

CLAIMS BRIEF



Spring 2006

Does Your Entity Assume Liability for Claims???

LGIT's Claims Services Department often receives claims for automobile accidents or general liability occurrences only to learn from the claimant that the reporting member's public official or employee has accepted liability for the claim and agreed to pay the claimant's damages. Of course, the claims department is always willing to work with our members and consider recommendations and opinions regarding claims. However, Section V.C.4 of LGIT's Scope of Coverage specifically states as follows:

No Member will, except at its own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the Trust's consent.

LGIT has a fiduciary obligation to all members to thoroughly investigate all claims and, after applying the facts of the occurrence to the principles of Maryland tort law, pay damages only for claims in which our members are legally liable. A thorough claim investigation may show that at our member did not have actual or constructive notice of a defective condition, was simply not negligent or that the claimant contributed to the occurrence.

LGIT understands that our members and their employees want to promptly address citizen complaints and concerns, especially those that result in damages to a citizen or his property. That, too, is our objective. However, we cannot agree to pay claims without first completing a thorough investigation of the facts of the occurrence and making a liability determination based upon the facts of the investigation. Of course, we encourage you to discuss your concerns with your claims representative at the Trust, who will consider the issues you present when making a liability determination.

When a claim occurs, please immediately report the claim to LGIT and advise the claimant that LGIT will investigate and handle the claim on your behalf. The claimant should never be told that the claim will be paid.

If you have any questions about this bulletin or any claims issue, please contact Sherri Butler, Director of Claims Services at 1-800-673-8231.

Please Route to:

Sheriff _____
Attorney _____
Police Chief _____
Clerk _____

Human Resources _____
Risk Management or Claims _____
Manager _____

This bulletin is intended to be merely informational and is not intended to be used as the basis for any compliance with federal, state or local laws, regulations or rules, nor is it intended to substitute for the advice of legal counsel.



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