



# MASSACHUSETTS BENEFITS CLAIM AND AGGREGATE DEDUCTIBLE PROGRAM

Dear Policyholder:

Section 25A of Chapter 152 Massachusetts Workers' Compensation Law requires the Massachusetts Workers' Compensation Assigned Risk Pool and voluntary market insurers to offer to insureds with workers' compensation policies, which provide coverage in Massachusetts, a choice of medical and indemnity benefits deductibles.

In accordance with the statute, as amended, the Division of Insurance has approved two separate and distinct deductible programs, one without an aggregate limit, and one with an aggregate limit. An insured may select either program, or neither of them. These programs are not available for insureds with retrospectively rated policies.

The first program, Massachusetts Benefits Deductible Program, without an aggregate limit, which has been in effect since January 1, 1993, is intended for insureds who have the financial ability to handle some losses they incur. This program allows these insureds to establish an amount of loss they can absorb and purchase insurance only for losses above that predetermined deductible amount.

Under this program, medical and indemnity deductibles of \$500, \$1,000, \$2,000 and \$2,500 shall be offered to every employer. In addition, an insurer or the Pool, at its option, may offer to any employer providing collateral deemed adequate by such insurer, a medical and indemnity benefits deductible of \$5,000.

The deductible shall apply separately to each claim for bodily injury by disease or accident. The insurer shall pay all benefits required under the provisions of M.G.L.c.152 directly to the appropriate party. Subsequent to insurer payment of any amount which falls within the deductible limit on any claim, the insurer may seek reimbursement from the policyholder. Failure to make complete reimbursement for deductibles within thirty days of receipt of bill from the insurer shall constitute non-payment of premium and be grounds for termination of the policy.

The entire cost of all claims shall be included in the experience data used to determine the experience modification of the insured regardless of the requirement that reimbursement must be made for the deductible amount on any claim.

If you wish to elect a medical and indemnity deductible, and your policy is being renewed effective on or after January 1, 1997, you must make your election before the effective date of your policy, otherwise at the next renewal of your policy.

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|--|---------------------------------------|
| <input type="checkbox"/> \$ 500                  | <input type="checkbox"/> \$ 2,500     |
| <input type="checkbox"/> \$ 1,000                | <input type="checkbox"/> \$ 5,000     |
| <input type="checkbox"/> \$ 2,000                | <input type="checkbox"/> Do Not Elect |
| -----  |                                       |
| <input type="checkbox"/> \$ 2,500 with Aggregate | <input type="checkbox"/> Do Not Elect |

<b>Policy Number</b>		
<b>Employer Name</b>	<b>Date</b>	<b>Signature and Title</b>
<b>Agent Name</b>	<b>Date</b>	<b>Signature</b>