A good contract can stave off headaches and claim payments

By Gordy Van

A member’s vehicle was being taken to a vendor’s shop for servicing. While en route to the shop, the vendor’s driver crossed the center line and struck another vehicle. Damage was done to both the member’s and the other driver’s vehicle. The member submitted a claim to WCIA for damage to their vehicle and the insurer of the other vehicle also presented a liability claim to the member.

The member participated in the Auto Physical Damage program of WCIA and therefore had coverage with WCIA subject to a collision deductible. The member also had a strong contract with indemnification language with the vendor and we were thus able to fully recover the member’s damages, including their deductible as well as tender the claim for damage to the other vehicle to the vendor’s insurer.

WCIA has had many claims where indemnification agreements have allowed us to successfully tender liability claims to contractors. Absent such agreements, the member may be responsible for paying claimant damages in the event of an accident causing injury or property damage that arise from a contractor’s work or activities on behalf of the member. Those indemnification agreements can also allow us to tender claims for damage to member’s property to the contractor.

WCIA can seek recovery from a party responsible for damage to the member’s property to the extent that we have issued payment to the member. This recovery generally can include the member’s deductible as well. If the property damaged is not scheduled with WCIA or the damage is below the member’s deductible, WCIA cannot issue payment or seek recovery on your behalf.

Information on Insurance and Indemnity Requirements for Contracts can be found in WCIA’s Liability Resource Manual, Guideline ADM.21. The Liability Resource Manual is available through the Member Resources page on the WCIA website: http://www.wciapool.org/member-resources. For one day event usage of a facility, renters can be directed to the Tenant User Liability Insurance Policy (TULIP) on WCIA’s website to obtain insurance. If you have questions about indemnity provisions or insurance requirements, please contact WCIA. We can review your concerns and provide some direction.