

RISK MANAGEMENT BULLETIN

ISSUE: CLAIMS REPORTING REQUIREMENTS: YOUR DUTIES IN THE EVENT OF A LOSS OR ACCIDENT

Risk Management Division handles insurance and claims for State government and other quasi-state entities. We handle approximately 660 claims each year. Some supervisors and employees appear to be unfamiliar with their duties in the event of a loss or accident and with our claims reporting requirements. Failure to fill these duties or requirements could have very detrimental economic consequences to your agency. All insurance policies require prompt and thorough reporting of losses, claims, and suits. Failure to do so risks losing coverage for your agency and the State. We offer this review as a reminder of your duties and our requirements.

REPORT TO POLICE

It is your duty to make a prompt report to the police in the following circumstances:

- A crime has been committed. Examples of such losses are burglary, vandalism and employee embezzlement. If police are not promptly notified, insurance may be invalidated.
- A motor vehicle accident, which results in ANY injury or results in total property damage of \$1,000 or more, is required by law to be reported to the police. We can tell you most fender benders easily exceed \$1,000, with today's automotive parts and labor costs. Where possible, please make the report to the Maine State Police.

REPORT LOSSES PROMPTLY TO RISK MANAGEMENT DIVISION

This is probably the most important requirement. If an incident is reported to us promptly, we can guide you through the other requirements or handle them for you. Prompt reporting allows us to respond in an appropriate and informed manner and it is your duty. After an accident happens or you discover a loss, know of a loss, or know of a situation that may result in a loss or claim, you must notify us as soon as possible. Our toll free number (1- 800-525-1252) is answered at all times. Outside of our regular office hours, DELTA (State Complex Building Control Office) answers this number for Risk Management. Members of our professional staff are on call and will be called at home if the circumstances of the loss warrant it. If not, DELTA will take basic information from you and we will call you during the next working day.

DETERMINE AND DOCUMENT THE FACTS

When the loss or accident occurs, write down the who, what, where, when and how of the loss.

At a minimum, here is what will be needed:

1. Time, date, and exact location of the loss or accident.
2. Conditions at time of loss or accident.
3. Description of the loss or accident.
4. Names, addresses and phone numbers of all persons involved. (This includes employees, bystanders, claimants, contractors and witnesses, as they are all very important.)
5. Nature and extent of any injuries and/or damages.
6. If applicable, the name of the police agency or fire department.

Collect this information at the scene whenever possible because witnesses don't stick around long, scenes change quickly, details are fresh when the incident happens and memories tend to be short. Sometimes the smallest detail may be the most important. If you have a camera available to you, take pictures as one picture may be worth a thousand words.

PREVENT ADDITIONAL LOSS

- If someone is injured, seek medical treatment for them. Call an ambulance. Do not move the injured, unless their life is in danger and it is absolutely necessary.
- You have a duty to take all reasonable steps to protect State property from further damage after a loss happens. If this means making temporary repairs or moving property, do it. Keep a record of expenses for emergency and temporary repairs. Some or all of these expenses may be reimbursed.
- If there is an immediate hazard within your power to correct, correct it. If it is not within your power to correct, report it to someone who can - immediately. Ask yourself, what can you do to avoid, prevent or reduce a similar loss or accident?
- If a citizen wishes to report an injury, accident, or property damage, take the report. Serve as an information facilitator and sympathetic person, but not as a claims representative. Do not be argumentative or defensive, no matter how ridiculous the situation or claim might be. Indicate that you will forward the information to Risk Management Division. Give them our telephone number. Do not hand out copies of your report. **Make absolutely no admission of guilt and no promises of insurance coverage or reimbursement by the State.**

PRESERVE EVIDENCE

It may be necessary for Risk Management Division to examine any or all damaged property. Where feasible, set the damaged property aside and in the best possible order for examination. Unless it is necessary for safety reasons or to prevent further loss, do not repair anything until we have the chance to examine it. If you must do so, take pictures before repairing. Do not dispose of damaged property until our office has confirmed that for insurance purposes, disposal is acceptable.

COOPERATE WITH OUR OFFICE.

- You must immediately send us copies of any demands, notices, summonses or legal papers received in connection with any claim or suit.
- You must cooperate with us in the investigation, settlement or defense of any claim or suit.
- You must authorize us to obtain necessary records and other information.
- You may not voluntarily make any payment or settlement of any claim without our consent unless you are prepared to assume full responsibility for all costs.

Many of these requirements may seem unnecessary, pushy or demanding. Please keep in mind, your agency pays us valuable insurance premiums to investigate, adjust, and settle your claims. It is our job to do so and it is our responsibility to be here for you - to guide you through the process. We have the experience and expertise to make dealing with a loss or lawsuit less frightening, but we need your cooperation, understanding, and help.

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