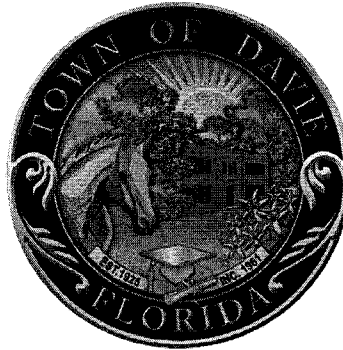


**TOWN OF DAVIE
HUMAN RESOURCES DEPARTMENT**



**RISK MANAGEMENT CLAIMS REVIEW SETTLEMENT
SOP #25-003**

September 19, 2012

SUMMARY OF REVISED, DELETED, OR ADDED MATERIAL

This operating procedure shall replace the Personnel Rules and Regulations and Policies enacted prior to the effective date of this Operating Procedure.

Revision	Date	Responsible Department	Description of Change
1	September 19, 2012	Human Resources	Revision

APPROVALS:


Human Resources Director/Grace Garagozzo

2/5/19
Date


Town Administrator/Richard J. Lemack

2/7/19
Date

1-1. PURPOSE.

This operating procedure is intended to provide a mechanism for the Town of Davie Risk Manager and insurance company to negotiate and establishes guidelines for approval of settlements of claims in an effective and timely manner. This procedure will allow the Risk Manager to authorize the negotiation of claims, as well as issuance of remuneration.

1-2. SCOPE.

This operating procedure applies to settlement of all claims arising out of the Town of Davie insurance program administered by Risk Management.

1-3. REFERENCES.

- a. Chapter 440, Florida Statutes (F.S.)
- b. Public Risk Insurance Agency insurance policies and binders.

1-4. DEFINITIONS.

- a. Claim. A civil proceeding against any Covered Party seeking monetary damages or non-monetary or injunctive relief, commenced by the service of a complaint or similar pleading.
- b. Covered Party. The public entity, in this case the Town of Davie.
- c. Damages. Compensatory damages which the Covered Party becomes legally obligated to pay by way of judgment, award or with the prior written consent of the Trust, settlement.
- d. Loss. A monetary liability resulting from the occurrence an event of which the Town of Davie is insured and includes a claim, a settlement, or a final judgment

1-5. POLICY.

- a. The Town of Davie Risk Management Program is assigned responsibility for the administration of claims on property/liability, workers compensation, and litigated liability and workers' compensation claims. To effectively process insurance reimbursable claims, lines of authority need to be established to assure proper flow of information and decision-making. The Human Resources Director is responsible for the management of the risk management function. Direct authority for the function is delegated to the Risk Manager.
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b. Property/Liability Claims

1. All incidents involving damage to Town of Davie property, damage to property owned by others, and injuries to others, shall immediately be reported to Risk Management.
2. After the incident report has been filed with Risk Management all contact between the parties shall be handled through the Risk Management Office.
3. Risk Management shall assess the incident and determine if the incident will be handled internally or forwarded to the third party claims administrator for handling.
4. All claims involving bodily injury, multiple parties, questionable liability, and/or an estimated value of more than the deductible of the insurance policy shall be forwarded to the third party claims administrator for handling.
5. Claims involving damage to Town of Davie property, damage to Town of Davie vehicles and minor damage to property owned by others may be handled internally by Risk Management if the value is below the insurance deductible.
6. If the exposure is greater than the deductible, the Risk Manager and insurance carrier will negotiate settlement of the claims.

c. Workers' Compensation Claims

1. All incidents involving work-related injury or illness to employees should be reported to Risk Management.
2. Risk Management will process the Notice of Injury and forward the required information to the Town's third party claims administrator for timely filing with the State of Florida.
3. All injuries or illnesses to Town of Davie employees which require professional medical treatment will be forwarded to the third party claims administrator for handling in compliance with F.S. 440.

d. Litigated Claims (Liability and Workers' Compensation)

1. Any notice of claim, lawsuit, or summons and complaint received by any department will be forwarded to the Risk Manager within 24 hours of receipt.
 2. The Risk Management office will immediately notify the third party claims administrator and provide available documentation of claim.
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3. The third party claims administrator will establish a claim file and conduct an initial investigation to determine the extent of liability. All departments are expected to provide full and timely cooperation with all claims.
4. The Risk Manager will determine if the best interest of the Town of Davie would be served through an attempt to reach financial settlement of the claim, taking into consideration the extent of liability and the cost to litigate the issue.
5. The Workers' Compensation coverage is a self-insured program up to \$350,000. Insurance will take over defense of the case and exposure in amounts greater than \$350,000.
6. The third party claims administrator has been contracted by the Town of Davie to adjust, negotiate and process payments associated with claim expenses. The third party claims administrator has the authority to negotiate claim settlements up to \$5,000. Settlements up to \$50,000 can be negotiated or mediated by the Risk Manager in conjunction with claims adjuster, and/or legal defense attorney. Settlements up to \$100,000 can be approved by the Human Resources Director.
 - (i) For settlements in excess of \$100,000, the following procedure shall be followed.
 - (a) The Town of Davie's third party administrator will recommend a maximum amount for negotiated settlement of the claim. The Human Resources Director and Risk Manager will review the proposed settlement to be presented to Town Administrator for consideration and/or approval.
 - (b) If negotiations are successful with the amount authorized, contingent upon Town of Davie, the third party claims administrator will process the settlement offer and necessary documentation (up to and including a General Release) and issue the settlement draft to conclude the claim. The Risk Manager will give the final approval of the General Release.
 - (c) For settlements in excess of the Town of Davie's self-insured retention, and/or annual aggregate:
 - i. The Risk Manager will inform the Town Administrator of claim settlements in excess of the self-insured retention, and/or annual aggregate. Approval will be required for settlement.
 - ii. The Risk Manager shall be responsible for working closely with the excess insurance carrier to ensure appropriate settlements at that level.
 - (d) On claims where the Town of Davie position is not to offer settlement, where settlement negotiations have not been successful, and/or a lawsuit has been filed (upon receipt of summons and complaint), the third party claims administrator shall assign the legal defense to an attorney approved by the

Risk Manager. Selection of new attorneys for defense will be directed by the Risk Manager and will include consultation with the Human Resources Director. The claims adjuster and the defense attorney shall work in conjunction with the Risk Manager. All correspondence from the defense attorney to the Town of Davie shall be addressed to the Risk Manager. Any settlement reached shall be processed in accordance to the procedures outlined above.

e. Miscellaneous

All procedures and settlement levels outlined in this policy shall be exempt from the Town of Davie's purchasing procedures.
