

Excess Workers' Compensation vs. Large Deductible Workers' Compensation



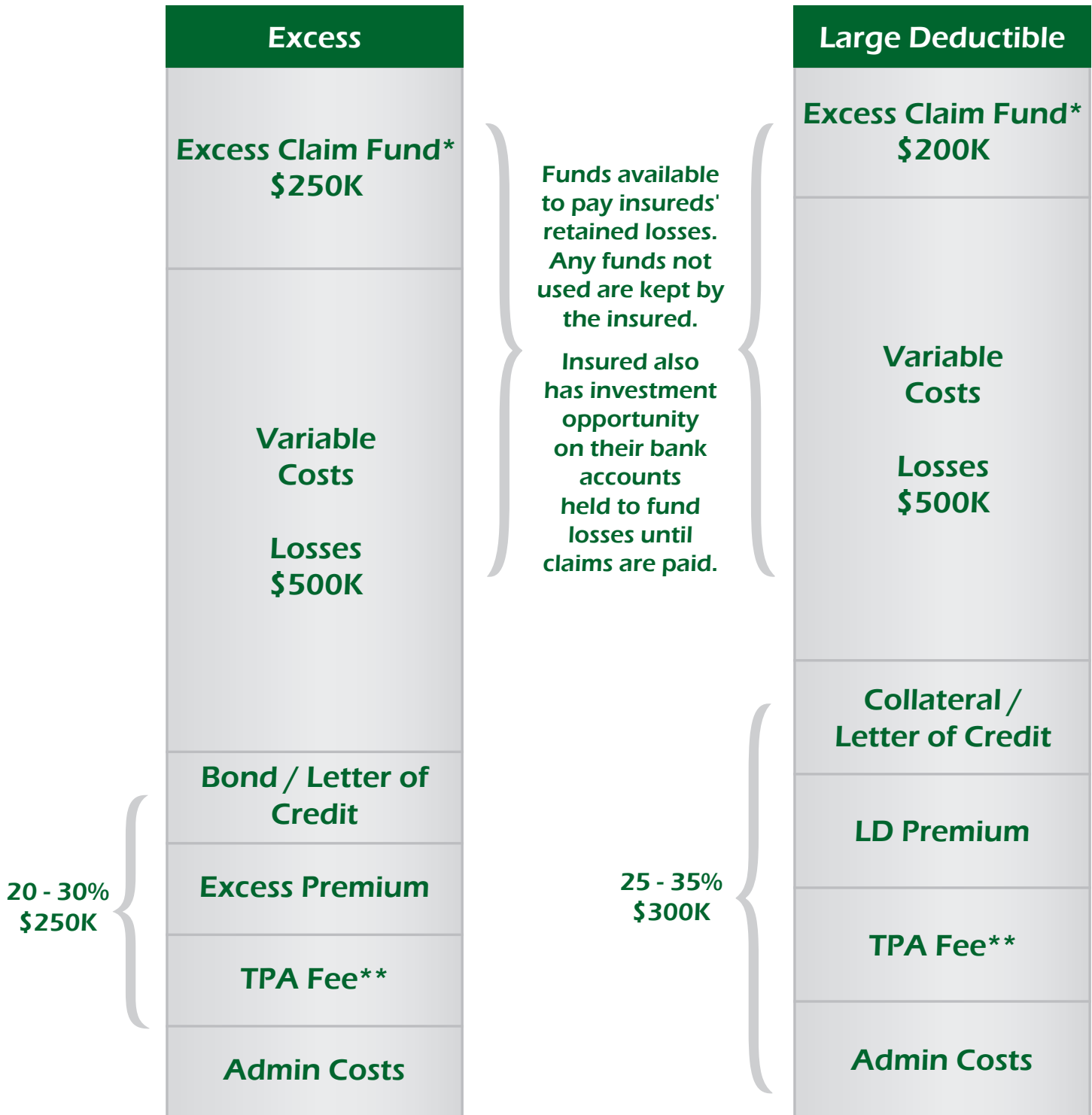
Safety National offers flexible workers' compensation options for large employers wishing to retain risk. Consider the following comparisons to determine what best fits your organization's needs.

| Self-Insurance Program | Large Deductible Program |
|---|--|
| <p>Coverage Provided:</p> <ul style="list-style-type: none"> • Applies as excess coverage over underlying self-insurance program. • Insurance carrier responsible for paid losses that exceed the underlying self-insured retention (SIR). | <p>Coverage Provided:</p> <ul style="list-style-type: none"> • Applies as primary coverage. Regulators recognize as fully insured. • Insureds reimburse insurance carrier for losses that fall within policy deductible. |
| <p>State Approval:</p> <ul style="list-style-type: none"> • Insured required to qualify as a self-insurer with every state where they wish to self-insure. | <p>State Approval:</p> <ul style="list-style-type: none"> • Insured is not required to qualify by state. |
| <p>Security:</p> <ul style="list-style-type: none"> • Insured must provide a financial guarantee to each state where they gain approval. • Acceptable forms of financial security are determined by each state, may include letter of credit and/or bond. • The amount is determined by each state. | <p>Security:</p> <ul style="list-style-type: none"> • Insured must provide a financial guarantee to the carrier. • Acceptable forms of financial security are determined by the carrier, may include letter of credit, trust agreement and/or bond. • The amount is determined by the insurance carrier. |
| <p>Services:</p> <ul style="list-style-type: none"> • Insured has the right to select their own Third-Party Administrator (TPA), subject to the approval of the Excess carrier and state. | <p>Services:</p> <ul style="list-style-type: none"> • Insured's Third Party Administrator (TPA) must be approved by the carrier. |
| <p>Claims Payment Responsibility:</p> <ul style="list-style-type: none"> • Self-insured entity is responsible; with excess coverage being provided after SIR amount has been paid. | <p>Claims Payment Responsibility:</p> <ul style="list-style-type: none"> • Insurance carrier of record is, ultimately, responsible – subject to reimbursement by insured for loss amounts paid within the policy deductible. |



Premium Breakdown Illustration

Example: \$1,000,000 Standard Premium, Guaranteed Cost



* Potential to save and profit through better management of claims handling, reduced taxes and additional investment income on cash flow.

** Can be handled on a bundled or unbundled basis.

For additional information, please visit www.SafetyNational.com