DELAWARE COMPENSATION RATING BUREAU, INC.

Review of Experience Rating Plan Parameters

Page 20.1 contains Collectible Premium Ratios.

Page 20.2 contains Expected Loss Rate Factors. They are applied the result arket rates by classification to produce Table A, Expected Loss Factors, which are the easis for the calculation of Expected Losses.

Page 20.3 contains the derivation of various factors, i.e. maximum single loss size, self-rating point, that are used to produce Table B.



COLLECTIBLE PREMIUM RATIOS *

Manual Years 2018 to 2020 Market Profile Report Data

			Collectible		
Manual	Premium at	Collected Premium	ed Premium Premium		
Year	Manual Rates	(Excluding Constants)	Ratio (2)/(3)		
(1)	(2)	(3)	(4)		
	Δ1	LINDUCTRIEC			
	AL	L INDUSTRIES			
2018	324,738,703	324,837,297	0. 297,		
2019	300,948,932	316,984,260	0.94		
2020	295,581,507	326,565,137	251		
TOTAL	021 260 141	968,386,6	0.9513		
TOTAL	921,269,141	900,300,0	0.9513		
	MANUFAC [*]	TURING AND UTILITIES			
2018	41,918,100	38,653 68	1.0845		
2019	36,866,705	29	1.0465		
2020	34,547,580	32,819,325	1.0527		
TOTAL	113,332,385	106,701,722	1.0621		
			_		
	CON KAC	TIN AND QUARRYING			
2018	\$10,534	63,401,325	1.0979		
2019	63, 33,056	60,100,066	1.0581		
2020	52,31. 47	51,860,688	1.0088		
TOTAL	184,320,307	175,362,079	1.0579		
			_		
	OTH	IER INDUSTRIES			
2018	213,210,069	222,782,704	0.9570		
2019	200,489,171	221,655,066	0.9045		
2020	208,717,209	241,885,123	0.8629		
TOTAL	622,416,449	686,322,892	0.9069		

^{*} Excludes classifications and coverages not subject to experience rating.

EXPECTED LOSS RATE FACTORS

CALCULATION OF EXPECTED LOSS RATE FACTORS

Policy Year Beginning 12/1	Average Law Multiplier	Adjustment Factor	Loss Ratio Development Factor	Expense Allowance ** 1 / (PLR/CPF)	Tre Factor	Produ * (2) (4) * (5) * (6)	Expected Loss Rate Factor 1.0 / (7)		
(1)	(2)	(3)	(4)	(5)	EV.	(7)	(8)		
Manufacturing and Utilities									
2017	1.0221	1.0000	1.3845	1.9942	1.0 1/1	2.8702	0.3484		
2018	1.0153	1.0000	1.6132	1 /942	J125	3.3071	0.3024		
2019	1.0092	1.0000	2.0681	199/2	1.0081	4.1959	0.2383		
Contracting at d Octobing									
2017	1.0221	1.0000	1.488	1.9863	1.0171	3.0732	0.3254		
2018	1.0153	1.0000	1.6359	1.9863	1.0125	3.3403	0.2994		
2019	1.0092	1.0000	z.u. 33	1.9863	1.0081	4.0624	0.2462		
Industries									
2017	1.0221	1.000	1.4077	1.7028	1.0171	2.4919	0.4013		
2018	1.0153	1 200	1.5915	1.7028	1.0125	2.7859	0.3590		
2019	1.0092	1.06.	2.0082	1.7028	1.0081	3.4790	0.2874		

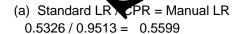
** Permissible oss Ratio = 0.5326
Collectible Premium Ratios

Vianufacturing = 1.0621
Contracting = 1.0579
All Other = 0.9069

Experience Rating Plan Parameters

- (1) Eligibility Point = (3,161 = 1 yr Prem) 3 yr = \$9,483
- (2) Permissible Loss Ratio = 0.5599 (a)
- (3) Expected Losses needed to achieve 5% credibility
- (4) Max Value : 0.25 * \$5,310 = 0.05
- (5) K-Value
 a) If (3) is assigned 5% credibility, then $K = \frac{E * (1 c)}{c} = \frac{\$5,310 * (1 .05)}{.05} =$
- (6) .055 Credibility Interval the .0525 left endpoint corresponds to E = (K * C) = (1 C)
- (7) Right endpoint for .05 credibility interval =
- (8) Self rating point = 25 * average serious claim

6% of (8) rounded to the near t \$1,00 =





\$5,310

\$5,589



\$7,958,425

\$478,000 Selected = \$478,000