

Investigating and Reporting Significant Occurrences

What Is A Significant Occurrence?

A significant occurrence is one which experience tells us will generate a claim. Since you are obligated by the insurance contract to report such events as soon as you know about them, this requires some judgment on your part. Some insureds avoid making this judgment by reporting all occurrences to their carrier. Some insureds send nothing and only report when they receive a notice of claim. While it is very useful for insurance carriers to receive all accident reports, there are some occurrences, which should receive the immediate attention of both you and the carrier. What are these?

You should notify your insurance carrier whenever anyone is seriously injured, including injuries that may produce unconsciousness, severe bleeding, facial scarring, fractures, loss of function, or when there may be a significant monetary loss either through presumed high medical expense or inability to work or both. In addition, you should also report occurrences involving persons who, because of their attitude toward your organization or past behavior, are likely to bring suit against you.

Remember! How "right" or "wrong" the cause of a claimant or potential claimant may be has nothing to do with the matter. The failure to report to the carrier because the other person was in the wrong has resulted in some very large settlements in favor of "undeserving" claimants. Your carrier has the contractual obligation to defend you regardless of the merits of the claim.

When Do You Report Such Occurrences?

The policy language says as soon as practicable after you learn about them. Your first obligation, however, is to the injured person(s). You must be sure anyone who is injured is properly cared for and, when necessary, receives the best available medical care as quickly as possible. Many claims arise from injuries, which are not cared for in a timely or appropriate manner, and develop into more serious or even life threatening situations. Additionally, if there is property involved, you should do whatever you reasonably can to be sure that further damage does not occur through such events as theft or exposure. Once these important matters have been cared for, and then it is time to report to your carrier.

How And What Do You Report To Your Carrier?

Significant loss reports can be directed to the carrier through the agent or directly. In either case, the more serious the occurrence, the faster the report should be made. A telephone call to the claims staff of the carrier is most desirable in the case of a serious event. The carrier will want to conduct an investigation as quickly as possible: often the same day, if the event occurs early enough in the day and travel circumstances make it feasible.

What Do You Report?

In a word—everything—and in as much detail as possible. While it may not be possible to report everything over the phone, you should be prepared to relate the essentials of who, what, where and when, and then to prepare for the arrival of the carrier's investigator and provide that person with as complete a file as possible.

What Constitutes A Complete Accident File?

First, a few words about candor. It is inappropriate to advertise to anyone who will listen that the accident might have been your fault. It is also unwise to attempt to recast the event in terms that overlook or obscure certain facts because they appear to place the blame on you or your staff. When dealing with representatives of your carrier, complete candor is essential to the best defense of your position in the matter. Plaintiffs' attorneys are skilled at discovering and refuting slanted or biased defense statements and, when they do, the cost of the settlement will be considerably higher.

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Second, don't share what you know or any information you may have about an occurrence with anyone who tells you that he or she is an investigator for the "insurance company". The investigators may be hired by the plaintiff or the plaintiff's attorney. Make sure such persons identify themselves, and then check with your carrier to confirm the identification before responding to them. Once you are satisfied that you are working with the right person, the following list is the kind of information he or she will need to prepare the best defense of your position and work toward the fastest possible conclusion of the matter.

- Positive identification of injured persons and others involved, including full name, age, sex, home address, phone number, social security number or driver license number if available, school grade if any, and school attended if applicable.
- The specific location of the accident in as much detail as possible, including reference to fixed, identifiable objects showing distance and direction from the objects as well as movement of persons or vehicles during the accident event.
- A full description of the occurrence indicating:
 - Time of day, day of week and date.
 - General activity of the persons injured and of the group they were in, if applicable.
 - Specific activity of the injured persons, in as much detail as possible, when they were injured.
 - Names and positive identification of all witnesses.
 - The general conditions of the place of occurrence, including surface kind and condition, lighting, noise, weather, possible distractions, and any other details obtainable.
 - A full identification of any machinery or vehicle involved including make, kind, serial numbers, other plate information and model year or age.
 - Photographs of the scene of the accident giving both general and specific views of the place of occurrence, or a careful diagram showing as much detail as possible, including the location of the injured persons and any others nearby.
 - Records that might pertain to the occurrence, such as prior accidents in the same place or under similar circumstances, records of maintenance if machinery, vehicles or other mechanical systems are involved, attendance, lesson plans and test scores of achievement indicators of a student, and relating to the activity in which the injured person was engaged at the time of the occurrence, including specific warnings or rules of conduct and their enforcement.
 - Any known deficiencies of the persons injured and any special accommodations or supervision for such deficiencies.
 - An accurate recall of any statement made by the injured persons immediately after the occurrence with corroboration by witnesses, if possible. First statements are likely to be a more accurate indication of what happened compared with statements prepared later for purposes of making a claim.
 - A brief description of injuries in non-medical terms insofar as known, including whether the person injured was conscious or not. A copy of the report of a nurse or other practitioner would be useful, if available.

While this may seem to be an imposing chore, it can be organized and the information collected very quickly. This record will provide an invaluable source document for the best possible defense of the matter, even under the worst possible circumstances.

Your efforts in investigating and reporting significant occurrences will permit your insurance carrier to do the job it does best; defend you.