OLF Claim Amount Entry Scenarios – Prior Payments

Arbitration Forums, Inc. (AF) strives to provide ongoing training to our members that support them throughout the filing process. The following scenarios provide guidance on how cases can be filed when no prior payment has been received/accepted or a partial payment has been received/accepted.

Please Note: Intercompany Arbitration may be filed only if the filing member has outstanding company-paid damages owed (i.e., a subrogation claim exists).

1. No Prior Payment Received/Accepted
   Applicant company-paid damages = $1,000; insured deductible = $500;
   Prior Payment Accepted = $0
2. Prior Payment Accepted Less than Company-Paid Damages

Applicant company-paid damages = $1,000; insured deductible = $500;
Prior Payment Accepted = $750

The scenario below implies the $750 payment received is totally applied to the Company-Paid Damages. The $250 remaining amount (and $500 deductible) is subject to award.
3. Prior Payment Accepted More than Company-Paid Damages – Full Deductible Reimbursement

Applicant company damages = $1,000; insured deductible = $500; Prior Payment Accepted = $1,250.

The $1,250 prior payment accepted satisfies the Applicant’s Total Company Claim Amount ($1,000 - $1,250), and the real amount outstanding is $250 (balance of insured’s deductible); therefore, arbitration may not be filed, as AF lacks jurisdiction over the deductible alone. Arbitration may be filed only if the applicant has outstanding company-paid damages owed (i.e., a subrogation claim exists). The following is an alternate example of how a member would be able to file: The Applicant has fully reimbursed the insured’s $500 deductible making its company-paid damages now $1,500 (full reimbursement) and is seeking the balance of its company-paid damages ($1,500 - $1,250 = $250 balance owed to company). The fields below would reflect $1,500 in Company-Paid Damages and a zero deductible paid, as it was reimbursed to the insured. Payments accepted would still be $1,250.
4. Prior Payment Accepted More than Company-Paid Damages – Partial Deductible Reimbursement

Applicant company damages = $1,000; insured deductible = $500; Prior Payment Accepted = $1,250.

The $1,250 prior payment accepted satisfies the Applicant’s Total Company Claim amount ($1,000 - $1,250), and the real amount outstanding is $250 (balance of insured’s deductible); therefore, arbitration may not be filed as AF would lack jurisdiction over the deductible alone. Arbitration may be filed only if the applicant has outstanding company-paid damages owed (i.e., a subrogation claim exists). The following is an alternate example of how a member would be able to file: The Applicant has partially reimbursed the insured’s deductible considering the proportion of the damages recovered, in this case 83% ($1,500 total damages plus deductible/$1,250 payment accepted). The Applicant reimburses $415 of the deductible (83%) making its company-paid damages now $1,415 (partial deductible reimbursement) and is seeking the balance of its company-paid damages ($1,415 - $1,250 = $165 plus the balance of the deductible now $500 - $415 = $85 deductible balance owed). The fields below would reflect $1,415 in Company-Paid Damages and an $85 deductible paid, given the partial reimbursement to the insured. Payments accepted would still be $1,250.