



March 20, 2018

DCRB CIRCULAR NO. 946

To All Members of the DCRB:

**RE: USL&HW “F” CLASS RESIDUAL MARKET RATE FILING
PROPOSED EFFECTIVE JUNE 1, 2018
DCRB FILING NO. 1708**

The DCRB submitted a filing of revisions to rates, minimum premiums and the tax multiplier applicable to the Delaware’s United States Longshore and Harbor Workers (USL&HW) Residual Market Plan with a proposed effective date of June 1, 2018. The proposed revision is due to changes in Federal tax law under the Tax Cuts and Jobs Act of 2017 (TCJA). Specifically, the TCJA changes lowered the provision for profit and contingencies incorporated in Residual Market rates, resulting in an overall proposed rate decrease of 3.39 percent. The change is applied uniformly to Residual Market rates for all classes. The Federal tax changes do not affect Delaware’s Voluntary Market loss costs. Details of the analysis and the resulting changes can be found in the Actuarial Memorandum within the filing.

It is strongly recommended that all Residual Market policies issued with effective dates on and after June 1, 2018 be qualified as carrying tentative rates, using the Pending Rate Change Endorsement, WC 00 04 04, 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. 1708 and/or any subsequent carrier filing(s) must be endorsed subsequently with the new carrier rates.

Filing Package

The complete filing package for DCRB Filing No. 1708 is available at www.dcrb.com in the “Filings” section of the website. Members and other interested parties are encouraged to use the website to access any and all parts of the filing package for informational purposes.

Attached for reference are tables of current and proposed June 1, 2018 “F” Classification residual market rates.

Questions concerning this filing should be directed to John Pedrick, Vice President – Actuarial Services at jpедrick@dcrb.com, or to Ken Creighton, Chief Actuary at kcreighton@dcrb.com.

William V. Taylor
President

WVT/jp/dn

Remember to visit our web site at www.dcrb.com for more information about this and other topics.

**DELAWARE
UNITED STATES LONGSHORE AND HARBOR WORKERS RATING VALUES**

**CURRENT RATES, LOSS COSTS AND EXPECTED LOSS RATES
EFFECTIVE DECEMBER 1, 2017 ON NEW AND RENEWAL BASIS**

Code No.	Manual Rate	Loss Cost	Minimum Premium	Experience Rating Plan Expected Loss Rate Tables *		
				A-1	A-2	A-3
6824F	7.17	5.36	2195	2.95	2.95	2.95
6826F	7.26	5.43	2220	2.99	2.99	2.99
6843F	8.16	6.10	2455	3.36	3.36	3.36
6872F	10.27	7.68	3000	4.23	4.23	4.23
7309F	28.59	21.39	3000	11.77	11.77	11.77
7313F	10.39	7.77	3000	4.28	4.28	4.28
7317F	22.09	16.52	3000	9.10	9.10	9.10
7327F	11.79	8.82	3000	4.86	4.86	4.86
7366F	5.53	4.14	1760	2.28	2.28	2.28
8709F	2.21	1.65	880	0.91	0.91	0.91
8726F	3.00	2.24	1090	1.24	1.24	1.24

**PROPOSED RATES, LOSS COSTS AND EXPECTED LOSS RATES
EFFECTIVE JUNE 1, 2018 ON NEW AND RENEWAL BASIS**

Code No.	Manual Rate	Loss Cost	Min. Prem.	Experience Rating Plan Expected Loss Rate Tables *		
				A-1	A-2	A-3
6824F	6.93	5.36	2,130	2.95	2.95	2.95
6826F	7.01	5.43	2,155	2.99	2.99	2.99
6843F	7.88	6.10	2,385	3.36	3.36	3.36
6872F	9.92	7.68	2,925	4.23	4.23	4.23
7309F	27.62	21.39	3,000	11.77	11.77	11.77
7313F	10.04	7.77	2,955	4.28	4.28	4.28
7317F	21.34	16.52	3,000	9.10	9.10	9.10
7327F	11.39	8.82	3,000	4.86	4.86	4.86
7366F	5.34	4.14	1,710	2.28	2.28	2.28
8709F	2.14	1.65	860	0.91	0.91	0.91
8726F	2.90	2.24	1,065	1.24	1.24	1.24

* Table A-1 applies to the most current policy year, Table A-2 to the first prior policy year, and Table A-3 to the second prior policy year.