

DELAWARE COMPENSATION RATING BUREAU, INC.
F CLASS FILING

Calculation of Expected Loss Rate Factors

The attached exhibit contains Expected Loss Rate Factors. They are applied to residual market rates by classification to produce Table A (Expected Loss Factors) which are the basis for the calculation of Expected Losses in the Experience Rating Plan.

CALCULATION OF EXPECTED LOSS RATE FACTORS

Policy Year Beginning 10/1	Average Law Multiplier	Adjustment Factor	Loss Ratio Development Factor	Expense Allowance 1.0 / (PLR/CPR)	Trend Factor	Product (2) * (3) * (4) * (5) * (6)	Expected Loss Rate Factor 1.0 / (7)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2002	1.0027	1.0000	0.9720	1.9640	1.0000	1.9142	0.5224
2003	1.0019	1.0000	1.0176	1.9640	1.0000	2.0024	0.4994
2004	1.0011	1.0000	2.1179	1.9640	1.0000	4.1641	0.2401
Average of (8):							0.4206