,936	4.57%	42,104	-5.25%	8,428	-8.65%
95	4,400	11.79%	45,626	8.37%	9,538	13.17%
96	4,453	1.20%	47,618	4.37%	9,910	3.90%
97	4,500	1.06%	45,906	-3.60%	9,610	-3.03%
98	4,488	-0.27%	45,959	0.12%	9,567	-0.45%
99	5,136	14.44%	51,898	12.92%	11,769	23.02%
*****	*****	*****	FOURTH REPORT	*****	*****	*****
91	4,226		61,995		9,199	
92	4,403	4.19%	59,053	-4.75%	8,817	-4.15%
93	5,003	13.63%	58,738	-0.53%	9,815	11.32%
94	4,805	-3.96%	57,942	-1.36%	8,843	-9.90%
95	5,257	9.41%	61,310	5.81%	9,896	11.91%
96	5,601	6.54%	60,486	-1.34%	10,439	5.49%
97	5,872	4.84%	55,610	-8.06%	9,837	-5.77%
98	5,446	-7.25%	59,322	6.68%	10,371	5.43%
*****	*****	*****	FIFTH REPORT	*****	*****	*****
90	4,765		70,949		8,655	
91	5,313	11.50%	73,955	4.24%	9,318	7.66%
92	5,008	-5.74%	75,562	2.17%	8,787	-5.70%
93	5,803	15.87%	73,518	-2.71%	10,163	15.66%
94	5,513	-5.00%	68,371	-7.00%	9,066	-10.79%
95	6,001	8.85%	79,273	15.95%	10,152	11.98%
96	6,370	6.15%	69,747	-12.02%	10,622	4.63%
97	6,583	3.34%	65,683	-5.83%	10,132	-4.61%

SOURCE: UNIT STATSTICAL DATA

DELAWARE COMPENSATION RATING BUREAU, INC.

**AVERAGE CLOSED, OPEN & INCURRED MEDICAL CLAIMS
(EXCLUDING "MEDICAL ONLY" CLAIMS)**

<u>POLICY</u> <u>YEAR</u>	<u>AVERAGE</u> <u>CLOSED</u>	<u>%</u> <u>CHANGE</u>	<u>AVERAGE</u> <u>OPEN</u>	<u>%</u> <u>CHANGE</u>	<u>AVERAGE</u> <u>INCURRED</u>	<u>%</u> <u>CHANGE</u>
*****	*****	*****	FIRST REPORT	*****	*****	*****
94	2,110		14,875		6,337	
95	2,426	14.98%	16,119	8.36%	7,262	14.60%
96	2,324	-4.20%	16,245	0.78%	7,320	0.80%
97	2,657	14.33%	16,199	-0.28%	7,274	-0.63%
98	2,632	-0.94%	18,410	13.65%	8,362	14.96%
99	2,927	11.21%	19,591	6.41%	9,491	13.50%
00	3,218	9.94%	18,782	-4.13%	9,275	-2.28%
01	3,818	18.65%	22,976	22.33%	11,581	24.86%
*****	*****	*****	SECOND REPORT	*****	*****	*****
93	3,135		23,749		7,334	
94	3,309	5.55%	22,018	-7.29%	7,092	-3.30%
95	3,510	6.07%	23,994	8.97%	7,784	9.76%
96	3,961	12.85%	26,199	9.19%	8,503	9.24%
97	3,992	0.78%	26,320	0.46%	8,215	-3.39%
98	4,160	4.21%	31,012	17.83%	9,325	13.51%
99	4,554	9.47%	34,701	11.90%	11,163	19.71%
00	4,762	4.57%	35,016	0.91%	11,668	4.52%
*****	*****	*****	THIRD REPORT	*****	*****	*****
92	3,786		41,485		8,543	
93	4,156	9.77%	30,433	-26.64%	7,684	-10.06%
94	4,308	3.66%	28,329	-6.91%	7,135	-7.14%
95	4,739	10.00%	36,035	27.20%	8,639	21.08%
96	4,821	1.73%	39,533	9.71%	9,209	6.60%
97	4,769	-1.08%	37,552	-5.01%	8,815	-4.28%
98	5,282	10.76%	43,591	16.08%	9,974	13.15%
99	6,077	15.05%	46,689	7.11%	11,837	18.68%
*****	*****	*****	FOURTH REPORT	*****	*****	*****
91	4,063		38,905		7,062	
92	4,514	11.10%	53,639	37.87%	8,482	20.11%
93	4,964	9.97%	42,467	-20.83%	8,322	-1.89%
94	4,963	-0.02%	36,753	-13.46%	7,379	-11.33%
95	5,407	8.95%	43,977	19.66%	8,599	16.53%
96	5,677	4.99%	47,181	7.29%	9,336	8.57%
97	6,164	8.58%	43,795	-7.18%	9,164	-1.84%
98	6,258	1.52%	50,927	16.28%	10,341	12.84%
*****	*****	*****	FIFTH REPORT	*****	*****	*****
90	4,008		47,171		6,545	
91	4,621	15.29%	51,161	8.46%	7,336	12.09%
92	4,982	7.81%	75,084	46.76%	8,736	19.08%
93	5,497	10.34%	54,634	-27.24%	8,661	-0.86%
94	5,456	-0.75%	43,799	-19.83%	7,623	-11.98%
95	5,838	7.00%	67,297	53.65%	9,319	22.25%
96	6,267	7.35%	59,416	-11.71%	9,833	5.52%
97	6,572	4.87%	57,550	-3.14%	9,634	-2.02%

SOURCE: UNIT STATSTICAL DATA