

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)
2004	1.0023	1.0000	0.9810	1.8549	1.0000	1.8238	0.5483
2005	1.0019	1.0000	0.9879	1.8549	1.0000	1.8359	0.5447
2006	1.0015	1.0000	1.9841	1.8549	1.0000	3.6858	0.2713
Average of (8):							0.4548