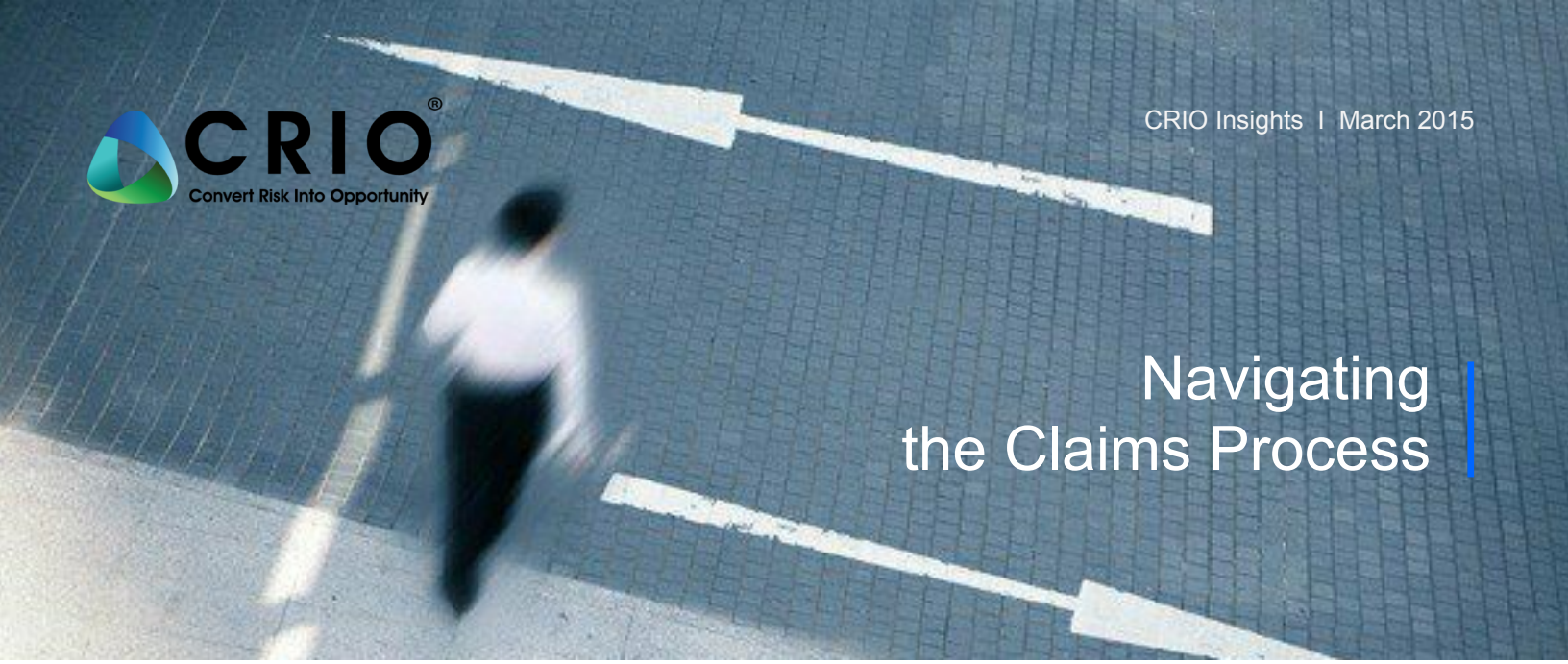

Navigating the Claims Process

Navigating your claims process often seems like a daunting task. However, it doesn't have to be, if you are aware of a few policy aspects that require vigilance. As your claims advocate, we ensure that the carrier abides by its obligations under the policy, but here's what you should keep in mind.

By: Audrey Samit, Esq.
Vice President, Claims Management - CRIO, Inc.

Timely Notice of a Claim

One of the most common bases on which a carrier may deny coverage is "late notice." Therefore, the most important aspect of first handling a claim is that it be reported timely.

Here is what you should know in recognizing and reporting matters:

- Any and all claims (which may include correspondence from an attorney, a regulatory or agency letter/complaint, and lawsuit) should be sent to us as soon as possible.
- Any and all potential claims (i.e. an employee has made an internal complaint, made a threat in response to an employment action like termination, a patron/customer has made a complaint) should be sent to our attention. We will then discuss the matter with you and we can determine if the situation qualifies as a notice of circumstances which may give rise to a claim and should be provided to the carrier.
- It is important that all employees/internal management who may receive claims or have knowledge of potential claims be aware of these obligations of notice under the Policy.

Negotiating Settlement without Consent

Another basis upon which the carrier may deny coverage is when the Insured settles a matter without obtaining the consent of the carrier. To avoid this coverage issue, we strongly recommend that neither you nor your counsel engage in any settlement discussions, nor make or accept any offers of settlement, without first advising us so that we can update the carrier accordingly and attain its consent. Even where such settlement may be initially within the deductible or retention, it is important to first seek carrier consent.

Obtaining Counsel without Carrier Consent

Policies are typically "duty to defend" which means that it is the carrier's right and duty to defend a claim against its insured or "non-duty to defend" which means that the carrier does not have the right and duty to defend. Whether a policy is a duty to defend or non-duty to defend, it is important for an insured to advise the carrier if it seeks to engage counsel. Often, an insured will receive a lawsuit and immediately hire counsel to answer the complaint without first noticing the matter to the carrier and/or advising that it has engaged counsel. While such action may not ultimately compromise coverage, it may create a situation where the carrier declines to recognize those legal costs which were incurred without its consent and which would have otherwise been covered by the policy. Moreover, and typical with many carriers as to non-duty to defend policies, the carriers have a roster of specific firms approved for use by the insured and the policy language requires compliance. We should also note that there are circumstances where an insured may engage its own counsel despite the policy language and this is a matter addressed on a case-by-case basis. Understanding your policy and your obligations under it as an insured are crucial to ensuring, to the best extent possible, that coverage is not adversely impacted.

We are here to provide you with the best in claims advocacy. If you have any questions or request further assistance to create an internal process for claims management, contact CRIO Risk Management Advisor.

Call: 877.988.2746