



# STATE OF CONNECTICUT

## INSURANCE DEPARTMENT

**BULLETIN PC-49**  
**October 25, 2001**

**TO:** ALL COMPANIES LICENSED IN THE STATE OF CONNECTICUT TO WRITE WORKERS' COMPENSATION AND EMPLOYERS LIABILITY INSURANCE.

**RE:** USE OF DEDUCTIBLES FOR WORKERS' COMPENSATION INSURANCE

Workers' Compensation and Employers' Liability insurance filings involving deductibles are permitted by §31-345a of the Connecticut General Statutes. Bulletin PC-49 updates standards formerly included in Bulletin RD-18, dated April 17, 1989. The standards to be followed are:

1. Claim Payments

The insurer must pay the claim in full and seek reimbursement of the deductible amount from the employer. The deductible program form filing shall be accompanied by a certified statement, signed by an officer of the insurance company, that it will comply with this requirement.

2. Deductible Limit

The National Council on Compensation Insurance program filed on behalf of member insurance companies includes deductible limits up to \$10,000. For large deductible limits of \$15,000 or more, each insurance company must file its deductible forms and endorsements. Large deductible rating plans are not required to be filed for approval by the Insurance Department. The company must maintain records of the large deductible rating plan and records supporting the rating of individual employers under the large deductible rating plan. The records must be available on request for review by or submission to the Department.

3. Assessments for the Connecticut Workers' Compensation Administration Fund

All Connecticut Workers' Compensation Administration Fund assessments must be paid based on the total claim amounts including the deductible portion of losses. The insurer may then seek reimbursement from the employer for the portion related to the deductible obligation.

4. Assessments for Workers' Compensation Second Injury Fund

Insurers shall collect and remit assessments to the Office of the Treasurer in accordance with the Regulations of Connecticut State Agencies, Section 31-349g-1 through 31-349g-9.

5. Financial Reporting – Reconciliation

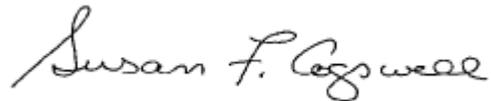
Annual statement loss data (Page 15) shall be reported net of the deductible portion.

6. Statistics and Experience Rating

Insurance companies must comply with procedures for the filing of statistical data with the National Council on Compensation Insurance and the calculation of experience rating modifications.

7. Collateral for Deductible

The insurer must make provision to have the deductible amounts secured by collateral by the insured, in order to have those amounts covered by the deductible declared as an admitted asset.



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Susan F. Cogswell  
Insurance Commissioner