



OFFICE OF THE SECRETARY

4425 NORTH MARKET STREET • WILMINGTON, DELAWARE • 19802 • (302) 761-8000 • FAX (302) 761-6621

*Winner, Delaware Quality Award of Merit*

February 7, 2014

**VIA EMAIL**

The Honorable Joshua W. Martin, III

Department of Insurance

c/o Harding Drane, Esq.

820 N. French Street

3<sup>rd</sup> Floor

Wilmington, DE 19801

[Harding.Drane@state.de.us](mailto:Harding.Drane@state.de.us)

Potter Anderson & Corroon, LLP

Hercules Plaza

1313 N. Market St., 6<sup>th</sup> Floor

P.O. Box 951

Wilmington, DE 19801

[JMartin@potteranderson.com](mailto:JMartin@potteranderson.com)

[defirm@potteranderson.com](mailto:defirm@potteranderson.com)

RE: DOCKET NO. 2275-2013

Dear Judge Martin:

We are members of the state's Workers Compensation Task Force, and have met on a regular basis over the past year to examine the causes of Delaware's increasing workers compensation rates and possible steps that could be taken to temper those increases.

We have just had an opportunity to review the pre-filed direct testimony of the actuary for the ratepayer advocate, which was made available to us at 4:30 p.m. on February 6, 2014.

Although we believe that Mr. Schwartz's calculations with respect to appropriate loss costs are preferable to those of either the Insurance Department's actuary or the DCRB's actuary, we wish to highlight for you that Mr. Schwartz acknowledges in his testimony (a) that even his calculations may be excessive, and (b) that some data relevant to his analysis has not been provided to him by the DCRB. See Pre-Filed Direct Testimony of Allan Schwartz at pp. 20-21.

The only issue before the Department at this time is whether or not to approve the DCRB's requested rate increase, which is over double that found reasonable in Mr. Schwartz's

testimony. Therefore, we respectfully request that you recommend that the Department of Insurance deny the DCRB's requested increase. There is nothing in Delaware law or regulation that requires you to suggest, in recommending such a denial, the increase that you would find reasonable, and we believe it would be premature for you to do so given Mr. Schwartz's own expressed doubts about his calculations and the data that is still outstanding.

Respectfully Submitted,

**Dr. Barry Bakst**, Workers Compensation Task Force Representative for Medical Society of Delaware  
**Delaware State Senator Patricia Blevins**

**Delaware State Representative Ruth Briggs King**

**Glenn Brown**, Workers Compensation Task Force Representative for Delaware Physical Therapy Association

**Ed Capodanno**, Workers Compensation Task Force Representative for Associated Builders & Contractors of Delaware

**John Casey, Jr.**, Workers Compensation Task Force Representative for Delaware Contractors Association

**Victor Clark**, Workers Compensation Task Force Representative for the Governor

**Lieutenant Governor Matt Denn**

**N. Lee Dotson**, Workers Compensation Task Force Insurance Representative

**Anthony Frabizzio**, Workers Compensation Task Force Representative for Delaware State Bar Association

**A. Richard Heffron**, Workers Compensation Task Force Representative for Delaware State Chamber of Commerce

**Delaware State Senator Gerald Hocker**

**Sam Lathem**, Workers Compensation Task Force Representative for Delaware AFL-CIO

**Delaware Secretary of Labor John McMahon**

**Joseph Rhoades**, Workers Compensation Task Force Representative for Delaware State Bar Association

**Dr. Bruce Rudin**, Workers Compensation Task Force Representative for Medical Society of Delaware

**Chris Schellinger, D.C.**, Workers Compensation Task Force Representative for Delaware Chiropractic Society

**Delaware State Representative Bryon Short**

**The Honorable Wayne Smith**, Workers Compensation Task Force Representative for Delaware Healthcare Association

**Yrene Waldron**, Workers Compensation Task Force Representative for Delaware Healthcare Facilities Association