

**State of Rhode Island and Providence Plantations**  
**DEPARTMENT OF BUSINESS REGULATION**  
*Division of Insurance*  
**233 Richmond Street**  
**Providence, RI 02903**

**INSURANCE REGULATION 75**

**OPTIONAL WORKERS' COMPENSATION DEDUCTIBLES**

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**Section 1**     **Authority**

This regulation is promulgated pursuant to R.I. Gen. Laws §§ 27-7.1-14 and 42-14-17.

**Section 2**     **Purpose**

The purpose of this regulation is to require any insurer or rating organization, issuing or modifying any program providing optional deductibles for medical and indemnity benefits in this state, to provide data pursuant to R.I. Gen. Laws § 27-7.1-4(E).

**Section 3**     **Definitions**

- A. "Director" means the Director of Business Regulation or his or her designee.
- B. "Insurer" means all persons, firms, corporations or associations issuing workers' compensation insurance in this state.
- C. "Department" means the Department of Business Regulation.

**Section 4**     **Data for Optional Deductibles**

Any insurer or rating organization issuing or causing to be modified any program providing optional deductibles for medical or indemnity benefits in this state shall include in a filing with the Director:

- A. A statement of the purpose of the program providing optional deductibles for medical or indemnity benefits;
- B. The background of such program;
- C. The manner in which such program shall be implemented;
- D. An appropriate form or endorsement;
- E. The basic manual rule or rules developed by the insurer or rating organization for such program;
- F. A statistical plan rule or rules developed by the insurer or rating organization for such program;
- G. Optional deductibles for medical and indemnity benefits in the amounts of \$250, \$500, \$1,000, \$2,500 or \$5,000 per claim, and such other reasonable amounts as may be approved by the Director pursuant to R.I. Gen. Laws § 27-1.1-14(A);
- H. Premium credits corresponding to the deductible levels;
- I. Identification of and actuarial support for, premium reduction credits by class, hazard group, and by the amount of the deductible;
- J. Identification of statistical codes necessary for the reporting of deductible credits;
- K. A mechanism by which the insurer shall pay the claim first and then seek reimbursement from the employer for any deductible amounts paid by the insurer; and
- L. A provision that non-payment of deductible amounts by the insured employer shall be treated in the same manner as the non-payment of premium.

**Section 5**      **Effective Date**

This regulation shall become effective on December 22, 1993 and supersedes Insurance Regulation 51, which is hereby repealed.

EFFECTIVE DATE:	December 22, 1993
AMENDED:	None
REFILED:	December 19, 2001