DELAWARE COMPENSATION RATING BUREAU, INC.
F CLASS FILING

ANALYSIS OF EXPERIENCE

The following pages present an analysis of Delaware "F" class experience. The analysis is based on data reported to the Bureau under the Unit Statistical Plan.

Reported Premium and Losses - Pages 1 and 2 present reported standard earned premiums and incurred losses by policy year separately for indemnity (page 1) and medical (page 2). Losses are shown through 10th report which is the latest report currently available under the Unit Statistical Plan.

Indicated Loss Development Factors - Page 3 (indemnity) and page 4 (medical) show age-to-age development factors based on reported losses. An average based on all available data points was calculated and formed the basis for the factors ultimately selected. The process for calculation of selected loss development factors and a tail factor are shown on pages 5 and 6. Factors to ultimate are calculated by compounding the age-to-age and 10th-to-ultimate factors.

Selected Loss Development Factors - Pages 5 (indemnity) and page 6 (medical) show the derivation of selected age-to-age and 10th-to-ultimate development factors. The residuals of all years available average indicated age-to-age development factors from pages 3 and 4 were fitted to a curve of the form $y = a + b/x + c/x^2 + d/x^3$ for indemnity and medical. A value of 1.0000 was selected from 8th to 9th, 9th to 10th and 10th to 11th to ensure a more reasonable shape for the final fitted curve. These factors became the "selected" values on pages 3 and 4.

Loss Ratios - Indemnity and medical ultimate loss ratios are calculated on page 7.

Graphs - Indemnity, medical and total ultimate loss ratio graphs for policy years 1992 through 2001 are shown on page 8.

Trend Summary - An analysis of loss ratio trend is summarized on page 9. Linear trend lines were used to project trended loss ratios for indemnity and medical using combinations of policy years ranging from four to ten points. Exponential curves were also considered but the lack of data points left the results meaningless. Four year average loss ratios, and 0% annual trend, were selected for both indemnity and medical losses. The resulting trended loss ratios are 32.04% for indemnity and 13.85% for medical.

"F" CLASS UNIT STATISTICAL PLAN EXPERIENCE

REPORTED STANDARD EARNED PREMIUM AND INDEMNITY INCURRED LOSSES

Policy Year	Standard Earned Premium	Reported Indemnity Incurred Losses Report Level									
		1	2	3	4	5	6	7	8	9	10
88	879,616		61,333	61,333	67,647	67,647					
89	143,317	137	137	137	137						
90	35,614	0	0	0	0	0		0	0	0	0
91	78,613	0	0	0	0	0	0	0	0	0	0
92	56,087	95,532	127,989	150,623	150,624	132,476	132,476	132,476	132,476	132,476	132,476
93	62,218	0	0	0	0	0	0	0	0	0	
94	165,218	0	0	0	0	0	0	0	0		
95	180,644	79,814	622,787	622,787	83,681	83,681	83,681	83,681			
96	1,320,294	244,297	187,592	149,250	143,642	139,346	139,347				
97	889,932	157,409	165,047	150,694	150,694	150,695					
98	266,646	193,633	255,825	241,623	216,623						
99	271,821	255,451	274,524	132,319							
00	730,367	98,351	93,587								
01	1,683,225	348,057									

DELAWARE COMPENSATION RATING BUREAU

"F" CLASS UNIT STATISTICAL PLAN EXPERIENCE

REPORTED STANDARD EARNED PREMIUM AND MEDICAL INCURRED LOSSES

Policy Year	Standard Earned Premium	Reported Medical Incurred Losses Report Level									
		1	2	3	4	5	6	7	8	9	10
88	879,616		38,201	38,201	38,082	38,082					
89	143,317	300	300	300	300						
90	35,614	0	0	0	0	0	0	0	0	0	0
91	78,613	0	0	0	0	0	0	0	0	0	0
92	56,087	51,599	78,320	86,078	86,079	80,465	80,465	80,465	80,465	80,465	80,465
93	62,218	0	0	0	0	0	0	0	0	0	
94	165,218	0	0	0	0	0	0	0	0		
95	180,644	51,473	53,941	54,788	54,239	54,260	54,830	54,830			
96	1,320,294	101,206	96,782	88,831	98,433	92,113	92,113				
97	889,932	98,501	94,212	71,469	71,469	66,156					
98	266,646	94,774	86,408	80,175	68,507						
99	271,821	156,937	150,452	88,597							
00	730,367	35,653	36,434								
01	1,683,225	142,039									

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"F" CLASS UNIT STATISTICAL PLAN EXPERIENCE

INDEMNITY INCURRED LOSS DEVELOPMENT FACTORS

Age-to-Age Development Factors

Policy Year	1 - 2	2 - 3	3 - 4	4 - 5	Report 5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	10 - ULT
88		1.0000	1.1029	1.0000						
89	1.0000	1.0000	1.0000							
90	*	*	*	*			*			
91	*	*	*	*	*	*	*			
92	****	1.1768	1.0000	0.8795	1.0000	1.0000	1.0000	1.0000	1.0000	
93	*	*	*	*	*	*	*	*		
94	*	*	*	*	*	*	*			
95	7.8030	1.0000	0.1344	1.0000	1.0000	1.0000				
96	0.7679	****	0.9624	0.9701	1.0000					
97	****	0.9130	1.0000	1.0000						
98	1.3212	0.9445	0.8965							
99	1.0747	0.4820								
00	0.9516									
3 Yr Average	1.1158	0.7798	0.9530	0.9900						
Average (All available)	2.1531	0.9309	0.8709	0.9699	1.0000	1.0000	1.0000	1.0000	1.0000	
Selected (All available)	1.0629	0.9311	0.9659	0.9834	0.9920	0.9965	1.0000	1.0000	1.0000	1.0000

Development Factors to Ultimate

	1-ULT	2-ULT	3-ULT	4-ULT	5-ULT	6-ULT	7-ULT	8-ULT	9-ULT	10-ULT
3 Yr Average										
Average (All available)	1.6930	0.7863	0.8447	0.9699	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Selected (All available)	0.9293	0.8743	0.9390	0.9721	0.9885	0.9965	1.0000	1.0000	1.0000	1.0000

* **No reported losses.**

"F" CLASS UNIT STATISTICAL PLAN EXPERIENCE

MEDICAL INCURRED LOSS DEVELOPMENT FACTORS

Age-to-Age Development Factors

Policy Year	1 - 2	2 - 3	3 - 4	4 - 5	Report 5 - 6	6 - 7	7 - 8	8 - 9	9 - 10	10 - ULT
88		1.0000	0.9969	1.0000						
89	1.0000	1.0000	1.0000							
90	*	*	*	*			*			
91	*	*	*	*	*	*	*			
92	****	1.0991	1.0000	0.9348	1.0000	1.0000	1.0000	1.0000	1.0000	
93	*	*	*	*	*	*	*	*		
94	*	*	*	*	*	*	*			
95	1.0479	1.0157	0.9900	1.0004	1.0105	1.0000				
96	0.9563	****	1.1081	0.9358	1.0000					
97	****	0.7586	1.0000	0.9257						
98	0.9117	0.9279	0.8545							
99	0.9587	0.5889								
00	1.0219									
3 Yr Average	0.9641	0.7585	0.9875	0.9540						
Average (All available)	0.9828	0.9129	0.9928	0.9593	1.0035	1.0000	1.0000	1.0000	1.0000	
Selected (All available)	0.9826	0.9185	0.9686	0.9884	0.9962	0.9992	1.0000	1.0000	1.0000	1.0000

Development Factors to Ultimate

	1-ULT	2-ULT	3-ULT	4-ULT	5-ULT	6-ULT	7-ULT	8-ULT	9-ULT	10-ULT
3 Yr Average										
Average (All available)	0.8575	0.8725	0.9558	0.9627	1.0035	1.0000	1.0000	1.0000	1.0000	1.0000
Selected (All available)	0.8601	0.8753	0.9530	0.9839	0.9954	0.9992	1.0000	1.0000	1.0000	1.0000

* No reported losses.

DELAWARE COMPENSATION RATING BUREAU, INC.

"F" CLASS UNIT STATISTICAL PLAN EXPERIENCE

FITTED DEVELOPMENT FACTORS

INDEMNITY INCURRED LOSSES

$Y = a+b/x+c/x^2+d/x^3$

a =	(0.0033)
b =	0.1423
c =	(1.0182)
d =	0.9421
R ^ 2 =	0.9577

Incurred Development	All Year Average	All Year Average - 1	Fitted Value	Fitted Value + 1	Selected
1st to 2nd	1.0629	0.0629	0.0629	1.0629	1.0629
2nd to 3rd	0.9309	(0.0691)	(0.0689)	0.9311	0.9311
3rd to 4th	0.9704	(0.0296)	(0.0341)	0.9659	0.9659
4th to 5th	0.9699	(0.0301)	(0.0166)	0.9834	0.9834
5th to 6th	1.0000	-	(0.0080)	0.9920	0.9920
6th to 7th	1.0000	-	(0.0035)	0.9965	0.9965
7th to 8th	1.0000	-	(0.0010)	0.9990	0.9990
8th to 9th	1.0000	-	0.0004	1.0004	1.0000 *
9th to 10th	1.0000	-	0.0012	1.0012	1.0000 *
10th to 11th	1.0000	-	0.0017	1.0017	1.0000 *
10th to Ultimate					1.0000 *

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DELAWARE COMPENSATION RATING BUREAU, INC.

"F" CLASS UNIT STATISTICAL PLAN EXPERIENCE

FITTED DEVELOPMENT FACTORS

MEDICAL INCURRED LOSSES

$Y = a+b/x+c/x^2+d/x^3$

|	
a =	(0.0033)
b =	0.1423
c =	(1.0182)
d =	0.9421
R ^ 2 =	0.9577

Incurred Development	All Year Average	All Year Average - 1	Fitted Value	Fitted Value + 1	Selected	
1st to 2nd	0.9828	(0.0172)	(0.0174)	0.9826	0.9826	
2nd to 3rd	0.9129	(0.0871)	(0.0815)	0.9185	0.9185	
3rd to 4th	0.9928	(0.0072)	(0.0314)	0.9686	0.9686	
4th to 5th	0.9593	(0.0407)	(0.0116)	0.9884	0.9884	
5th to 6th	1.0035	0.0035	(0.0038)	0.9962	0.9962	
6th to 7th	1.0000	-	(0.0008)	0.9992	0.9992	
7th to 8th	1.0000	-	-	1.0000	1.0000	
8th to 9th	1.0000	-	(0.0001)	0.9999	1.0000	*
9th to 10th	1.0000	-	(0.0007)	0.9993	1.0000	*
10th to 11th	1.0000	-	(0.0015)	0.9985	1.0000	*
10th to Ultimate					1.0000	*

	Policy Year	Standard Earned Premium	Premium On-Level Factor	Adjusted Premium	Reported Incurred Loss	Report Level	Loss Development Factor	Loss On-Level Factor	Ultimate Incurred Loss	Loss Ratio
		(1)	(2)	(3) = (1) * (2)	(4)	(5)	(6)	(7)	(8)=(4)*(6)*(7)	(9)=(8)/(3)
Indemnity										
	92	56,087	0.9285	52,077	132,476	10	1.0000	1.0279	136,172	2.6148
	93	62,218	0.9285	57,769	0	9	1.0000	1.0259	0	0.0000
	94	165,218	0.9285	153,405	0	8	1.0000	1.0240	0	0.0000
	95	180,644	0.9285	167,728	83,681	7	1.0000	1.0219	85,514	0.5098
	96	1,320,294	0.9285	1,225,893	139,347	6	0.9965	1.0199	141,623	0.1155
	97	889,932	1.0568	940,480	150,695	5	0.9885	1.0172	151,524	0.1611
	98	266,646	1.2420	331,174	216,623	4	0.9721	1.0144	213,612	0.6450
	99	271,821	1.2420	337,602	132,319	3	0.9390	1.0119	125,726	0.3724
	00	730,367	1.2339	901,200	93,587	2	0.8743	1.0092	82,576	0.0916
	01	1,683,225	1.1206	1,886,222	348,057	1	0.9293	1.0071	325,746	0.1727
	10 Year Total	5,626,452		6,053,550	1,296,785				1,262,493	0.2086
	4 Year Average									0.3204
Medical										
	92	56,087	0.9285	52,077	80,465	10	1.0000		80,465	1.5451
	93	62,218	0.9285	57,769	0	9	1.0000		0	0.0000
	94	165,218	0.9285	153,405	0	8	1.0000		0	0.0000
	95	180,644	0.9285	167,728	54,830	7	1.0000		54,830	0.3269
	96	1,320,294	0.9285	1,225,893	92,113	6	0.9992		92,039	0.0751
	97	889,932	1.0568	940,480	66,156	5	0.9954		65,852	0.0700
	98	266,646	1.2420	331,174	68,507	4	0.9839		67,404	0.2035
	99	271,821	1.2420	337,602	88,597	3	0.9530		84,433	0.2501
	00	730,367	1.2339	901,200	36,434	2	0.8753		31,891	0.0354
	01	1,683,225	1.1206	1,886,222	142,039	1	0.8601		122,168	0.0648
	10 Year Total	5,626,452		6,053,550	629,141				599,082	0.0990
	4 Year Average									0.1385
Total										
	92	56,087	0.9285	52,077	212,941	10			216,637	4.1599
	93	62,218	0.9285	57,769	0	9			0	0.0000
	94	165,218	0.9285	153,405	0	8			0	0.0000
	95	180,644	0.9285	167,728	138,511	7			140,344	0.8367
	96	1,320,294	0.9285	1,225,893	231,460	6			233,662	0.1906
	97	889,932	1.0568	940,480	216,851	5			217,376	0.2311
	98	266,646	1.2420	331,174	285,130	4			281,016	0.8485
	99	271,821	1.2420	337,602	220,916	3			210,159	0.6225
	00	730,367	1.2339	901,200	130,021	2			114,467	0.1270
	01	1,683,225	1.1206	1,886,222	490,096	1			447,914	0.2375
	10 Year Total	5,626,452		6,053,550	1,925,926				1,861,575	0.3075
	4 Year Average									0.4589

Indemnity Incurred Ultimate Loss Ratio

Medical Incurred Ultimate Loss Ratio

Total Incurred Ultimate Loss Ratio
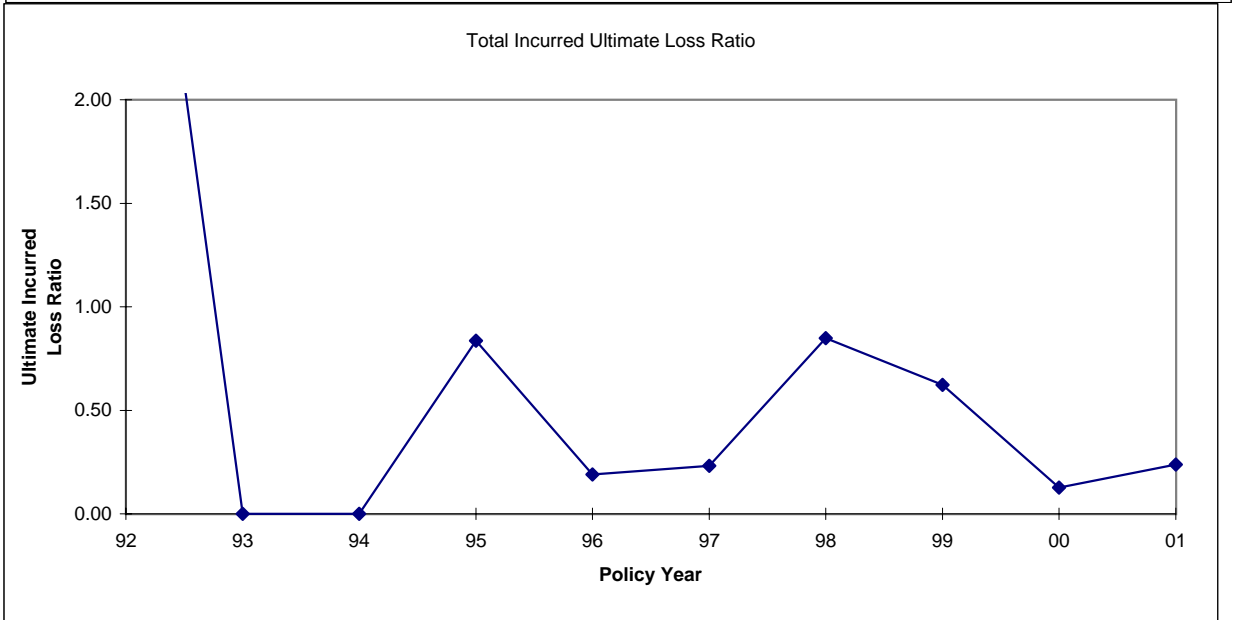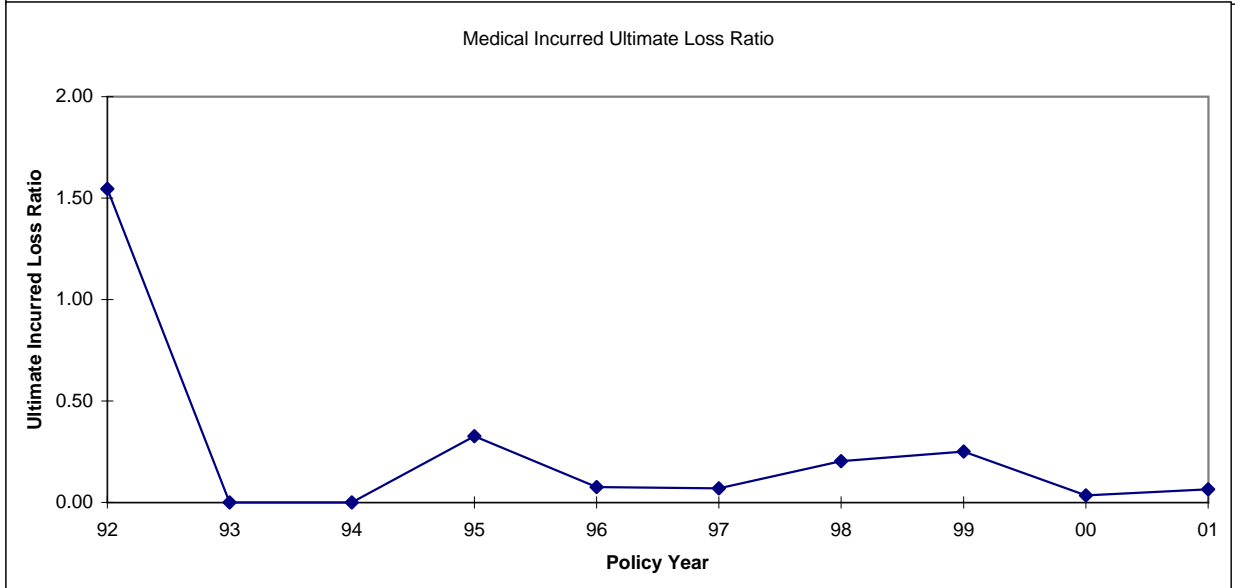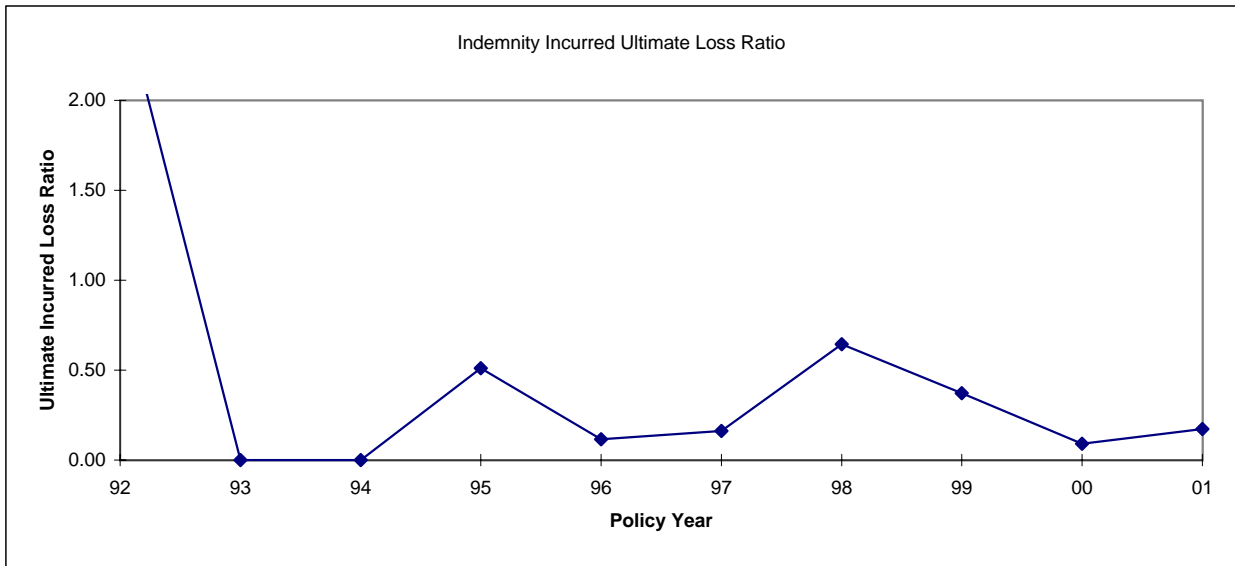
	4 points	5 points	6 points	7 points	8 points	9 points	10 points
INDEMNITY							
LINEAR							
Average Loss Ratio	0.3204	0.2886	0.2597	0.2954	0.2585	0.2298	0.4683
Trended Loss Ratio	(0.4294)	0.0279	0.2295	0.1163	0.2870	0.3705	(0.3869)
Trend Factor	(1.3402)	0.0967	0.8837	0.3937	1.1103	1.6123	(0.8262)
Annual. Trend Factor	#NUM!	0.7445	0.9862	0.9103	1.0096	1.0409	#NUM!
R^2	0.7908	0.1388	0.0024	0.0913	0.0023	0.0595	0.1981
MEDICAL							
LINEAR							
Average Loss Ratio	0.1385	0.1248	0.1165	0.1465	0.1282	0.1140	0.2571
Trended Loss Ratio	(0.1402)	0.0370	0.0997	0.0017	0.1018	0.1532	(0.2913)
Trend Factor	(1.0123)	0.2965	0.8558	0.0116	0.7941	1.3439	(1.1330)
Annual. Trend Factor	#NUM!	0.8576	0.9827	0.6380	0.9791	1.0251	#NUM!
R^2	0.6077	0.0873	0.0044	0.2195	0.0075	0.0176	0.2309
TOTAL							
Average Loss Ratio	0.4589	0.4134	0.3762	0.4419	0.3867	0.3438	0.7254
LINEAR							
Trended Loss Ratio	(0.5696)	0.0649	0.3292	0.1180	0.3888	0.5237	(0.6782)
EXPONENTIAL							
Trended Loss Ratio	0.0329	0.1311	0.2581	0.1641	#NUM!	#NUM!	#NUM!