

When Should I Contact My Insurance Company About a Potential Claim?



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Introduction

Business owners have a lot to keep track of, particularly when it comes to risk management. Each day, a business receives any number of complaints from customers, business partners, and employees, so it's easy to see why business owners may be hesitant to report incidents to their insurance company. They might think the issue isn't serious enough to warrant getting insurance involved, or worry that their premium will go up. As a result, they choose to ignore it, hoping the problem will just go away.

But as we've discussed in previous [case studies](#), even small complaints can quickly become costly claims. Informing your insurance company when an incident occurs that could become a potential claim down the road can save you a lot of time and money—and in some cases—your business. Let's take a look at some situations we frequently respond to at VGM Insurance to see what incidents of this nature might look like, what you should do, and how to gauge when you should contact your insurance company.

Incident Case Studies

Situation One: You just took a call from a family member who was very upset about their mom falling while your home health aide was providing services in her home. It sounds like she suffered a fractured hip—it's unfortunate, but this kind of thing happens often. The family member tells you they won't need your services for a week or so while their mom is in the hospital. But it sounds like they'll have you resume services once she's released. You make the adjustments to the service orders, but aren't too worried about any issues coming up. They still want to work with you, so you carry on as normal.

Situation Two: You've had a letter from an attorney in your desk drawer for nearly six months now. It appears to be regarding an incident that occurred last year. A patient tripped while one of your techs was setting up equipment in their home. The patient had a minor ankle sprain but didn't seem to blame the tech. Patient trips and falls are fairly common, so you assumed it would be fine. Now, however, the patient is filing a lawsuit, and your insurance company is wondering why you didn't report the incident and the attorney letter sooner. But how were you to know you needed to contact them?

Situation Three: You just took a call from a patient who would like to cancel their physical therapy appointments for the next two weeks. You ask the patient the reason for the cancellation, and they tell you that they've had some conflicts come up, and also they are a little sore from their previous appointment. When you ask about the pain, the patient brushes it off and says they probably just "hit it too hard," and it's not a big deal. You let them know to update you if the pain continues, cancel their appointments, and move on with your day. Clearly whatever the pain the patient had was minor, and you're sure nothing will come from it—patients complain about pain all the time, it's just the nature of the treatment. However, four months later when you receive a letter from the patient's attorney, you wish you'd at least documented the conversation. Your insurance company now has nothing to go on except your patchy memory of the events.

Case Takeaways

In each of these situations, we see business owners being notified in different ways about an incident that occurred while their employee was providing services to a patient. Two of the scenarios noted that trips and falls are common, and both ultimately decided

a claim was unlikely and went on with their day-to-day. While it's true that falls are common—the CDC reports **one in four** older adults will fall each year in the United States—they are also a common factor in insurance claims. Because of this, business owners in both situations should have reported the incidents the moment they were notified, even if the injury seemed minor and the injured party didn't seem upset with the provider at the time. In the third scenario, the patient canceling their appointments and mentioning they had some soreness should have been indicators to file an incident report and document the conversation. However, because the patient did not seem upset and the pain they reported was minor, they decided not to take the issue further—later regretting their decision. Here are a few things to keep in mind when it comes to reporting incidents and why business owners shouldn't hesitate to contact their insurance company.

Reporting an Incident

It's best to report incidents to your insurance agent or broker within 72 hours of the time they occur—or as soon as you are notified. Memories of events fade quickly. Your insurer will appreciate the opportunity to gather and document any details that may come up should the incident become a claim later. They may also provide recommendations about what to do (and what not to do) to help mitigate the chances of the incident turning into litigation, and how to ensure your business is prepared if a lawsuit does arise.

It's Not the Same as Submitting a Claim

Reporting an incident does not automatically mean you are submitting a claim, and it certainly does not mean your premium rate is going to go up. It simply means you're putting your liability carrier on notice and that they're going to make note of the incident. The incident does not turn into a claim until the carrier has to pay out on behalf of the insured. For example, a notice will not appear on your loss run because there are no payments attached to it.

If an Incident Becomes a Claim

If the incident does turn into a claim, you and your insurance carrier are now in the best position to resolve it in the quickest and most cost-effective way. Your carrier is already aware of the situation, so they'll spend less time gathering information and more time assisting you in reaching a settlement or defending you in court.

When to Report an Incident

While we are by no means suggesting that you report every single customer complaint that comes to your attention, we've outlined several situations below that you should automatically report to your insurance company:

- If a patient falls
- If a patient is injured in any way, even if it's only a minor injury at the time
- If you are required to call 911 for a patient
- If a patient's family member indicates they are unhappy and deserve free services or reimbursements for services
- If there is a car accident while running errands with or for the patient
- If a patient passes away for any reason other than natural causes
- If any property damage occurs while a member of your staff is in a patient's home

The situations above are some of the more common claims we see, but it is not an exhaustive list. If you ever experience an incident and wonder if you should call your insurance company, it's probably best to pick up the phone.

For more information about how you can minimize the risk of claims for your business, and to ensure you have adequate coverage, reach out to your VGM Insurance Services Account Manager, or contact us today at info@vgminsurance.com or **800-362-3363**.