

DELAWARE COMPENSATION RATING BUREAU, INC.
DELAWARE CONSTRUCTION CLASSIFICATION
PREMIUM ADJUSTMENT PROGRAM (DCCPAP)

The DCCPAP is used in Delaware as a means of addressing construction employers' concerns regarding the effects of wage differentials on workers compensation premiums. The program establishes a set of tabular premium credits given to employers engaged in the construction trades and who have paid wages in excess of minimum qualifying levels.

The DCCPAP is intended to be a means of redistributing a portion of workers compensation insurance premiums between lower-wage and higher-wage employers. The procedure is consistent with that used to develop the factors which are a part of the current loss costs.

The DCRB has assembled 2021 Policy Year experience data which provides historical measures of the extent to which employers in each eligible classification have qualified for DCCPAP credits, and the magnitude of credits granted under this program. The attached exhibit presents the staff analysis of this experience, and derives a proposed set of DCCPAP loadings to maintain the intended balance within the affected classifications. A brief description of page 14.1 of the attached exhibit follows:

Column (1) - Class: The numeric designation of each classification eligible for DCCPAP credit.

Column (2) - # of Policies (Total): The number of policies reported in each class, whether or not those policies applied for or received DCCPAP credit.

Column (3) - # of Policies (DCCPAP): The number of policies qualified for DCCPAP credit for the 2022 policy term.

Column (4) - Payroll (Total): The payroll attributable to the policies reported in column (2).

Column (5) - Payroll (DCCPAP): The payroll attributable to policies reported in column (3).

Column (6) - DCCPAP Policy Premium, Pre-DCCPAP: The Standard Premium which would have applied to qualifying DCCPAP policies ABSENT the tabular DCCPAP credit for those policies. The current DCCPAP load on Manual Rates is omitted from this calculation.

Column (7) - DCCPAP Policy Premium, Post-DCCPAP: The Standard Premium attributable to qualifying DCCPAP policies, reflecting the tabular DCCPAP. The current DCCPAP load on Manual Rates is omitted from this calculation.

DELAWARE CONSTRUCTION CLASSIFICATION
PREMIUM ADJUSTMENT PROGRAM (DCCPAP)
(continued)

Columns (8) and (9) - Non-DCCPAP Policy Premium: The Standard Premium attributable to policies which did not qualify for DCCPAP credit in 2020. The current DCCPAP load on Manual Rates is omitted from this calculation.

Column (10) - Indicated Surcharge: The ratio of Pre-DCCPAP premiums for both qualifying and non-qualifying policies to Post-DCCPAP premiums for those same policies. This is computed as $(\text{Column (6)} + \text{Column (8)}) / (\text{Column (7)} + \text{Column (9)})$.

Column (11) - Average DCCPAP Credit: For qualifying policies, the average credit given in 2020. For example, an average credit of 0.2337 indicates that the average qualifying risk in Code 601 received a 23.37 percent reduction in standard premium by operation of the DCCPAP plan's tabular credit. This is computed as $(1.00 - (\text{Column (7)} / \text{Column (6)}))$.

Column (12) - Class "Z": This is the credibility assigned each classification's indicated DCCPAP surcharge. The partial credibility formula is the square root of (the number of policies divided by 290, the standard for full credibility). Staff perceives the use of total policies to be more appropriate where large portions of a class have not historically qualified for DCCPAP credit.

Column (13) - Formula Surcharge: The credibility-weighted classification loadings for DCCPAP credits. The calculation uses the following values:

$$\text{Column (10)} \times \text{Column (12)} + (1.00 - \text{Column (12)}) \times \text{Average Column (10)}$$

where Average Column (10) = Associated Direct Employment class Column (13) for Temporary Staffing (26XX) classes

Bottom of Column (13) - Test Correction Factor (TCF): The test correction factor necessary to balance credibility-weighted surcharges across all classifications to the overall indicated surcharge of 3.99 percent.

Column (14) - Final Surcharge: The product of the TCF and the formula surcharges (Column (13)) by classification.

Pages 14.2 and 14.3 show a comparison of the current to the proposed surcharges by classification.

Page 14.4 presents the derivation of the minimum eligibility wage for 6/1/24 based on changes in the statewide average weekly wage (SAWW). Those changes are expressed relative to the January 1, 1998 Table. Note that the calculations assume an **effective date of June 1, 2026** for the proposed table. **Please note that the proposed (effective 6/1/25) minimum eligibility wage has increased from \$25.55 to \$26.95. Staff is therefore proposing an increase to the wage table.**

Page 14.5 shows the current and proposed Wage Tables.

*For Policy Effective Dates 01/01/22 Through 12/31/22

Partial Credibility = $\sqrt{\# \text{ of Policies} / 290}$

Class (1)	# of Policies (Total) (2)	# of Policies (DCCPAP) (3)	Payroll (Total) (4)	Payroll (DCCPAP) (5)	***DCCPAP Policies***		**Non-DCCPAP Policies**		Indicated Surcharge (10)	Average DCCPAP Credit (11)	Class "Z" (12)	Formula Surcharge (13)	Final Surcharge (14)
					Premium Pre-DCCPAP (6)	Premium Post-DCCPAP (7)	Premium Pre-DCCPAP (8)	Premium Post-DCCPAP (9)					
601	57	11	55,849,732	10,321,590	693,792	531,687	1,993,602	1,993,602	1.0642	0.2337	0.44	1.0506	1.0493
603	34	9	11,632,195	4,976,022	230,316	190,985	280,831	280,831	1.0834	0.1708	0.34	1.0547	1.0534
605	9	0	1,302,939	0	0	0	71,340	71,340	1.0000	N/A	0.18	1.0327	1.0399
607	31	2	10,812,277	640,976	14,609	13,110	263,206	263,206	1.0054	0.1026	0.33	1.0285	1.0273
608	249	38	68,961,037	22,952,385	765,098	613,565	1,258,012	1,258,012	1.0810	0.1981	0.93	1.0781	1.0768
609	185	27	122,168,762	39,474,978	1,032,578	829,614	2,432,257	2,432,257	1.0622	0.1966	0.80	1.0577	1.0564
611	10	2	1,429,649	208,484	13,292	10,235	75,442	75,442	1.0357	0.2300	0.19	1.0391	1.0379
615	1	0	1,306	0	0	0	94	94	1.0000	N/A	0.06	1.0375	1.0399
617	30	9	15,217,826	5,088,584	206,870	173,324	257,519	257,519	1.0779	0.1622	0.32	1.0521	1.0508
625	24	5	8,701,016	1,518,042	62,674	53,842	243,861	243,861	1.0297	0.1409	0.29	1.0369	1.0357
643	12	1	3,545,915	210,912	17,423	13,938	179,054	179,054	1.0181	0.2000	0.20	1.0355	1.0343
645	167	11	21,818,758	4,360,855	183,122	146,062	666,304	666,304	1.0456	0.2024	0.76	1.0442	1.0429
646	44	2	6,630,861	813,528	26,235	21,423	239,377	239,377	1.0185	0.1834	0.39	1.0316	1.0304
647	33	3	18,173,169	74,073	4,406	3,683	1,149,437	1,149,437	1.0006	0.1641	0.34	1.0265	1.0253
648	194	10	23,434,948	1,838,304	75,264	61,600	758,207	758,207	1.0167	0.1815	0.82	1.0209	1.0197
649	38	9	7,689,007	3,373,210	111,101	90,173	126,389	126,389	1.0966	0.1884	0.36	1.0603	1.0590
651	285	29	49,284,673	11,365,227	368,106	301,969	1,341,215	1,341,215	1.0402	0.1797	0.99	1.0402	1.0390
652	584	23	64,899,230	6,464,113	391,071	343,765	3,615,733	3,615,733	1.0119	0.1210	1.00	1.0119	1.0107
653	137	14	26,562,253	6,217,673	336,180	290,262	905,453	905,453	1.0384	0.1366	0.69	1.0389	1.0377
654	108	10	22,363,628	4,178,066	225,901	170,264	597,350	597,350	1.0725	0.2463	0.61	1.0598	1.0585
655	53	5	12,794,893	1,954,317	148,895	117,192	886,880	886,880	1.0316	0.2129	0.43	1.0363	1.0351
656	23	0	15,834,360	0	0	0	679,519	679,519	1.0000	N/A	0.28	1.0287	1.0399
657	5	0	662,059	0	0	0	42,351	42,351	1.0000	N/A	0.13	1.0347	1.0399
658	38	5	4,298,306	944,332	76,889	72,164	189,465	189,465	1.0181	0.0615	0.36	1.0321	1.0309
659	103	5	12,009,911	2,145,847	215,533	180,575	1,104,372	1,104,372	1.0272	0.1622	0.60	1.0323	1.0311
660	121	8	42,868,911	4,706,954	66,429	53,429	501,597	501,597	1.0234	0.1957	0.65	1.0292	1.0280
661	342	30	132,419,374	34,087,036	701,403	566,836	1,757,316	1,757,316	1.0579	0.1919	1.00	1.0579	1.0566
662	61	2	10,373,609	160,634	9,055	7,833	461,239	461,239	1.0026	0.1350	0.46	1.0227	1.0215
663	323	37	128,473,081	33,416,342	830,467	702,794	2,429,538	2,429,538	1.0408	0.1537	1.00	1.0408	1.0396
664	290	41	132,693,126	42,436,271	1,062,713	868,819	2,794,767	2,794,767	1.0529	0.1825	1.00	1.0529	1.0516
665	236	10	28,986,467	3,663,958	160,221	132,243	1,203,598	1,203,598	1.0209	0.1746	0.90	1.0228	1.0216
666	33	2	4,254,903	604,624	31,682	26,408	202,156	202,156	1.0231	0.1665	0.34	1.0342	1.0330
667	12	2	3,858,519	2,533,072	39,687	31,290	19,507	19,507	1.1653	0.2116	0.20	1.0650	1.0637
668	61	2	4,663,794	597,543	34,492	26,338	243,200	243,200	1.0303	0.2364	0.46	1.0355	1.0343
669	6	1	463,390	326,916	15,784	14,837	7,208	7,208	1.0430	0.0600	0.14	1.0403	1.0391
670	90	2	7,624,025	243,586	9,746	8,857	343,868	343,868	1.0025	0.0912	0.56	1.0190	1.0178
673	20	1	3,668,070	406,504	17,628	16,571	149,023	149,023	1.0064	0.0600	0.26	1.0312	1.0300
674	21	0	5,619,665	0	0	0	229,313	229,313	1.0000	N/A	0.27	1.0291	1.0399
675	232	9	82,890,795	8,481,783	223,348	179,490	1,596,425	1,596,425	1.0247	0.1964	0.89	1.0264	1.0252
676	33	5	7,955,903	2,859,389	129,263	109,046	185,232	185,232	1.0687	0.1564	0.34	1.0497	1.0484
677	5	0	27,770,027	0	0	0	309,992	309,992	1.0000	N/A	0.13	1.0347	1.0399
679	4	0	284,702	0	0	0	19,579	19,579	1.0000	N/A	0.12	1.0351	1.0399
681	4	1	706,367	299,451	14,297	13,868	18,495	18,495	1.0133	0.0300	0.12	1.0367	1.0355
2601	1	0	1,530	0	0	0	246	246	1.0000	N/A	0.06	1.0476	1.0463
2607	2	0	298,404	0	0	0	20,558	20,558	1.0000	N/A	0.08	1.0262	1.0250
2608	2	0	1,925	0	0	0	128	128	1.0000	N/A	0.08	1.0719	1.0706
2609	4	0	370,468	0	0	0	12,957	12,957	1.0000	N/A	0.12	1.0508	1.0495
2645	3	0	38,358	0	0	0	4,865	4,865	1.0000	N/A	0.10	1.0398	1.0386
2646	2	0	90,773	0	0	0	7,978	7,978	1.0000	N/A	0.08	1.0291	1.0279
2647	1	0	1,671	0	0	0	201	201	1.0000	N/A	0.06	1.0249	1.0237
2648	4	0	199,116	0	0	0	15,785	15,785	1.0000	N/A	0.12	1.0184	1.0172
2651	9	0	513,048	0	0	0	22,544	22,544	1.0000	N/A	0.18	1.0330	1.0318
2652	7	0	251,603	0	0	0	51,807	51,807	1.0000	N/A	0.16	1.0100	1.0088
2653	4	0	63,522	0	0	0	7,225	7,225	1.0000	N/A	0.12	1.0342	1.0330
2654	2	0	814	0	0	0	58	58	1.0000	N/A	0.08	1.0550	1.0537
2655	2	0	6,267	0	0	0	1,069	1,069	1.0000	N/A	0.08	1.0334	1.0322
2657	1	0	7,751	0	0	0	862	862	1.0000	N/A	0.06	1.0326	1.0399
2658	2	0	16,443	0	0	0	2,138	2,138	1.0000	N/A	0.08	1.0295	1.0283
2661	18	1	1,238,027	9,990	248	186	48,495	48,495	1.0013	0.2500	0.25	1.0438	1.0425
2663	3	0	519,481	0	0	0	31,369	31,369	1.0000	N/A	0.10	1.0367	1.0355
2664	3	0	67,398	0	0	0	4,127	4,127	1.0000	N/A	0.10	1.0476	1.0463
2665	3	0	20,576	0	0	0	1,955	1,955	1.0000	N/A	0.10	1.0205	1.0193
2666	1	0	12,942	0	0	0	2,060	2,060	1.0000	N/A	0.06	1.0321	1.0309
2675	8	0	317,124	0	0	0	24,649	24,649	1.0000	N/A	0.17	1.0219	1.0207
Total	4,430	384	1,215,690,679	263,955,571	8,545,818	6,988,277	32,090,399	32,090,399	1.0399	0.1823		1.0408	1.0399

Note: For each Class,

Indicated Surcharge = (Total Premium Pre-DCCPAP) / (Total Premium Post-DCCPAP)

Basis of Credibility: $1 / ((\# \text{ DCCPAP Policies}) / (\# \text{ Total Policies})) * 25 = 290 \text{ Policies for Full Credibility}$

Formula Surcharge = (Indicated Surcharge) * (Credibility for that Class) + (1 - Credibility) * (Average Indicated Surcharge)

where (Average Indicated Surcharge) = (Associated Direct Employment class Formula Surcharge) for the Temporary Staffing (26XX) classes

Final Surcharge = Formula Surcharge * Test Correction Factor

Test Correction Factor =

0.99880

DELAWARE COMPENSATION RATING BUREAU, INC.
2025 RESIDUAL MARKET AND LOSS COST FILING
DELAWARE CONSTRUCTION CLASS PREMIUM ADJUSTMENT PROGRAM
SURCHARGES BY CLASS CODE

Class	Current Surcharge	Proposed Surcharge	Percentage Change
601	1.0650	1.0493	-1.5%
603	1.0504	1.0534	0.3%
605	1.0447	1.0399	-0.5%
607	1.0317	1.0273	-0.4%
608	1.0802	1.0768	-0.3%
609	1.0727	1.0564	-1.5%
611	1.0359	1.0379	0.2%
615	1.0447	1.0399	-0.5%
617	1.0593	1.0508	-0.8%
625	1.0398	1.0357	-0.4%
643	1.0383	1.0343	-0.4%
645	1.0566	1.0429	-1.3%
646	1.0283	1.0304	0.2%
647	1.0287	1.0253	-0.3%
648	1.0187	1.0197	0.1%
649	1.0621	1.0590	-0.3%
651	1.0434	1.0390	-0.4%
652	1.0140	1.0107	-0.3%
653	1.0382	1.0377	0.0%
654	1.0651	1.0585	-0.6%
655	1.0345	1.0351	0.1%
656	1.0447	1.0399	-0.5%
657	1.0447	1.0399	-0.5%
658	1.0425	1.0309	-1.1%
659	1.0247	1.0311	0.6%
660	1.0257	1.0280	0.2%
661	1.0531	1.0566	0.3%
662	1.0233	1.0215	-0.2%
663	1.0440	1.0396	-0.4%
664	1.0554	1.0516	-0.4%
665	1.0152	1.0216	0.6%
666	1.0426	1.0330	-0.9%
667	1.0644	1.0637	-0.1%
668	1.0441	1.0343	-0.9%
669	1.0517	1.0391	-1.2%
670	1.0236	1.0178	-0.6%
673	1.0333	1.0300	-0.3%
674	1.0447	1.0399	-0.5%
675	1.0265	1.0252	-0.1%
676	1.0526	1.0484	-0.4%
677	1.0447	1.0399	-0.5%
679	1.0447	1.0399	-0.5%
681	1.0447	1.0355	-0.9%
2601	1.0447	1.0463	0.2%
2603	1.0447	1.0399	-0.5%
2605	1.0447	1.0399	-0.5%
2607	1.0447	1.0250	-1.9%
2608	1.0447	1.0706	2.5%
2609	1.0646	1.0495	-1.4%
2611	1.0447	1.0399	-0.5%
2615	1.0447	1.0399	-0.5%

DELAWARE COMPENSATION RATING BUREAU, INC.
2025 RESIDUAL MARKET AND LOSS COST FILING
DELAWARE CONSTRUCTION CLASS PREMIUM ADJUSTMENT PROGRAM
SURCHARGES BY CLASS CODE

Class	Current Surcharge	Proposed Surcharge	Percentage Change
2617	1.0447	1.0399	-0.5%
2625	1.0447	1.0399	-0.5%
2643	1.0447	1.0399	-0.5%
2645	1.0447	1.0386	-0.6%
2646	1.0447	1.0279	-1.6%
2647	1.0447	1.0237	-2.0%
2648	1.0447	1.0172	-2.6%
2649	1.0447	1.0399	-0.5%
2651	1.0355	1.0318	-0.4%
2652	1.0447	1.0088	-3.4%
2653	1.0447	1.0330	-1.1%
2654	1.0447	1.0537	0.9%
2655	1.0447	1.0322	-1.2%
2656	1.0447	1.0399	-0.5%
2657	1.0447	1.0399	-0.5%
2658	1.0447	1.0283	-1.6%
2659	1.0447	1.0399	-0.5%
2660	1.0447	1.0399	-0.5%
2661	1.0415	1.0425	0.1%
2662	1.0447	1.0399	-0.5%
2663	1.0447	1.0355	-0.9%
2664	1.0447	1.0463	0.2%
2665	1.0447	1.0193	-2.4%
2666	1.0447	1.0309	-1.3%
2667	1.0447	1.0399	-0.5%
2668	1.0447	1.0399	-0.5%
2669	1.0447	1.0399	-0.5%
2670	1.0447	1.0399	-0.5%
2673	1.0447	1.0399	-0.5%
2674	1.0447	1.0399	-0.5%
2675	1.0447	1.0207	-2.3%
2676	1.0447	1.0399	-0.5%
2677	1.0447	1.0399	-0.5%
2679	1.0447	1.0399	-0.5%
2681	1.0447	1.0399	-0.5%
Total	1.0447	1.0399	-0.5%

DELAWARE COMPENSATION RATING BUREAU, INC.

DERIVATION OF PROPOSED REVISION TO DCCPAP WAGE TABLE

Test for "Premium Reversals"

Minimum Wage (1)	Maximum Wage (2)	Average Wage (3)	DCCPAP Credit (4)	Effective Wage (3)x(1.0-(4)) (5)	Ratio (5)/Prior (5) (6)
\$0.00	\$26.94	(a)			
\$26.95	\$27.44	27.195	0.05	25.8353	
\$27.45	\$27.94	27.695	0.06	26.0333	1.00767
\$27.95	\$28.44	28.195	0.07	26.2214	1.00722
\$28.45	\$28.99	28.720	0.08	26.4224	1.00767
\$29.00	\$29.54	29.270	0.09	26.6357	1.00807
\$29.55	\$30.09	29.820	0.10	26.8380	1.00760
\$30.10	\$30.64	30.370	0.11	27.0293	1.00713
\$30.65	\$31.24	30.945	0.12	27.2316	1.00748
\$31.25	\$31.84	31.545	0.13	27.4442	1.00781
\$31.85	\$32.44	32.145	0.14	27.6447	1.00731
\$32.45	\$33.09	32.770	0.15	27.8545	1.00759
\$33.10	\$33.74	33.420	0.16	28.0728	1.00784
\$33.75	\$34.39	34.070	0.17	28.2781	1.00731
\$34.40	\$35.09	34.745	0.18	28.4909	1.00753
\$35.10	\$35.79	35.445	0.19	28.7105	1.00771
\$35.80	\$36.54	36.170	0.20	28.9360	1.00786
\$36.55	\$37.29	36.920	0.21	29.1668	1.00798
\$37.30	\$38.09	37.695	0.22	29.4021	1.00807
\$38.10	\$38.89	38.495	0.23	29.6412	1.00813
\$38.90	\$39.69	39.295	0.24	29.8642	1.00753
\$39.70			0.25		

(a) 1/1/98 entry point multiplied by change in Statewide Average Weekly Wage (estimated).

(1) SAWW based on 1/1/97 - 12/31/97	616.67
(2) SAWW based on 6/1/23 - 5/31/24	1,444.19 (estimated)
(3) Change (2) / (1)	2.3419
(4) 1/1/98 Minimum Eligibility Wage	11.50
(5) 6/1/24 Minimum Eligibility Wage (3) x (4)	26.95 (rounded to .05)

Note: Premium Reversals Would Occur if Effective Wage for any Given Average Wage is LOWER than Effective Wage for any Lower Average Wage(s)

DELAWARE COMPENSATION RATING BUREAU, INC.

COMPARISON OF CURRENT AND PROPOSED WAGE TABLES

DCCPAP Credit	Current Table Effective 6/1/25		Change from Lower Level	Proposed Table Effective 6/1/26		Change from Lower Level
0%	25.54	or less		26.94	or less	
5%	25.55	25.99	0.45	26.95	27.44	0.50
6%	26.00	26.49	0.50	27.45	27.94	0.50
7%	26.50	26.99	0.50	27.95	28.44	0.50
8%	27.00	27.49	0.50	28.45	28.99	0.55
9%	27.50	27.99	0.50	29.00	29.54	0.55
10%	28.00	28.54	0.55	29.55	30.09	0.55
11%	28.55	29.09	0.55	30.10	30.64	0.55
12%	29.10	29.64	0.55	30.65	31.24	0.60
13%	29.65	30.19	0.55	31.25	31.84	0.60
14%	30.20	30.79	0.60	31.85	32.44	0.60
15%	30.80	31.39	0.60	32.45	33.09	0.65
16%	31.40	31.99	0.60	33.10	33.74	0.65
17%	32.00	32.64	0.65	33.75	34.39	0.65
18%	32.65	33.29	0.65	34.40	35.09	0.70
19%	33.30	33.99	0.70	35.10	35.79	0.70
20%	34.00	34.69	0.70	35.80	36.54	0.75
21%	34.70	35.39	0.70	36.55	37.29	0.75
22%	35.40	36.14	0.75	37.30	38.09	0.80
23%	36.15	36.89	0.75	38.10	38.89	0.80
24%	36.90	37.64	0.75	38.90	39.69	0.80
25%	Over 37.64			Over 39.69		