



December 2, 2014

**DCRB CIRCULAR NO. 902**

To All Members of the DCRB:

Re: **STATUS OF RESIDUAL MARKET RATE AND VOLUNTARY MARKET LOSS COST FILING  
EFFECTIVE DECEMBER 1, 2014, DCRB FILING NO. 1404**

The captioned filing remains under review by the Delaware Department of Insurance (Department) and the Delaware Ratepayer Advocate (Advocate), respectively. The Department has retained two different actuarial firms, INS Consulting, Inc. and Milliman, Inc., to review the DCRB's filing as part of that agency's adjudication of the proposal. The Advocate has retained another actuarial firm, AIS Risk Consultants, Inc., to review the DCRB's filing and advise them as they participate in the discussion thereof.

The DCRB has not yet received any of the pending actuarial reports, and we are not certain when we will be able to obtain and review those reports. The indications derived by the reviewing actuarial firms will be important in determining the course of future steps in reaching a decision on the December 1, 2014 filing.

The Department is considering a hearing date(s) in the second or third week of January, 2015. Accordingly, we do not expect a decision on DCRB Filing No. 1404 until sometime next year. Some information about the filing may be announced by or through the Department, and the DCRB will provide additional information via Circular announcement(s) if and when significant developments do occur.

The DCRB greatly appreciates its members' patience and support throughout the process of implementing rating values effective December 1, 2014.

All members are reminded that once DCRB Filing No. 1404 has been adjudicated by the Department, each licensed Delaware carrier will be required to make a filing for a loss cost multiplier, rates and/or other related rating values with the Department. This requirement will apply even if a carrier intends to retain its current pricing values and programs intact. Accordingly, in order to preserve the desired and possibly necessary flexibility in pricing Delaware workers compensation policies, it is strongly recommended that all policies issued with effective dates on and after December 1, 2014 be qualified as carrying tentative rates, using the Pending Rate Change Endorsement for this purpose. Any policies issued at current rates or on a "to-be-determined" basis for which approved rating values are changed as a result of DCRB Filing No. 1404 and/or any subsequent carrier filing(s) must be endorsed subsequently with the new carrier rates.

Questions pertaining to this Circular may be directed to me via email at [twisecarver@dcrb.com](mailto:twisecarver@dcrb.com) or by telephone at (215) 320-4413, or to Ken Creighton, Chief Actuary via email at [kcreighton@dcrb.com](mailto:kcreighton@dcrb.com) or by telephone at (215) 320-4924.

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