

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 10/1/05 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 12/1/04 - 12/01/05	0.3204	0.1385	0.4589
(2) Credibility	0.0500	0.0500	0.0500
(3) Loss Ratio Underlying Current Rates	0.3274	0.2019	0.5293
(4) Credibility Weighted Trended Loss Ratio (1)*(2) + (3)*[1.0-(2)]	0.3271	0.1987	0.5258
(5) Ratio of Loss Adjustment Expense to Loss	0.1296	0.1296	0.1296
(6) Trended Policy Year Loss and Loss Adjustment Ratio (4)*(1.0+(5))	0.3695	0.2245	0.5940
(7) Permissible Loss and Loss Adjustment Ratio			0.6261
(8) Indicated Change in Rates (6) / (7)			0.9487
(9) Estimated Effect of the 10/1/05 Benefit Change			1.0005
(10) Indicated Change in Overall Rate Level (8)*(9)			0.9492
(11) Change in Voluntary Market Loss Costs (10) * [0.7530 / 0.7441]			0.9606

**INDICATED CHANGE IN MANUAL LEVEL**

	<b>Total</b>
(12) Current Collectible Premium Ratio	1.0645
(13) Proposed Collectible Premium Ratio	1.0860
(14) Indicated Change in Manual Rate Level [(10) * (13)] / (12)	0.9684
(15) Indicated Change in Voluntary Market Manual Loss Cost Level (11) * [(13) / (12)]	0.9800