

## Subrogation

# CLAIMS BRIEF



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### ***LGIT SUBROGATION GOES IN-HOUSE***

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When a LGIT member purchases auto physical damage coverage, LGIT is contractually obligated to pay for repairs to the member's vehicle whether the insured's driver was at fault for the accident, or not. If the member is at fault for the damages, then LGIT pays the member for the damages to its automobile, less any deductible amount. When LGIT investigation discloses that the other party to the accident may be at fault, LGIT attempts to be reimbursed for the damages paid by LGIT and our member. This is subrogation. Sometimes, the other party readily agrees to reimburse LGIT for the damages. Sometimes, the other party disputes fault and refuses to pay for the damages. When the other party refuses to pay for the member's damages, the only recourse is to file a subrogation lawsuit.

Subrogation as a legal concept means, "stepping into the shoes of another." By paying a damage claim to its customer as mandated by the provisions of the auto physical damages policy, the insurance company then obtains the legal right from the injured client to sue the other party in the accident for the damages to the vehicle. By paying a claim to a member under that member's auto collision coverage, LGIT then assumes the right to sue the other person for damages. This subrogation effort benefits members, as well as LGIT. Members share a portion of costs in auto collision policies through the payment of their deductible. When LGIT successfully litigates a subrogation suit, it can then return a member's deductible amount.

As part of LGIT's effort to better serve its members, LGIT has recently started litigating some subrogation claims in-house, saving legal expense dollars that used to be paid to outside law firms. This also allows LGIT to more aggressively subrogate smaller claims that would not have been cost-effective to subrogate with outside counsel.

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#### **Please Route to:**

Sheriff \_\_\_\_\_  
Attorney \_\_\_\_\_  
Police Chief \_\_\_\_\_

Human Resources \_\_\_\_\_  
Risk Mgt./Claims \_\_\_\_\_  
Manager \_\_\_\_\_  
Clerk \_\_\_\_\_

To make our subrogation efforts to recover your deductible money from at-fault third party claimants successful, you can help by doing the following things:

- Get police reports
- Get insurance information from the other party
- Get any witness information from bystanders and others
- Accurately document repair bills and any expenses
- Immediately report these incidents to LGIT so we can involve the other insurance carrier
- Advise employees who are involved in accidents that we may need to use their testimony in court.
- Get employee statements as to what happened in the accident; this will make their potential testimony more reliable
- Employees involved in such accidents need to be made available to LGIT staff for interviews and trial preparation
- Get current, up-to-date addresses of all parties to the accident; this makes it easier to have process served
- By properly preparing accident reports and files, you can make LGIT's job of subrogation easier. Through cooperation, we can all save money.

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