

August 11, 2026

DCRB CIRCULAR NO. 1072

To All Members of the DCRB:

Re: Residual Market Surcharge Methodology Revision - Effective December 1, 2026

The DCRB submitted Filing No. 2604 to the Delaware Department of Insurance on August 4, 2026. The filing proposes revisions to the methodology used to calculate the Delaware Residual Market Surcharge applicable to employers insured through the Delaware Workers Compensation Insurance Plan (DE WCIP) for policies with Effective Dates on or after December 1, 2026.

Under the current Residual Market Surcharge methodology, the surcharge is determined using the employer's Experience Rating Plan (ERP) credibility value. The recent December 1, 2024 revisions to the Delaware ERP substantially changed those credibility values due to loss limits. As a result, the current surcharge methodology no longer produces surcharge levels that are consistent with those generated under the historical plan.

The purpose of this filing is to restore Residual Market Surcharge levels to those that existed prior to 2024. To accomplish this, the filing replaces ERP Credibility (C) with a Residual Market Surcharge Weighting Factor (W) that produces surcharge levels generally consistent with those prior to 2024. The filing does not change the eligibility requirements for the Residual Market Surcharge or the maximum surcharge provisions.

Members can find additional details regarding the proposed methodology, supporting exhibits, and the proposed Basic Manual revisions in the complete filing available on our website at www.dcrb.com in the "Filings" section.

Questions concerning this filing should be directed to Brent Otto, Senior Vice President and Chief Actuary, at botto@pcrb.com.

Amy Quinn
President