

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 2010**

Policy Size		Participating				Eligible		% Participating	
From	To	# Risks	Std Premium	Credit	% Credit	# Risks	Std Premium	# Risks	SEP
3,161	5,000	129	526,812	100,097	19.0%	1,279	5,103,061	10.1%	10.3%
5,001	7,500	147	900,415	170,965	19.0%	1,100	6,782,306	13.4%	13.3%
7,501	10,000	134	1,168,899	219,209	18.8%	653	5,668,144	20.5%	20.6%
10,001	12,500	105	1,185,830	218,451	18.4%	447	4,990,952	23.5%	23.8%
12,501	15,000	93	1,277,550	231,342	18.1%	316	4,309,259	29.4%	29.6%
15,001	17,500	67	1,080,948	192,582	17.8%	238	3,851,455	28.2%	28.1%
17,501	20,000	70	1,306,066	229,066	17.5%	206	3,845,668	34.0%	34.0%
20,001	25,000	104	2,358,373	402,443	17.1%	282	6,336,037	36.9%	37.2%
25,001	30,000	90	2,470,266	409,940	16.6%	215	5,893,420	41.9%	41.9%
30,001	35,000	55	1,785,168	288,402	16.2%	151	4,884,643	36.4%	36.5%
35,001	40,000	48	1,805,857	282,156	15.6%	118	4,430,851	40.7%	40.8%
40,001	45,000	35	1,484,603	226,032	15.2%	91	3,872,691	38.5%	38.3%
45,001	50,000	45	2,129,005	318,989	15.0%	87	4,114,576	51.7%	51.7%
50,001	55,000	38	1,999,742	293,604	14.7%	93	4,879,176	40.9%	41.0%
55,001	60,000	27	1,567,172	220,479	14.1%	69	3,974,859	39.1%	39.4%
60,001	70,000	45	2,923,761	405,589	13.9%	101	6,548,392	44.6%	44.6%
70,001	80,000	25	1,851,772	243,414	13.1%	70	5,215,623	35.7%	35.5%
80,001	90,000	31	2,625,889	335,621	12.8%	73	6,198,359	42.5%	42.4%
90,001	100,000	26	2,455,133	297,357	12.1%	46	4,353,261	56.5%	56.4%
100,001	200,000	100	14,892,759	1,503,978	10.1%	246	35,140,003	40.7%	42.4%
200,001	300,000	28	6,791,307	539,959	8.0%	64	15,606,854	43.8%	43.5%
300,001	400,000	9	3,126,715	215,368	6.9%	37	12,666,494	24.3%	24.7%
400,001	500,000	8	3,561,470	232,955	6.5%	27	11,959,109	29.6%	29.8%
500,001	1,000,000	16	11,049,221	592,161	5.4%	49	34,547,851	32.7%	32.0%
1,000,001	& higher	2	2,939,541	103,474	3.5%	27	52,118,820	7.4%	5.6%
3,161	60,000	1,187	23,046,706	3,803,757	16.5%	5,345	72,937,098	22.2%	31.6%
60,001	& higher	290	52,217,568	4,469,876	8.6%	740	184,354,766	39.2%	28.3%
Grand Total		1,477	75,264,274	8,273,633	11.0%	6,085	257,291,864	24.3%	29.3%

Average Credit - All Eligible Risks

3.22%

Delaware Compensation Rating Bureau, Inc.

Offset for Merit Rating Plan and Workplace Safety Program - December 1, 2011

Risk Type	Manual Premium	Merit Rating Adjustment	%	Workplace Safety Adjustment	%	Combined Adjustment	%
Non-Rated Risks							
1. Not Qualified for MRP	7,402,779	-	0.00%			-	0.00%
2. Qualified for MRP Discount	7,534,574	(376,689)	-5.00%			(376,689)	-5.00%
3. Qualified for MRP No Adjustment	593,359	-	0.00%			-	0.00%
4. Qualified for MRP Surcharge	242,137	12,108	5.00%			12,108	5.00%
Total Non-Rated Risks	15,772,849	(364,581)	-2.31%			(364,581)	-2.31%
Experience Rated Risks	224,225,253			(7,220,053)	-3.22%	(7,220,053)	-3.22%
All Risks	239,998,102	(364,581)	-0.15%	(7,220,053)	-3.01%	(7,584,634)	-3.16%
Adjustment to Manual Premium *							3.26% *

* .0326 = 239,998,102 / (239,998,102-7,584,634) - 1.0