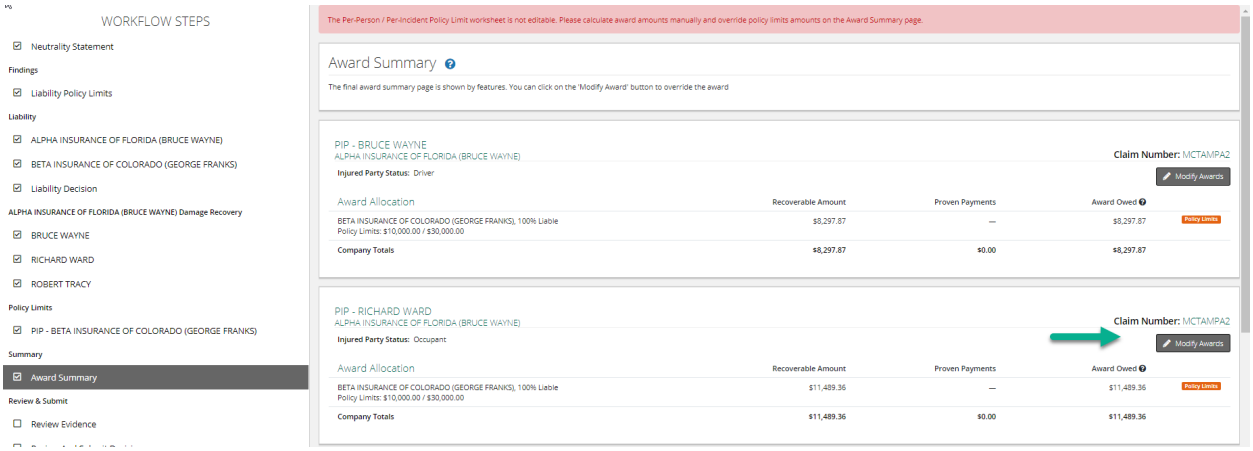
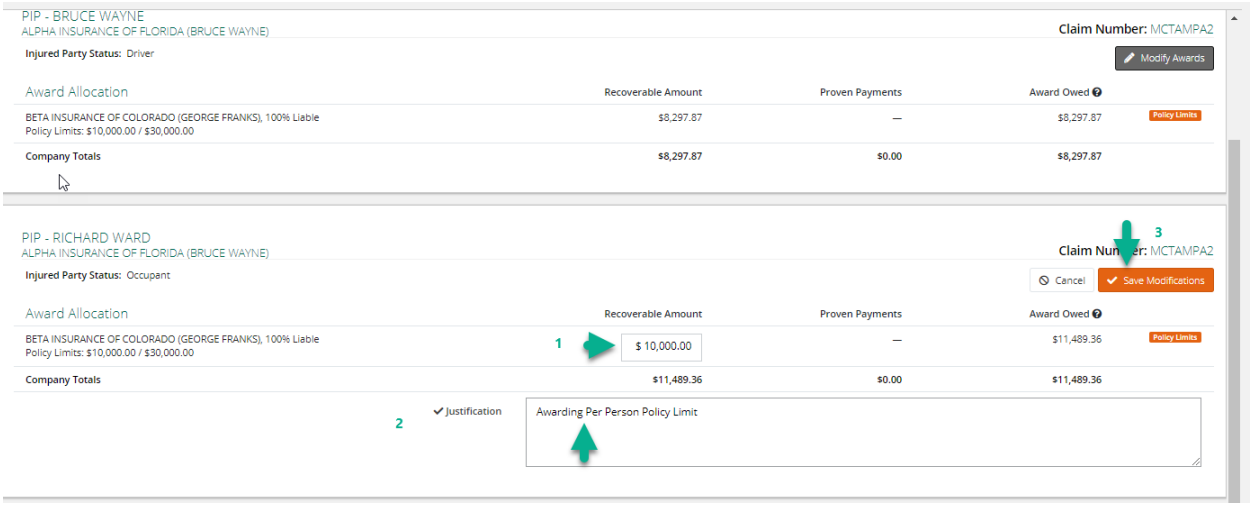
Handling Policy Limits in Total Recovery Solution® (TRS®) for PIP and Medical Payment (Med Pay)

The initial release of PIP and Med Pay coverages in TRS does not include automatic calculations of award amounts when policy limits are applicable. As such, **arbitrators must use the Modify Awards option to award the correct amount.**

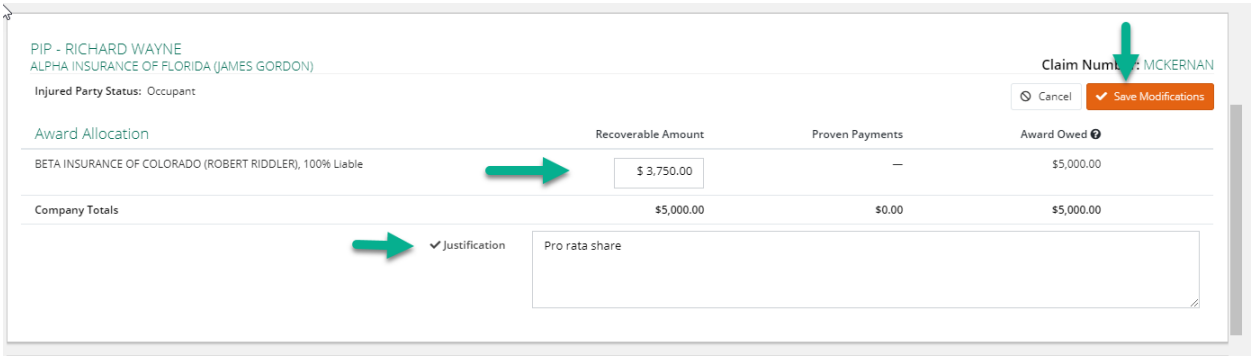
Using the example below, Alpha has filed to recover PIP damages for two features (Bruce Wayne and Richard Ward), and has proven damages in the amounts of $8,297.87 and $11,489.36, respectively. Beta has asserted and proven policy limits of $10,000/$30,000.

Since the proven damages for Richard Ward exceed the $10,000 per person policy limit, the arbitrator will need to select "Modify Awards," update the Recoverable Amount, enter justification for the modification, and select "Save Modifications." This will need to be done for each feature where the proven damages exceed the proven policy limits.

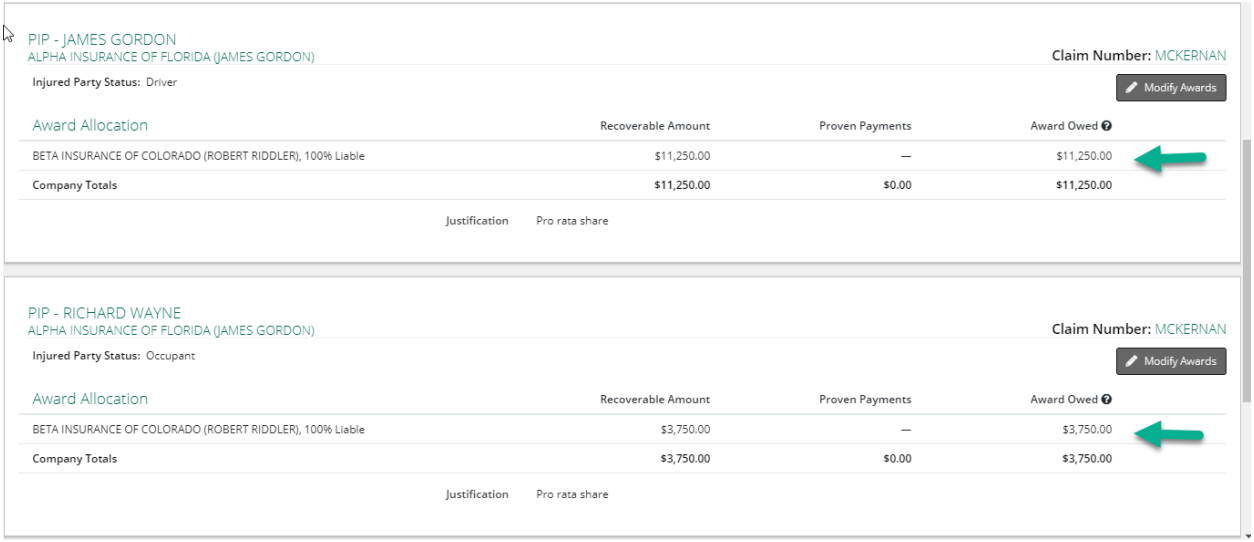
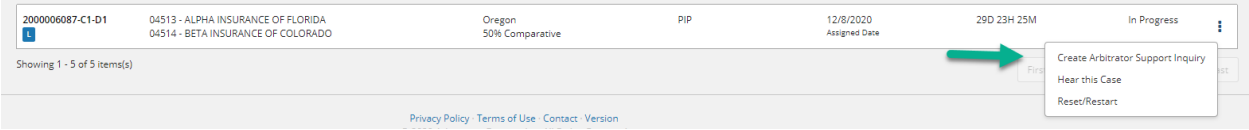




In the event the aggregate of the feature totals exceed the Per Occurrence policy limit, the individual awards will need to be modified to reflect the pro rata amount. Using the example below, the responder has policy limits of $15,000/$30,000. There were four (4) features – two have a Recoverable Amount of $15,000; the others have a Recoverable Amount of $5,000. The aggregate ($40,000) exceeds the $30,000 Per Occurrence limit. In this scenario, the arbitrator will need to calculate the pro rata share and select "Modify Awards" to enter the respective amounts.



The two features that had a Recoverable Amount of $15,000 becomes $11,250; the two features that had a Recoverable Amount of $5,000 becomes $3,750.



If you have any questions hearing a case that involves policy limits, please call Arbitrator Support at 1-866-977-3434, or submit your question via Create Arbitrator Support Inquiry.