

DELAWARE COMPENSATION RATING BUREAU, INC.

Delaware Workplace Safety Program and Merit Rating Plan

Effective July 1, 1999, a revised Workplace Safety Program was introduced in the State of Delaware. All experience rated risks are eligible to participate, removing the previously imposed upper limit of \$60,000. The credit is equal to 20% of the complement of their experience rating plan credibility. Page 29.1 shows Workplace Safety Program data for eligible and participating risks under the new program.

Also effective July 1, 1999, a Merit Rating Plan was established in the State of Delaware. This Plan is for risks not eligible for Experience Rating. In order to qualify for a Merit Rating discount, a risk must have no indemnity claims during the last three completed policy periods. The program is revenue neutral with one indemnity claim and the risk receives a surcharge for two or more indemnity claims.

Page 29.2 shows the surcharge to manual residual market rates and voluntary market loss costs for the Merit Rating Plan and Workplace Safety Program.

DELAWARE COMPENSATION RATING BUREAU, INC.

**DELAWARE WORKPLACE SAFETY PROGRAM
RATING YEAR 2008**

Policy Size		Participating				Eligible		% Participating	
From	To	# Risks	Std Premium	Credit	% Credit	# Risks	Std Premium	# Risks	SEP
3,161	5,000	65	269,960	51,294	19.0%	1,399	5,567,089	4.6%	4.8%
5,001	7,500	101	624,551	118,631	19.0%	1,122	6,872,588	9.0%	9.1%
7,501	10,000	109	953,191	178,938	18.8%	805	7,006,370	13.5%	13.6%
10,001	12,500	91	1,022,428	188,600	18.4%	588	6,612,760	15.5%	15.5%
12,501	15,000	68	932,204	168,880	18.1%	431	5,906,483	15.8%	15.8%
15,001	17,500	72	1,172,581	208,907	17.8%	346	5,594,192	20.8%	21.0%
17,501	20,000	65	1,222,508	214,509	17.5%	267	4,987,299	24.3%	24.5%
20,001	25,000	111	2,481,417	424,827	17.1%	419	9,390,524	26.5%	26.4%
25,001	30,000	85	2,337,812	388,884	16.6%	308	8,424,516	27.6%	27.8%
30,001	35,000	70	2,265,854	364,482	16.1%	219	7,071,482	32.0%	32.0%
35,001	40,000	60	2,230,576	348,154	15.6%	171	6,355,490	35.1%	35.1%
40,001	45,000	51	2,145,982	328,738	15.3%	139	5,881,723	36.7%	36.5%
45,001	50,000	51	2,429,513	362,337	14.9%	117	5,559,552	43.6%	43.7%
50,001	55,000	40	2,096,878	302,058	14.4%	98	5,148,119	40.8%	40.7%
55,001	60,000	34	1,955,705	272,367	13.9%	77	4,433,551	44.2%	44.1%
60,001	70,000	61	3,966,988	539,706	13.6%	157	10,170,589	38.9%	39.0%
70,001	80,000	50	3,733,019	483,437	13.0%	114	8,533,431	43.9%	43.7%
80,001	90,000	37	3,135,036	390,799	12.5%	85	7,202,964	43.5%	43.5%
90,001	100,000	40	3,790,556	461,539	12.2%	97	9,198,319	41.2%	41.2%
100,001	200,000	155	22,113,209	2,221,592	10.0%	367	52,301,023	42.2%	42.3%
200,001	300,000	58	13,698,031	1,062,292	7.8%	129	30,778,923	45.0%	44.5%
300,001	400,000	27	9,190,950	594,121	6.5%	68	23,077,468	39.7%	39.8%
400,001	500,000	15	6,735,076	356,027	5.3%	33	14,605,252	45.5%	46.1%
500,001	1,000,000	25	17,128,814	782,029	4.6%	81	54,908,758	30.9%	31.2%
1,000,001	& higher	5	9,124,414	209,629	2.3%	50	100,597,268	10.0%	9.1%
3,161	60,000	1,073	24,141,160	3,921,606	16.2%	6,506	94,811,738	16.5%	25.5%
60,001	& higher	473	92,616,093	7,101,171	7.7%	1,181	311,373,995	40.1%	29.7%
Grand Total		1,546	116,757,253	11,022,777	9.4%	7,687	406,185,733	20.1%	28.7%

Average Credit - All Eligible Risks

2.71%

Delaware Compensation Rating Bureau, Inc.

Offset for Merit Rating Plan and Workplace Safety Program - December 1, 2009

Risk Type	Manual Premium	Merit Rating Adjustment	%	Workplace Safety Adjustment	%	Combined Adjustment	%
Non-Rated Risks							
1. Not Qualified for MRP	10,261,620	-	0.00%			-	0.00%
2. Qualified for MRP Discount	9,868,051	(493,522)	-5.00%			(493,522)	-5.00%
3. Qualified for MRP No Adjustment	990,221	-	0.00%			-	0.00%
4. Qualified for MRP Surcharge	356,235	17,812	5.00%			17,812	5.00%
Total Non-Rated Risks	21,476,127	(475,710)	-2.22%			(475,710)	-2.22%
Experience Rated Risks	280,072,610			(7,589,968)	-2.71%	(7,589,968)	-2.71%
All Risks	301,548,737	(475,710)	-0.16%	(7,589,968)	-2.52%	(8,065,678)	-2.67%
Adjustment to Manual Premium *							2.75% *

* $.0275 = 301,548,737 / (301,548,737 - 8,065,678) - 1.0$