

FROM THE DESK OF THE UNDERWRITER
We are a phone call away... call us at 800-362-3363

Dear policyholder;

I received the following in a status update letter from VGM Insurance claims counsel regarding a recent claim:

“Plaintiff claims that he fell out of his manual wheelchair due to the caster rubbing against the fork causing the wheel to jam. He received a fracture of the left femur on 9/30, which required open reduction and internal fixation. He said he had requested service on the chair on 9/16. The dealer says the customer wanted to bring in the chair himself and failed to do so. Due to the severity of the fracture, the venue and the plaintiff’s sympathetic condition the settlement value is \$75,000 to \$95,000.”

This is the perfect example of a claim boiling down to he said, she said. But who is right? If the customer requested service for the chair on 9/16 as noted above, but none was forthcoming, then he is probably right. However, if the customer told the dealer that he’d bring the chair in but didn’t, then what could the dealer do?

The simplest answer is document, document, document. The details of conversations with your customers are as important as the prompt delivery of products and services. Any conversation, anytime, is important – and the example above is a perfect reason for you to amend your office procedures to include the documentation of all customer contacts, no matter how insignificant they might seem.

The ultimate cost of this claim will be around \$150,000. For those of you asking why not take it to trial and let a jury decide – I answer: the additional cost of a jury trial in this matter, and that there is no guarantee the jury will find for the dealer and against the customer makes a settlement very attractive. However, if there was healthy documentation of phone conversations in the customer file, the matter could likely be settled for a fraction of the cost. As I was working on this letter, I spoke to our lead attorney about this claim and others, and she commented: “We’ve never been hurt in a case, by too much documentation in the customer file.”

The cost of claims is shared by all policy holders, so it’s in everyone’s best interest to spend a bit of time reviewing your office procedures.

If you have questions about documentation of customer records or reporting a claim, or anything related to your liability insurance, don’t hesitate to give me or any of the friendly associates here at VGM Insurance a call.

Best Regards;
From the Desk of the Underwriter