

YOUR DEDUCTIBLE: FREQUENTLY ASKED QUESTIONS

1. What is a deductible?

By definition, a deductible is the portion of a covered loss that your institution agreed to pay before United Educators (UE) starts paying for costs of the loss. Your institution's decision-makers elected to have a deductible when your policy was purchased or renewed, and determined the amount of the deductible at that time. The amount of your institution's deductible is found on the Declarations page of your policy at Item 5.a.

2. When is the deductible applied?

The deductible is applied when all of the following conditions are met:

- Your institution has a pre-2017 CGL, LPL, or FDL policy with the deductible endorsement, or purchased a policy with at least one of those products on or after 2017;
- Your policy declarations page states an amount greater than \$0 at "Item 5.(a)";
- You have an open CGL, LPL, or FDL claim in which UE has paid damages, defense costs and/or medical payments expense (MedPay)

3. How does the deductible work?

Your UE CGL, LPL, and/or FDL coverage operates as "third party" insurance, meaning that UE pays the value of damages to the claimant and your institution reimburses UE up to the amount of the deductible. Note that this process differs from "first party" insurance, such as health insurance, in which the insurance carrier pays their portion and you pay the deductible to the provider directly.

If you have a policy deductible, UE will pay defense counsel, claimants, experts, etc. Your institution is only responsible for paying UE the deductible following receipt of an invoice from us. Please do not make payments to other parties.

4. Why did we receive a bill from defense counsel if UE pays counsel directly?

At the time of appointment, each defense counsel (DC) receives a copy of UE's guidelines, which instruct him or her to submit all invoices to the member institution, with a copy to UE's billing coordinators. This ensures that your institution is fully aware of the costs and expenses incurred for claims defense. UE pays DC directly upon receipt of the invoice even when it is addressed to your institution.

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5. When is our deductible payment due?

Deductible payments are due 30 days after your institution's point of contact for billing receives an email with our **Deductible Reimbursement Invoice (DRI)**. By or on the 10th day of each month, your designated point of contact will receive a DRI if any balance is owed. The DRI will provide detailed information pertaining to newly incurred balances, as well as past due balances. It will also report the application of any received payments.

6. Why is paying the deductible important?

Timely payment of your deductible is a condition of all CGL, LPL, and FDL policies. Each policy issued after April 1, 2017 requires deductible payment within 30 days. Account balances not paid within 60 days are subject to a 3% per year interest charge. Before applying interest, we will contact your institution's business officer and insurance broker. If the balance is not remedied within a reasonable timeframe UE reserves the right to cancel or non-renew the policy.

7. How do we pay the deductible?

The DRI provides payment instructions whether you are paying by check or electronic funds transfer.

8. How do we update the person listed as UE's contact for deductible invoicing?

Please direct any contact changes to ClaimsBillingInquiry@ue.org.

Questions?

Please direct any additional questions you have about deductible payments to Claims Billing at (240) 802-4280.