

DEDUCTIBLE NOTICE OF ELECTION

Texas law permits an employer to obtain workers' compensation insurance with a deductible. The insurance * applies only to benefits payable under Texas workers' compensation law. When a deductible is elected, the policyholder is required to reimburse the insurance carrier for benefits payable under the law up to the deductible amount and a credit is applied to the policy. Premium credits are determined based on the deductible selected * and the hazard group. The hazard group is determined by the classification that produces the largest amount of estimated Texas standard premium.

You are not required to choose a deductible. If you do choose one, your insurance company will pay the deductible amount for you, but you must reimburse the insurance company within 30 days after they send you notice that payment is due. If you fail to reimburse the insurance company, they may cancel the policy upon ten days written notice, and any resulting premium may be applied to the deductible amount owed.

If a deductible amount is desired, please indicate below.

Yes, I want a deductible of (select only one):

1. \$ _____ per accident

2. \$ _____ annual aggregate

3. \$ _____ /\$ _____ per accident/annual aggregate

applied to benefits payable under the Texas Workers' Compensation Law. I understand that the company will pay the deductible amount and seek reimbursement _____ (monthly, quarterly or other)

No, I do not want a deductible applied to benefits payable under the Texas Workers' Compensation Law.

Yes, I do want a deductible policy, but am unable to obtain one for the following reason: _____

The deductible plans have been explained to me.

Signature and Title

Date

Employer Name (print or type)

Address

Insurance Company

Policy No.

Effective Date

Notes:

- 1. This signed DNE-1 [1-97] form is to be maintained in the insuring carrier's file, regardless of whether the deductible is elected or * rejected, and shall be made available to the Texas Department of Insurance upon specific request.
- 2. Reimbursement is to be made periodically as agreed. Choose "monthly," "quarterly," or other period of time; may not be more frequent than monthly.
- 3. This notice may only be signed by owner, partner, executive officer or authorized person.