



PRESIDENT'S MESSAGE | TERI L. SPORER

DON'T GET CAUGHT IN THE MIDDLE

Some state's laws allow (some don't) for judges to award attorney's fees as well as punitive damages on behalf of the plaintiff suing an insurance company in a **bad faith** insurance matter (**an insurer's unreasonable withholding of insurance policy benefits**). Some practices by employers put them at risk of being in the middle of one of these types of actions. The importance in having the threat of punitive damages (in an amount sufficient enough to deter malicious, fraudulent or oppressive conduct) being awarded in bad faith cases is enormous as it is the only financial incentive for an insurer to abide by fair dealing and acceptable good faith standards with Insureds. In the absence of the threat of punitive damages, financially, an Insurer is actually encouraged to engage in unfair claims practices.

As a Third Party Administrator working on behalf of various A Rated insurance companies, CRS is held to an extremely high standard of compliance to ensure we are not practicing any claim management strategies that can be construed as Bad Faith dealings with claimants. We are construed in these cases to be the party responsible for meeting all the standards. We are constantly walking a tight rope to balance the needs of our customers with those of the carrier in making sure that we are acting with reasonable promptness and communicating with injured parties and paying them any and all benefits and settlements that they are entitled to by statute. These are examples of just a few practices that would be subject to scrutiny in a bad faith lawsuit:

1. Misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue;
2. Failing to acknowledge and act with reasonable promptness upon communications with respect to claims arising under insurance policies;
3. Failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies;
4. Refusing to pay claims without conducting a reasonable investigation based upon all available information;
5. Failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed;

SOCIAL MEDIA

Creative Risk Solutions posts company news to Facebook and LinkedIn. Get connected with us!



PRESIDENT'S MESSAGE CONTINUED...

Teri Sporer | President

6. Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear;
7. Making claims payments to insureds or beneficiaries not accompanied by statements setting forth the coverage under which the payments are being made;
8. Making known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of compelling them to accept settlements or compromises less than the amount awarded in arbitration;

These are just a few examples and the list goes on. When an insured decides to try to tackle claims on your own without reporting them under your policy to CRS you are essentially taking on the risk of one of these claims against you. This and the MMSEA requirements are reasons you will often hear a CRS person "reminding" you about submitting at the very least, an incident report for each occurrence to protect your company from being subjected to one of these types of actions. Keep yourself from being caught "in the middle" and report all losses to CRS!



MEGAN BAUER | ADMINISTRATIVE MANAGER
LAG TIME

“
TECHtalk

Lag time. It's always a hot topic with our clients. Do you know how a claim's lag time is calculated? First of all, there are two kinds of lag time: Employee & Employer.

Employee Lag – time between the date of injury and when the employee reports it to the employer.

Employer Lag – time between the date the employer is notified to when the employer reports it to us, CRS.

You are in control of your employer lag. What can you do to cut it down? Report, report, report! Did you know that if you file an event only and it becomes a claim later on, the date you reported the event is when your lag time stops? Visit our website, click on report a claim, and request a password today to have access to the quickest reporting possible!



[Solutions](#)

[About](#)

[News](#)

[Contact](#)

[Report a Claim](#)

[RiskMaster](#)





MIKE LONG | LIABILITY MANAGER

MED PAY COVERAGE

Most businesses Commercial General Liability policies (CGL) carry a coverage provision called Medical Payments (med pay) or Premises Medical Payments. It is normally under Coverage C and reads similar to this:

COVERAGE C MEDICAL PAYMENTS

1. Insuring Agreement

a. We will pay medical expenses as described below for “bodily injury” caused by an accident:

1. On premises you own or rent;
2. On ways next to premises you own or rent; or
3. Because of your operations.

This coverage is capped by a limit which usually ranges from \$500 to \$10,000. The limit is listed on the declarations page of your policy. If the injured party is a named insured on the policy or covered under workers compensation, this coverage is most likely excluded and not available. In other words, any employee on premises who is working, would not be covered. If on premises and not working, the coverage would apply.

What is unusual about this coverage is that Medical Payments pays for medical expenses of the injured party regardless of fault. An example of this would be if someone tripped over their own shoelace while walking through a convenience store aisle. In this case the convenience store would not be legally liable for any injury; however, as a goodwill gesture the store’s medical payment coverage would pay for any out-of-pocket medical cost incurred by the injured patron. It will not pay for lost wages or “pain and suffering” and it does not release the insured from any additional liability claims. This coverage is usually primary over other health insurance providers. If a subsequent liability claim is made against our policy, we would normally get a credit for any medical bills paid under the medical payments provision.

Depending on the state involved and the circumstances surrounding the incident, we may be able to collect back some of the amount we pay out in medical payments. This would normally be done by placing a lien on the injured party’s settlement if there is another responsible party. An example would be as follows:

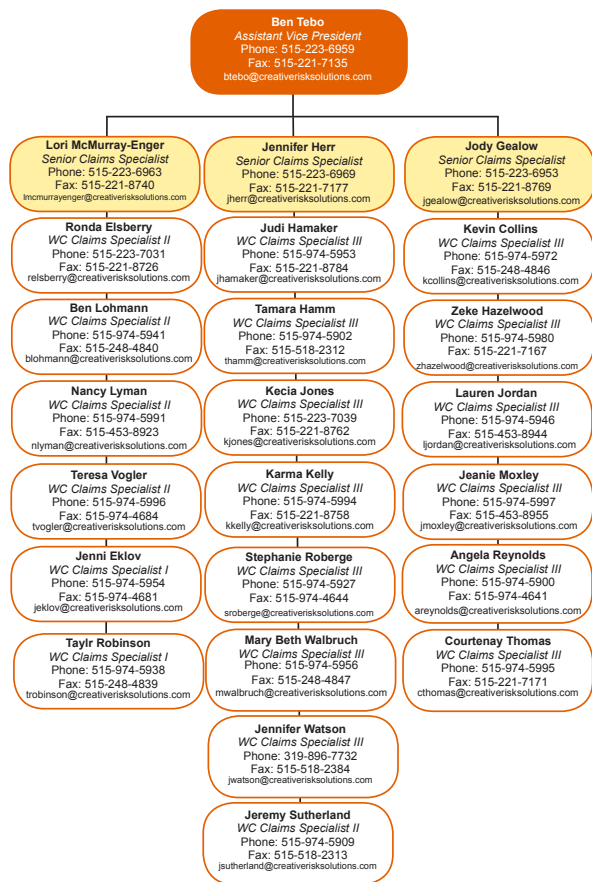
An outside vendor is power-washing our insured’s parking lot. A pedestrian entering our insured store trips over the hose resulting in injury and the use of our medical payments coverage. The pedestrian brings a claim against the outside vendor’s insurance company. If allowed, we would place the pedestrian and the vendor’s insurance company on notice that we expect reimbursement of our payout upon settlement of the claim.

Medical payments coverage is a contractual part of the policy and must be paid if applicable. As in any situation, good risk management practices will help reduce any of these types of claims.



A CLOSER LOOK - HOW WE HAVE GROWN... STACY RUGGLESS | ACCOUNT MANAGER

During 2015, Creative Risk Solutions volume of claims grew, number of adjusters increased and we added another level of supervision to the workers' compensation team. CRS grew in claim volume by 1,300 over 2014. In order to manage the increase in claim volume we added seven new team members. To manage the workers' compensation claim volume we added three new Supervisors. The chart below outlines the new supervisors and their teams.



CREATIVE RISK SOLUTIONS COMPANY NEWS

NEW EMPLOYEE



TIM FLATTERY Account Executive, Tim Flattery, specializes in serving workers compensation, liability claims control and management accounts in which he offers new ideas and innovative thinking to help improve their business strategy. He has unique experience of working both on the carrier and independent side of the insurance industry having success selling property & casualty, benefits, and life & disability insurance. An active member of the community, Flattery is involved with Young Professionals, Variety Club and a board member of The Veil Removed 501C3. Outside of work, he enjoys coaching baseball, playing basketball and puzzles.

WHAT'S NEW ON THE WEBSITE

Visit our 'meet our team' page where full contact information is provided for our CRS Team:

<http://www.creativerisksolutions.com/meet-our-team.aspx>

