

ADVISORY NO. 287
###

TOPIC: ELECTRONIC DEPOSIT OF FUNDS – LATEST UPDATE

This is your final reminder. As of September 1, 2000, all carriers must offer electronic transfer to those employees who may be entitled to the payment of income benefits for a period of eight weeks or more.

Although the rule does not specifically require that carriers notify claimants of availability of electronic deposit, TWCC does expect carriers to provide this notice. In their Memo of June 19, 2000, TWCC noted that it “is not directing specific language for employee notification . . . [so] . . . carriers are free to develop their own language and the methods for notification.” Mr. Hatch confirmed that TWCC does expect carriers to provide this notice. TWCC will not separately provide it. TWCC is attempting to avoid a micro-management of this issue and is not directing the means of notification.

Each carrier is free to notify only those claimants who may become eligible. If the claimant’s entitlement will clearly be less than eight weeks, there will be no obligation to notify an employee. If the claimant may be entitled to eight weeks or more, then you should notify the employee. You can elect to make a claims decision and notify only a portion of your claimants, or as a matter of convenience, you may elect to notify all claimants receiving indemnity benefits.

Lastly, you should now begin the process of identifying all claims for which you are currently making payments. With respect to those claims, if you anticipate paying benefits after September 1st for a period of time of eight weeks or more, no later than September 1st, you should notify claimants that they may be eligible to have those benefits paid by electronic funds transfer. Thus, as we transition into the availability of electronically funds transfer, carriers must identify cases involving extended payments, and notify the claimants of their potential eligibility for electronic funds transfer.