

Claims - recovering money

By Jennifer Valencia

The WCIA claims team is working hard to recover money paid on claims where the other party is at fault on Auto Physical Damage (APD) and Property coverage claims. These coverages carry a deductible which is paid back to the member if recovery is successful.

Members may not be aware that when WCIA pays for the member's damaged auto or property, we stand in your shoes against the at-fault party and we pursue them aggressively to recover member funds. WCIA can recover funds through 'subrogating' the at-fault insurance company, restitution through the criminal courts, referrals to our partner collections agency, working directly with the at-fault party, or invoking the WA Department of Licensing (DOL) Financial Responsibility Law.

- **Subrogation:** This process allows WCIA to seek reimbursement from the at-fault party's insurance carrier. We have begun seeking additional money for the membership through demands for loss of use. Loss of use results when a property/vehicle is unavailable for use for a period of time while in the shop for repairs. This allows us to return additional funds back to the member to offset the burden of having vehicles out of circulation.
- **Restitution:** WCIA can file a request with the prosecuting attorney's office requesting a suspect pay for the damages incurred as a result of a crime. If the judge orders the suspect to pay, it is typically paid on a monthly basis. Once WCIA receives the full deductible back, we reimburse the member. We often request restitution in cases where suspects are fleeing authority and damage is done to police vehicles. Another example would be when a DUI suspect hits a property-scheduled light pole. In those instances, we can use the criminal courts to help ensure we get taxpayer funds back.
- **Collections:** When the at-fault party does not have insurance coverage or WCIA is unable to file restitution, we have a collections agency that we work with to recover. Collections fees are added on top of any recovery.
- **Direct:** When a party does not have insurance and has not committed a crime, WCIA attempts to recover our funds from them directly before sending them to collections. We may form a promissory note with the party and receive money back over time.
- **DOL Financial Responsibility:** When the at-fault party does not carry insurance coverage and the damages are over \$1,000, WCIA can file with the state to revoke the at-fault party driver's license until the funds are recovered.

WCIA recently had a member that had damage to a light pole, fence, and sidewalk due to a driver that ran off the road. The member only had coverage for the light pole. The at-fault party had insurance coverage and we were able to subrogate the member's interest for the fence and sidewalk. We were not only able to send back the deductible but the cost of the fence and sidewalk as well!

WCIA's ability to subrogate and recover member funds is directly dependent on the quality and timeliness of the information we receive from the member. Quality incident reports that include photos and descriptions help us identify the correct parties to pursue. Timeliness of documentation submissions help us ensure we use the appropriate subrogation avenue. Detailed repair estimates, tow bills, copies of the police report, and whether the prosecutor has been in touch with the member is all pertinent.

In the last twelve months, WCIA was able to recover \$1,136,759.89 on behalf of membership. These recoveries help return members to whole and help keep WCIA rates lower. We are working hard again this year to make sure we meet and exceed that amount.