

Arbitrator Procedures for Policy Limits Issues FAQ

Q. *From the Policy Limits workflow step, you can't see the Filer's damages. Is it up to the arbitrator to skip to that section?*

A. On the Liability Policy Limits Findings workflow step, you only need to confirm the limits amount. If the limits are an issue, you will be required to complete the Policy Limits Worksheet, which will appear after the liability and damages workflow steps are completed.

Q. *What if the declarations page was not provided to verify limits?*

A. Evidence other than a declarations page may be submitted to prove the policy limits amount. If no evidence is submitted to prove policy limits, you will select "Did Not Prove" and enter a justification that no evidence was submitted to support the policy limits assertion.

Q. *What about agreeing to reimburse the insured? Is that required to be, "yes?"*

A. It is not required to be "yes." You will use this information when considering whether the filing is in or out of jurisdiction. For example, if the recovering party selected "no," but no argument has been presented from the adverse party pertaining to a claimant's out of pocket (OOP) expense, the case would be In Jurisdiction. Conversely, if the claimant has an out-of-pocket expense (rental) and the limits are at risk, the arbitrator will rule the case Out of Jurisdiction.

Q. *Why is there a liability decision even though a filing is Out of Jurisdiction due to policy limits?*

A. Yes, you will still see a liability decision, however, no award is owed since it exceeds the policy limits. The liability decision is useful should the adverse party file a counterclaim for their damages; the liability decision is applicable. This eliminates the need for a second hearing. Liability decisions are also made for post-hearing reasons. For example, if the filer did not originally accept policy limits, they may do so post hearing.

Q. *What do you do if no proof is submitted that a prior payment was cashed by the recovering party?*

A. You would not apply the credit.

Q. *If a party raising policy limits does not allege the existence of additional exposures (for out-of-pocket expenses), is it necessary for the recovering party to agree to make their insured whole if the policy limits truly are insufficient?*

A. It is recommended each policy limit acceptance question be answered, "yes" to ensure an award is made. However, there is no requirement. If out-of-pocket expenses are not included as an additional exposure, the case will be In Jurisdiction and an award made.

Q. *If there is no evidence to support an additional exposure, is it arbitrator discretion whether to put the case Out of Jurisdiction?*

A. Yes. The adverse party should submit evidence to support an additional exposure, even if the dollar amount is unknown. This will ensure proper handling of the limits.

Q. *Does the police report or statement evidence have to be uploaded to the additional exposure section?*

A. It is recommended that evidence be attached to the specific argument to which it applies. However, no formal rule exists. All evidence should be reviewed and considered, regardless of where it is attached.

Q. *What happens if the unknown exposure is potentially out of pocket (OOP)?*

A. Arbitrator discretion would apply. If the award is within the policy limits, you'll rely on your claims expertise to determine if the unknown exposure (OOP) will impact limits. For example, the award is \$4,000 and the policy limits are \$5,000. Could the rental exceed the difference of \$1,000? If yes, the case would be Out of Jurisdiction. If not, the case would stay In Jurisdiction and the \$4,000 award is owed. The adverse party would be free to raise a Post-Decision Inquiry (PDI) within 60 days of decision publication should a claim be presented per Rule 3-9.

Q. *When rendering a case in or out of jurisdiction, where do we provide an explanation?*

A. An explanation on this type of ruling would go in the justification field found in the Policy Limits Worksheet.

Q. *What if an adverse party does not complete the additional exposures box, but the police report verifies one exists?*

A. It is the responsibility of the adverse party to raise and support additional exposures. If it is not raised, the arbitrator cannot raise it for them as an argument.