

“In-House” Claims Resolution Option

POLICY STATEMENT

Member Agencies have the option of settling claims arising out of any occurrence covered by the Liability Program; wherein they are legally liable; and meet **all** of the following criteria:

1. All claims arising out of the occurrence are for “property damage” only;
2. No claim arising out of the occurrence has any potential for related “bodily injury”;
3. Member Agency’s Settlement Authority: the estimated settlement value for all claims arising out of the occurrence does not exceed the Member Agency’s Retrospective Allocation Point per occurrence;
4. The claim settlement arising out of the occurrence must be concluded within six (6) months of receiving the claim.

PROCEDURES

When a Member Agency becomes aware of, or is presented with, a claim that meets all of the conditions in the above Policy Statement it shall have the option of settling the claim directly. If the Member Agency wishes to exercise this option, it should adhere to the following guidelines.

1. Investigate the claim for evidence of liability on the part of the Agency;
2. Determine whether the claim is to be handled informally or whether formal claim presentation is required. Under the California Government Code a public agency need not take any action until a claim is presented that meets the Code requirements. In general terms, we recommend that this procedure be followed.

3. If no liability on the part of the Member Agency is found, the claim should be formally rejected in writing using the appropriate language as illustrated in our sample letters. Please note, rejected claims are not eligible for this program.
4. If the Member Agency accepts liability, the Member should attempt to settle the claim as rapidly as possible;
5. If at any time during the process the Member wishes the assistance of the JPIA, please contact us by phone or refer the claim in progress to us to conclude;
6. Any claim that cannot be settled within six (6) months shall be referred to the JPIA for handling;
7. A Monthly Small Claims Report along with copies of the claim, signed release, and a copy of the settlement check shall be submitted to the JPIA within six (6) months after settlement as this will insure that the Member is reimbursed for the expenses incurred;
8. Within thirty (30) days of the receipt of a Member's report, the JPIA will issue a check to the Member for reimbursement of the settled and paid claims plus a \$150 administrative fee for each claim settled. Any settlements not reported within six (6) months are not eligible for the \$150 administrative fee.
9. The settlement reimbursement will be charged to the appropriate agency in the next retrospective premium calculations. **It is important to note that our policy has changed with regard to the experience modification calculations used in developing a Member's deposit premium. Only losses that exceed your Retrospective Allocation Point or \$15,000 (whichever is less) will be used in the calculation. It is therefore usually in your interest to report all small claims.**