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## coverage corner

### Understanding Your Reporting Obligations



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We periodically take time to reflect on the reporting obligations of the Liability Coverage Agreement provided to our membership.

The reporting obligations are arguably the most important conditions imposed on the member in the coverage contract. They are significant enough that they are addressed prominently in each of the five coverage parts in the Liability Coverage Agreement.

Your Commercial General Liability, Business Automobile Liability, and Law Enforcement Liability coverage parts each have a Condition titled **Your Duties if there is an Occurrence, Claim, Offense or Suit**. The Public Officials Liability, Employment Practices Liability and Employee Benefits Liability coverage document not only has this same condition, but also includes a condition titled **Reporting of Potential Claims**. The condition addressing reporting of claims under the Privacy or Security Event Liability and Expense coverage part is titled **Notice to Us**.

All insurance policies clearly spell out what the insured's duties are in the event of a claim or suit being presented. Although the coverage NIRMA provides is not technically insurance coverage, the reporting conditions are no different and no less important. The member is required to notify NIRMA as "soon as practicable" of an occurrence, claim or suit that could reasonably be expected to be covered. This is a requirement all county or agency employees should be aware of.

Each of our members have a person designated by the member as the NIRMA Contact Person. The purpose of addressing this communication aspect of your coverage documents more directly here is to emphasize the need for clear and timely communication

among all member employees, not just the designated contact person. The contact person is the keeper of the coverage agreement issued annually to each member. I would urge each office or department to visit your designated contact person to take a few minutes to review the coverage manual and understand the terms and conditions of the coverage. Pay special attention to the reporting conditions.

You don't need to become an insurance expert, but you do have an obligation to know and understand what is required of you from a communication perspective in the event of an occurrence, claim or suit. The contact person's ability to communicate in a timely manner and in compliance with the terms of the coverage agreement is contingent upon the timeliness and quality of communication from the offices and departments within your county or agency.

Slow or late reporting of claim information can hamper the claims adjuster's ability to effectively handle a claim, and when the adjuster does not have good, clear and timely information from the member, the cost of a claim is generally greater. The cost of claims affects what the member pays for its coverage and the amount of equity it has in the pool. In addition, late or untimely claim reporting could jeopardize the member's coverage in the event it materially affects our ability to manage a claim or suit. NIRMA's liability is subject to the conditions, definitions, and exclusions contained in the coverage agreement.

The importance of clear and timely communication between our members and NIRMA cannot be overstated. By complying with the conditions of coverage related to reporting obligations, you help us to help you.