

MIAMI VALLEY RISK MANAGEMENT ASSOCIATION
CLAIMS REPORTING POLICY

Originally Adopted by MVRMA Board: January 19, 1989

Amended: June 21, 1993
 June 17, 1996
 March 16, 1998
 December 17, 2007
 December 18, 2017
 June 22, 2020
 March 15, 2021

PURPOSE

This policy has been established in order to clarify the obligation of the members of the Miami Valley Risk Management Association to report both actual and potential claims to the Association in a complete and timely fashion.

POLICY STATEMENT

It is the policy of the Miami Valley Risk Management Association to require each of its members to report all claims to the Association in a timely fashion. The criteria for determining which claims to report are as follows:

1. All third party claims, regardless of the dollar amount
2. First party property claims, including auto physical damage, if the loss exceeds or potentially exceeds \$2,500

Members shall report lawsuits to the Association within forty-eight (48) hours of receipt. Members shall report all other claims to the Association within ten (10) business days from the date of notice of claim to member municipality. Failure to report a lawsuit or claim within these timeframes may result in the loss of coverage through the Association.

Members are also encouraged to report any incident or occurrence which may reasonably be expected to result in the filing of a claim or lawsuit against the member or the Association.

It is understood that all claims will be reported to and paid by MVRMA, and the amount of each claim will be recorded against the member city's loss experience. Members do not have the right to elect to self-insure losses.

ENFORCEMENT CLAUSE

The Claims Manager* shall report to the Executive Director if there is a reasonable concern that a member city is self-administering claims or has repeatedly failed to report claims according to the established Claim Reporting Policy or Claims Reporting Procedure. If the Executive Director determines there is good cause for further investigation, he shall visit with the Board Trustee of

the member city to confidentially gather further information for the purpose of handling the matter internally. If this procedure does not resolve the Executive Director's concerns, he shall report his findings to the Risk Management Committee.

The Risk Management Committee will meet to review the Executive Director's findings. The Committee may request a meeting with the member's Board Trustee or other appropriate personnel to gather information or recommend a claims audit be conducted by MVRMA, which may include a financial audit of the member city to detect any claims payments not previously disclosed.

If the Risk Management Committee determines violations of the Claim Reporting Policy have occurred, the Committee may recommend one or more of the following penalties to the MVRMA Board:

- (1) If there is determined to have been a "good faith" violation or violations, the estimated amount of the undisclosed or late-reported claims experience shall be added to the member city's loss experience. Such experience shall be subject to "forgiveness" as provided in the MVRMA Loss Capping Policy.
- (2) If there is determined to be a flagrant violation or repeated violations, the estimated amount of the undisclosed or late-reported claims experience shall be added to the member city's loss experience. Further, the Committee may recommend the imposition of a loss experience penalty upon the violating member city for a flagrant or repeated violation. Said penalty may be in an amount up to the value of the undisclosed or late-reported loss experience and shall be designated as a "penalty loss experience." This "penalty loss experience" shall be included in the calculation of the member city's average losses for the next four years as part of MVRMA's PCF calculations. The Committee may recommend that there be no loss capping "forgiveness" of the loss experience and/or "penalty loss experience" resulting from a flagrant or repeated violation.
- (3) If the Committee determines that the Association's ability to defend a suit or claim was prejudiced by the member's failure to disclose a lawsuit or claim within the timeframes set forth in this policy, the Committee may recommend no defense or coverage be provided for that lawsuit or claim. Such action shall not preclude the Committee from recommending the addition of claims experience and the imposition of a "penalty loss experience" as provided in Numbers 1 and 2 above.
- (4) Expulsion of the member city as provided in the MVRMA By-laws.

* *"Claims Manager" means either the Claims Manager employed by the Association or the contracted third-party claims administrator.*