

Delaware Compensation Rating Bureau, Inc.



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November 14, 2012

**DCRB CIRCULAR NO. 878**

To All Members of the DCRB:

Re: **DECEMBER 1, 2012 RESIDUAL MARKET RATE AND VOLUNTARY MARKET  
LOSS COST FILING – DCRB FILING NO. 1201**

**INTERIM UPDATE**

As announced in DCRB Circular No. 876 of August 20, 2012, the DCRB submitted a filing of revisions to Delaware's Residual Market Plan, voluntary market loss costs and related rating values with a proposed effective date of December 1, 2012. That filing proposed an overall average increase in residual market rates of 43.53 percent and an overall average increase in voluntary market loss costs of 38.27 percent.

Consistent with prior practice, the Delaware Department of Insurance contracted with two independent actuarial consultants to review the filing. One of those consultants proposed an overall average change in residual market rates of 28.1 percent and an overall average change in voluntary market loss costs of 23.5 percent. The other consultant proposed residual market rate and voluntary market loss cost changes of 22.6 percent and 18.1 percent, respectively.

The Department of Insurance has begun a Target Examination of the DCRB, testing the accuracy of carrier data in several respects. The Target Examination is ongoing, and the DCRB expects that the Department will not act on Filing No. 1201 until that examination is completed. A hearing concerning Filing No. 1201 was previously scheduled for November 20, 2012 but has been rescheduled as of today for December 20, 2012.

The DCRB is keenly mindful of carrier, producer and employer interests in receiving timely notice of approved changes in rating values. Under the circumstances, unfortunately, it does not seem possible that Filing No. 1201 will be resolved until sometime after December 1, 2012. The DCRB will continue to advise members of meaningful developments toward a resolution of the filing, if and as we become aware of them ourselves. The complete filing package remains available on our website at [www.dcrb.com](http://www.dcrb.com) in the "Filings" section. Members and other interested parties are encouraged to use the website to access any and all parts of the filing package for informational purposes.

Timothy L. Wisecarver  
President

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D Circ  
Attachment

***Remember to visit our web site at [www.dcrb.com](http://www.dcrb.com) for more information about this and other topics.***