



**REAL LIFE CLAIMS:
CERTIFIED MAIL AND NOTICE OF SUIT**
The Case of the Unopened Letter



Introduction to the Case

Given the hustle and bustle of today's culture, many of us may find it difficult to keep up with all of the communications we receive, including those that are addressed through the mail. In certain instances, however, missing a piece of mail could be extremely costly to your business.

In the scenario below – based on a true story – you'll walk in the shoes of an owner of a Home Medical Equipment company who sees what can happen if you're not keeping a close eye on the mail. After you've read through the account, we'll provide some best practices you can implement today to help reduce this risk in your own business.

CERTIFIED MAIL

The Case of the Unopened Letter

As you walk into the office on a stormy day, you see Pam, your office manager, watching the storm out the front window. Coming through the door, you give her a quick grin. She holds her hand up as if to wave hello, but doesn't take her eyes off the storm. "Morning, Pam. How's the weather?"

"Oh, it's actually quite lovely, I think," she says as she finally turns to you and smirks.

You chuckle as you ask, "How's the day look? Anyone call in yet?"

"No, everything seems good today, Mark. All things considered."

As you go about your day, Pam appears to be right. Everything does seem good. Throughout the deliveries and setups you help your staff organize, there are no major incidents. And despite the storm, everyone's been able to complete their work safely.

You're helping sort out an inventory in your system up front with Pam when a gentleman enters wearing a rain coat and carrying a clipboard. He looks like a character out of a movie as he pushes his hood back and brushes some of the water off his coat.

"How can I help you?" you ask.

He glances down at his clipboard. "Mister....Mark Flaherty?"

"Yes, that's me."

"I just have this for you, if you could sign here please." He hands you a piece of certified mail addressed to you, and you sign for it not thinking much of it. "Thank you. Have a nice day," he says as he turns to exit.

"You too. Stay dry out there," you say with a smile. Opening the letter, though, your smile quickly fades. It's a notice of default judgment – to the tune of \$3 million dollars. The family of Dorothy Glasier has claimed that equipment provided by your business may have been responsible for an injury.

"Mark? Are you okay?" Pam asks.

"Uh...yeah. I...I just need to make a phone call. Hey, can you bring the Glasier patient file to my office, please?" Pam nods as you make your way to your office. You sit down at your desk and begin dialing your insurance agent as Pam lays the file in front of you.

"Hi, this is Mark Flaherty," you say into the phone. "Um. I'm not sure what's happening. I've just been served a notice of default judgment, but I don't recall ever receiving anything in the..." Your voice trails off as you open the patient file and see another piece of certified mail. The date indicates it was delivered over a month ago while you were on vacation. "Yeah, I'm still here," you say.

BEST PRACTICES TO PROTECT YOUR BUSINESS

Cases like this can happen to any business, no matter what industry they serve, and the results can be truly catastrophic. The good news is that there are steps you can take to minimize your risk, should you find yourself the defendant in a complaint against your business.

Pay Attention

It's simple but effective advice. If a piece of certified mail comes to you, it's probably 1) important, and 2) time sensitive. In the case described above, the business owner had very little time to respond before the complaint went to default judgment. Once that happens, costs to defend the complaint go up significantly, so it's crucial that you give yourself and your insurance provider as much time as possible by catching these communications and acting upon them as soon as *they arrive*.

Create a Process for Certified Mail

Of course, the person best equipped to respond to a complaint may not always be present when the communication is received – as in our case above where the business owner was on vacation. That's why it's best to have a process established and documented for when certified mail comes in. For example, you could identify a succession order of who should receive certified material, and who is responsible for responding to it, as well as communicating with the appropriate team members, in the event the manager or owner is unreachable.

Don't Wait. Call Right Away.

One thing that should be made very clear is this – the longer you wait, the more risk you take on. In fact, insurance policies often contain conditions requiring you to report claims in a timely manner and to immediately provide copies of any suit papers or other legal documents pertaining to a claim. Failure to do so could jeopardize coverage for a claim. That's why it's critical that when you receive a summons and complaint notice, your *very first* step should be to contact your insurance agent or broker – just as Mark did. They'll walk you through the next steps to take, and the information and documentation you'll need to start preparing. You should also contact the insurance company that carries your policy. Often, your agent or broker will do this, but it's best to ensure that everyone has been notified.

Make Sure You're Covered

No one wants to deal with being named in a complaint. But believe us, it's always worse the longer you wait. Just remember that the earlier you notify your insurance agent and your insurance company, the better chance you have of avoiding unnecessary legal costs, delays in the case, and stress on yourself and your team. It's also a good idea to review your insurance coverage regularly, to ensure any changes in your business are accounted for, and that you have the proper coverage in place.

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

