

Risk Management – CPLIC Claims Handling Guidelines

HEAVY EQUIPMENT CLAIMS

1. **Assignment:**

Accept assignment from authorized company or agent. If assignment is received from Insured, confirm with company or agent prior to commencing service.

2. **Contact:**

A contact letter will be forwarded on same day as receipt of assignment. Telephone contact attempted within 24 hours.

3. **Inspection/Field Assignment:**

Major losses to be inspected immediately. All other field assignments are to be performed within 48 hours or as soon as it is mutually agreed upon with involved parties.

4. **Acknowledgement:**

Confirmation of receipt of assignment faxed within 24 hours.

5. **Telephone Status:**

We will telephone a status to the involved insurer, company or agent by telephone when:

- Requested
- Suspicious origin or claim (fraud)
- Losses requiring immediate expert help to preserve evidence or protect salvage
- Contamination, pollution or hazardous materials
- Coverage issues
- Advise exposure on workers' compensation claims

6. **First Report:**

Appraisal – within 7 days

- Full adjustment/liability/workers' compensation: Typed report, as soon as possible, not to exceed 14 day's from assignment.

7. **Copies of Report and Enclosures:**

We will provide required amount of additional copies of report and enclosures as requested from the assigning insurer, company or agent.

8. **Estimate of Loss:**

All estimates will have an agreed price with (property damage) the repairer of the owners choice and will be included in our report as required (including necessary photographs).

9. **Coverage:**

Copy of verified coverage information will be furnished by the assigning insurer, company or agent as required for our file handling.

10. Coverage Questions:

Only the assignor involved can make the decision to deny a loss in whole or in part. If a problem is identified during our handling, we will take the following steps:

- Advise all parties involved of the policy language that gives us the concern.
- Explain to the parties involved that it is our function to investigate the facts and report.
- Explain that the principal will make any final decision(s).
- Obtain a recorded statement from the involved party if the coverage problem involves policy conditions or the party's knowledge of the events.
- Obtain a non-waiver/reservation of rights agreement if you feel it is likely that the Insured will begin repairs or incur expenses before the company can reach a decision.
- Further investigation may be needed to resolve the coverage question.
- Present a non-waiver/reservation of rights as a memorandum documenting our conversation. Quote or paraphrase the policy on the form. If the Insured does not wish to sign it, simply leave the original and forward the copy to the company with our report.
- Telephone to principal immediately after the inspection to alert the examiner to the coverage issues we discovered.
- Immediately forward a narrative report of the investigation/recommendation.

11. Value:

- Confirm value prior to any recommendations.
- Compare to co-insurance or replacement costs requirements.

12. Insurable Interest:

- Obtain documentation of ownership or right to insure.
- Confirm lienholder, lessor or other encumbrances.

13. Determine Cause of Loss:

First report should identify the cause of a loss or describe the investigation in progress.

14. Statements:

Take statement from involved parties if,

- Subrogation potential/3rd party action
- Negligence/liability is undetermined
- Coverage questions
- Insurable interest questions
- Verification of injuries/non-injury
- Verify agency as opposed to independent contractor
- Verify claimant was in course and scope of employment

15. Experts:

Insurer, company or agent must authorize to hire an expert. We must first contact approved expert and get approximate cost and why we feel there is a need for an expert.

- Give precise instructions to the expert for the scope of their investigation. If needed, first recommend a preliminary inspection and advisement. Confirm instructions in writing.
- In emergency situations, the expert's judgment may be required for immediate action to prevent further damage, or to preserve evidence or protect the salvage. If we cannot get authority in advance, we will contact principal as soon as possible to explain actions.

16. Scope:

Get an agreed price with the Insured or the repairer of the Insured's choice (including necessary photographs).

- Write estimate using the Mitchell Esti-Mate system.

17. Diagram:

Prepare a diagram only if needed to describe risk and/or occurrence of events when necessary.

18. Photographs:

All files will have photographs to show the risk, which includes the identification of damage and/or condition. Only enough photographs will be taken to show necessary information. Photographs will be furnished and labeled with comments.

19. Official Reports:

All necessary reports will be obtained as required.

20. Salvage:

Insured will be advised upon first inspection of salvage protection, which includes:

- Preventing additional damage
- Incurring unnecessary costs

21. Subrogation:

Comment on subrogation possibilities in the first report. Advise involved parties by putting responsible party on notice as required.

22. Status Report:

Within thirty (30) days maximum, a report will follow to advise the principal of all activity or non-activity since the last written report.

23. Advance Payments:

None to be recommended unless unusual circumstances arise and have been discussed with the principal.

24. Authority, Proofs & Releases:

All recommendations need authorization prior to issuing Proofs or Releases, unless advance authority has been given by the principal. If we have the authority to settle, upon issuing Proofs or Releases, a copy will be forwarded to the principal within two (2) days.

25. Billing:

Time & Expense – All bills will include a record of activities. Interim bill on files which will not conclude within ninety (90) days or w