

DELAWARE COMPENSATION RATING BUREAU, INC.
F CLASS FILING

Indicated Change in Rate Level

This exhibit shows the indicated change in overall rate level for Delaware Federal Classes. It includes the estimated effect of the 10/1/18 benefit change and a section to reflect the adjustment of the indicated change in overall rate level to the indicated change in manual rate level.

INDICATED CHANGE IN RATE LEVEL

	<u>Indemnity</u>	<u>Medical</u>	<u>Total</u>
(1) Trended Policy Year Loss Ratio for Policy Period 12/1/17 - 12/1/18	0.5274	0.2198	0.7472
(2) Credibility	0.0500	0.0500	
(3) Loss Ratio Underlying Current Rates Trended at 0.0% to 12/1/18	0.3561	0.2139	0.5700
(4) Credibility Weighted Trended Loss Ratio (1)*(2) + (3)*[1.0-(2)]	0.3647	0.2142	0.5789
(5) Ratio of Loss Adjustment Expense to Loss	0.2087	0.2087	0.2087
(6) Trended Policy Year Loss and Loss Adjustment Ratio (4)*(1.0+(5))	0.4408	0.2589	0.6997
(7) Permissible Loss and Loss Adjustment Ratio			0.7029
(8) Indicated Change in Rates (6) / (7)			0.9954
(9) Estimated Effect of the 10/1/18 Benefit Change			1.0003
(10) Indicated Change in Overall Rate Level (8) * (9)			0.9957 -0.43%
(11) Change in Voluntary Market Loss Costs (10) * [0.7480 / 0.7731]			0.9634 -3.66%

INDICATED CHANGE IN MANUAL LEVEL

	Total
(12) Current Collectible Premium Ratio	0.9633
(13) Proposed Collectible Premium Ratio	0.9697
(14) Indicated Change in Manual Rate Level [(10) * (13)] / (12)	1.0023
(15) Indicated Change in Voluntary Market Manual Loss Cost Level (11) * [(13) / (12)]	0.9698