

Program Highlights

- Entire deductible premium is due at policy inception.
- The employer reimburses WSI for all costs associated with a claim up to \$100,000 per claim deductible.
- Deductible limits apply separately to each claim.
- WSI continues to adjudicate and pay all claims.
- WSI retains costs that exceed deductible amount on each claim.
- Participating employers are not eligible to receive WSI's safety discounts.
- After a six-year period, the employer has the option to pay off all remaining reserve costs associated with any open claims in the contract period.

WSI will analyze each proposed contract based on risk analysis and sound business practices. WSI may refuse any deductible program if it determines that the proposed contract does not represent a sound business practice or decision. Past participation in a deductible program does not guarantee continued eligibility. WSI may decline renewal of any deductible program.

For additional information on this program, please contact the Special Programs Supervisor in the Policyholder Services Department at (701) 328-6012 or 1-800-777-5033.

WSI

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Large Deductible Program

The Large Deductible Program offered by Workforce Safety & Insurance (WSI) is designed to provide a cost-saving option for North Dakota businesses. With the Large Deductible Plan, an employer is able to reduce premiums in exchange for agreeing to reimburse WSI for all losses up to a specified deductible amount. WSI is responsible for all losses in excess of the deductible level and will still handle, litigate, settle, and pay all covered losses in accordance with North Dakota Century Code Title 65. WSI will periodically bill the insured for a reimbursement of payments within the selected deductible.

“Providing
North Dakota
businesses a
cost-saving
option.”

Requirements

- Participation in the large deductible program is based on the financial stability and resources of the employer. The employer's financial capacity to absorb costs associated with claims will be considered. WSI may require participating employers to undergo a financial audit to ensure financial stability. The audit may include a credit check and review of company financial reports
- WSI may require an employer to provide a Surety Bond or Letter of Credit, guaranteeing payment of losses.
- An initial deposit to offset claims costs may be required.
- A non-revocable deductible contract must be signed by both parties.
- The maximum deductible level offered an employer will not be more than 50% of the employer's annual standard premium.

What are the advantages?

- Potential to reduce workers' compensation costs.
- Provides employers a loss-sensitive program, rewarding those employers who successfully manage their losses.

What are the risks?

- Employer assumes more risk by paying an increased portion of claims costs. Since employers retain losses below the deductible, the total cost of such a plan is highly sensitive to losses. There is potential for substantial fluctuation in the costs of the program. As a result, employers will have a greater financial incentive to step up their safety awareness and loss control efforts.
- Numerous or large losses could be detrimental.
- As a means of controlling or limiting the exposure attached to the deductible plan, it is recommended that the employer secure an aggregate loss policy. Such a policy covers all losses that exceed an agreed upon level of retention up to a specified dollar amount. Aggregate Stop-Loss insurance may be obtained through WSI to offset total exposure of the employer.

