



CLAIM # _____
Carrier's Claim # _____

## APPLICATION FOR DIVISION APPROVAL OF THE PURCHASE OF AN ANNUITY FOR LIFETIME INCOME BENEFITS

1. Employee's Name	2. Employee's Social Security Number (last 4 digits)
3. Date of Injury	4. Employee's Telephone Number
5. Insurance Carrier's Name	6. Employer's Business Name

**All applications for Division approval of the purchase of an annuity for lifetime income benefits are subject to the Texas Workers' Compensation Act, Texas Labor Code, §408.161 through 408.162 and Rules 131.1 through 131.4.**

CHECK ALL BOXES THAT APPLY:

Payments will be made:

Weekly

Monthly

The carrier will purchase an annuity to pay lifetime income benefits. The carrier will ensure that the payments comply with the requirements set forth in Rule 131.4, *Change in Payment Periods; Purchase of Annuity for Lifetime Income Benefits*. (See reverse side.) **Payment of lifetime income benefits must be initiated no later than the 45<sup>th</sup> day after the date in which the application is approved by the Division.** Payments will be made by:

Payor's Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

- 1) **The workers' compensation carrier will remain ultimately liable for payment of the benefits.**
- 2) **A payment adjustment shall be made in accordance with the provisions of the Texas Workers' Compensation Act, §408.161(c) for statutory annual three percent increase in benefits.**
- 3) **A completed Employer's Wage Statement (DWC FORM-3) must be filed with this application if less than the maximum weekly lifetime income benefit in effect at the time of injury is being paid.**

**DIVISION APPROVAL:**

Authorized DWC Employee's Signature \_\_\_\_\_ Date \_\_\_\_\_

**X**

\_\_\_\_\_  
 Signature of Representative of Injured Employee  
(if any)

\_\_\_\_\_  
 Printed Name of Representative of Injured Employee

**X**

\_\_\_\_\_  
 Signature of Injured Employee

**I have read this application, or have had it read to me by someone of my choice, and I understand and agree to its terms.**

**X**

\_\_\_\_\_  
 Signature of Carrier Representative

\_\_\_\_\_  
 Printed Name of Carrier Representative

\_\_\_\_\_  
 Telephone Number of Carrier Representative

APPROVAL NOTICES WILL BE MAILED TO TYPED OR LEGIBLY PRINTED ADDRESSES BELOW (ALL BLANKS MUST BE COMPLETED)

Representative of Injured Employee (if Any)
Mailing Address
City, State, Zip

Injured Employee
Mailing Address
City, State, Zip

Insurance Carrier
Mailing Address
City, State, Zip

**SEE REVERSE SIDE**



## INFORMATION SHEET

### **RULE 131.4 - REQUIREMENTS FOR PURCHASE OF ANNUITY FOR PAYMENT OF LIFETIME INCOME BENEFITS**

The insurance carrier and injured employee may agree to the purchase of an annuity for payment of lifetime income benefits. The Division must approve the application to purchase an annuity for payment of lifetime income benefits.

#### **Payment of Lifetime Income Benefits by Annuity**

An annuity for the payment of lifetime income benefits shall meet the following terms and conditions:

- (1) Lifetime income benefit payments shall be initiated no later than the 45<sup>th</sup> day after the date the written agreement was approved by the Division.
- (2) The company providing an annuity for the payment of lifetime income benefits must be licensed to do business in Texas and must have a current A. M. Best rating of B+ or better or have a Standard & Poor's rating of claims paying ability of A or better.
- (3) The workers' compensation insurance carrier must guarantee the payments provided by the annuity company in the event of default.
- (4) The annuity contract must include funds for payment of the annual three percent increase in lifetime income benefits required by the Act, compounded annually.
- (5) The injured employee, or guardian if applicable, shall not be allowed to assign the right to receive lifetime income benefits from an annuity. All lifetime income benefits must be paid to the order of the injured employee or the legal guardian, if applicable.
- (6) An annuity cannot be purchased to fund the payment of medical costs incurred by an injured employee entitled to lifetime income benefits.
- (7) The annuity company shall pay lifetime income benefits either weekly or monthly as elected by the injured employee in the application for payment of lifetime income benefits by annuity.
- (8) If monthly payments are agreed to by the insurance carrier and the injured employee, the transition from weekly to monthly benefits paid by annuity shall be the same as that for lifetime income benefits paid by the responsible insurance carrier set out in subsection (a) of Rule 131.4.



# SCHEDULE OF BENEFITS

CLAIM NUMBER \_\_\_\_\_

Annuitant/Guardian: \_\_\_\_\_

Date of Issue: \_\_\_\_\_

Date Payments Begin: \_\_\_\_\_

Schedule of Benefits: On \_\_\_\_\_ of each year the weekly or  
monthly payment funded by this annuity will increase by 3% compounded annually as  
provided by the Texas Workers' Compensation Act, Texas Labor Code, Section  
408.161(c) and Rule 131.4(d)(4).  
date increase is to occur

Submitted by:

\_\_\_\_\_

Date Submitted:

\_\_\_\_\_



Instruction for Schedule of Benefits – DWC FORM-35

The insurance carrier must ensure the annuity contract includes funds for payment of the annual 3% increase in lifetime income benefits compounded annually as required by the Texas Workers' Compensation Act, Texas Labor Code, Section 408.161(c) and Rule 131.4(d)(4). The 3% increase will occur each year on the anniversary date of the day lifetime income benefits began to accrue (Rule 131.2(b)).

WORDING FOR SCHEDULE OF BENEFITS REQUIRED ON LIFETIME ANNUITIES:

On \_\_\_\_\_ of each year the weekly or monthly payment  
date increase is to occur  
funded by this annuity will increase by 3% compounded annually as provided by the Texas Workers' Compensation Act, Texas Labor Code, Section 408.161(c) and Rule 131.4(d)(4).

