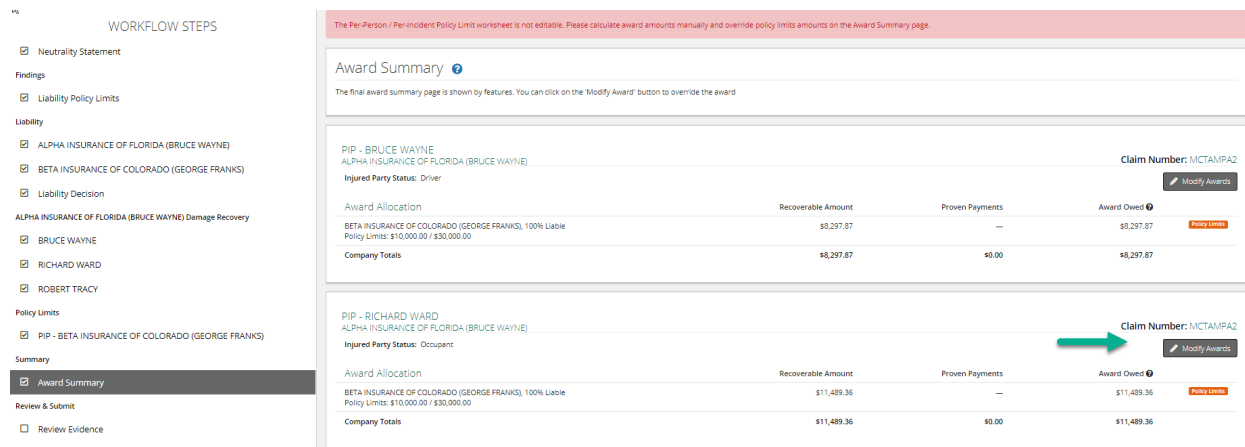


Handling Policy Limits in Total Recovery Solution[®] (TRS[®]) for PIP and Medical Payment (Med Pay)

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.

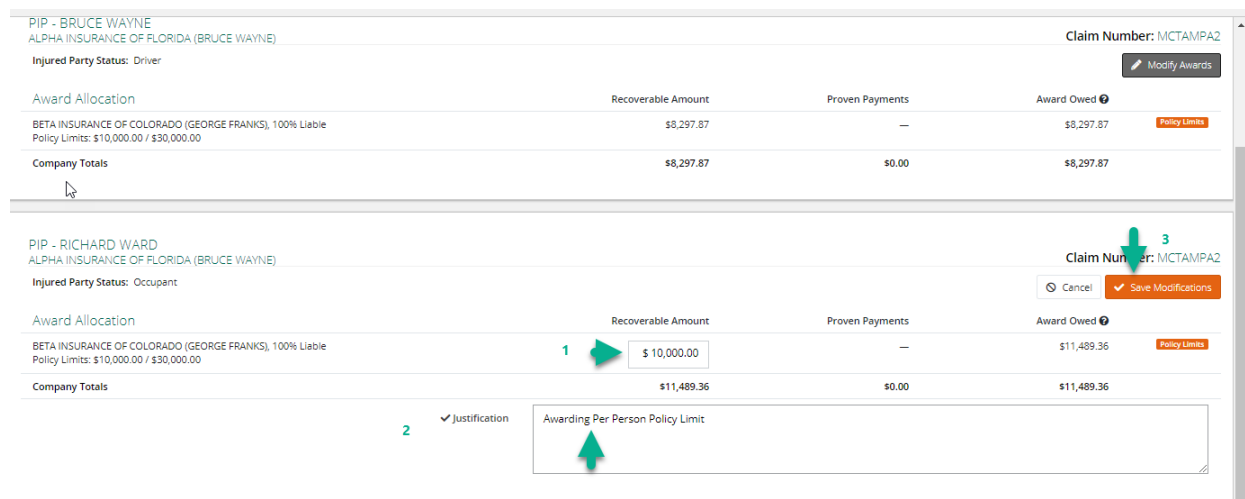
Since the proven damages for Richard Ward exceed the \$10,000 per person policy limit, the arbitrator will need to select “Modify Awards,” update the Recoverable Amount, enter justification for the modification, and select “Save Modifications.” This will need to be done for each feature where the proven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



The screenshot shows the 'Award Summary' page in the TRS system. It displays two award entries:

- PIP - BRUCE WAYNE:** Recoverable Amount: \$8,297.87; Proven Payments: \$0.00; Award Owed: \$8,297.87.
- PIP - RICHARD WARD:** Recoverable Amount: \$11,489.36; Proven Payments: \$0.00; Award Owed: \$11,489.36.

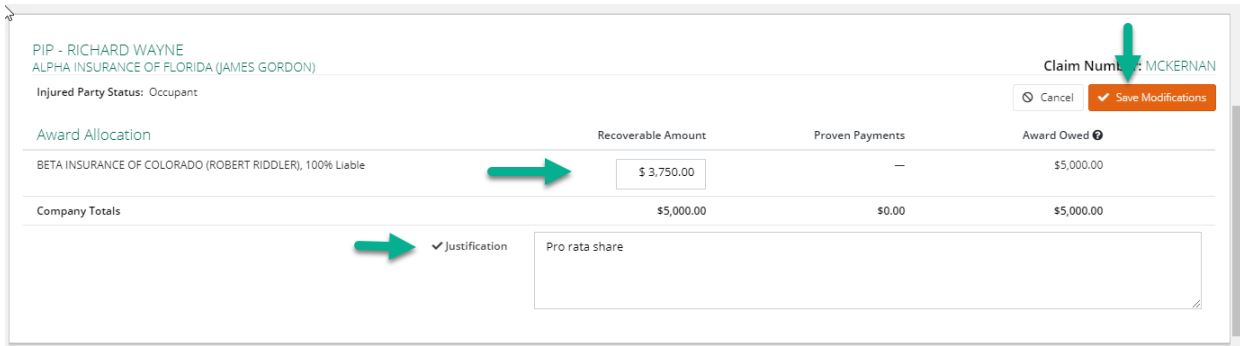
Both entries show policy limits of \$10,000.00 / \$30,000.00. A red arrow points to the 'Modify Awards' button for the Richard Ward entry.



This screenshot shows the 'Modify Awards' process for the Richard Ward entry. The 'Recoverable Amount' has been manually updated to \$10,000.00. A justification box is filled with the text 'Awarding Per Person Policy Limit'. The 'Award Owed' amount is now \$11,489.36, which is the total proven damages, exceeding the policy limit. A green arrow points to the 'Save Modifications' button.

Award Allocation	Recoverable Amount	Proven Payments	Award Owed
BETA INSURANCE OF COLORADO (GEORGE FRANKS), 100% Liable Policy Limits: \$10,000.00 / \$30,000.00	\$10,000.00	—	\$11,489.36
Company Totals	\$11,489.36	\$0.00	\$11,489.36

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.



PIP - RICHARD WAYNE
ALPHA INSURANCE OF FLORIDA (JAMES GORDON)
Injured Party Status: Occupant

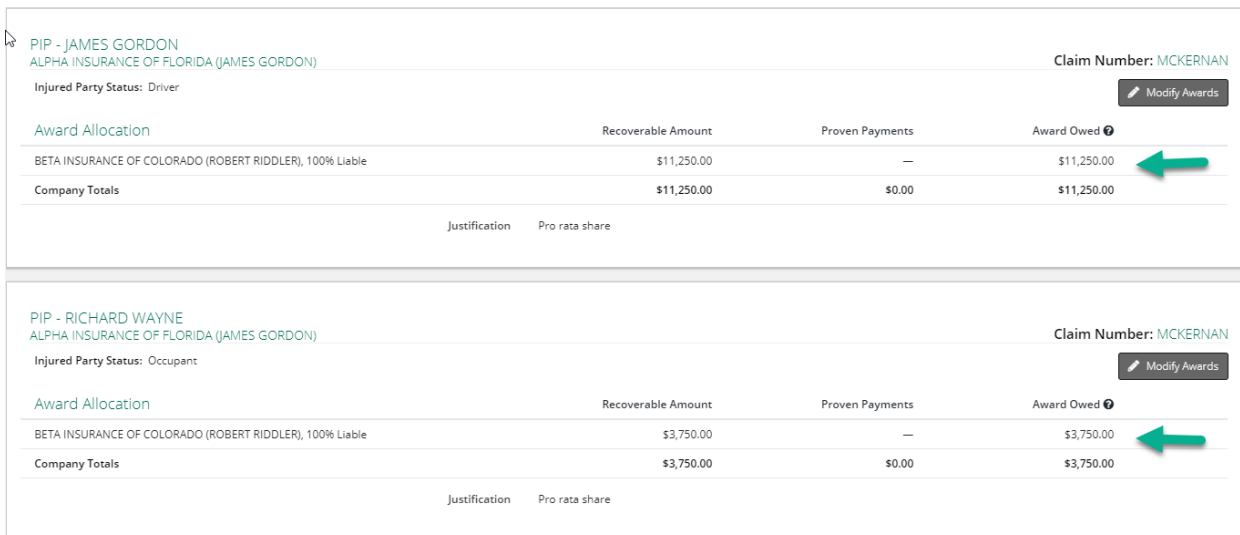
Claim Number: MCKERNAN

Cancel Save Modifications

Award Allocation	Recoverable Amount	Proven Payments	Award Owed
BETA INSURANCE OF COLORADO (ROBERT RIDDLER), 100% Liable	\$ 3,750.00	—	\$5,000.00
Company Totals	\$5,000.00	\$0.00	\$5,000.00

Justification: Pro rata share

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.



PIP - JAMES GORDON
ALPHA INSURANCE OF FLORIDA (JAMES GORDON)
Injured Party Status: Driver

Claim Number: MCKERNAN

Modify Awards

Award Allocation	Recoverable Amount	Proven Payments	Award Owed
BETA INSURANCE OF COLORADO (ROBERT RIDDLER), 100% Liable	\$11,250.00	—	\$11,250.00
Company Totals	\$11,250.00	\$0.00	\$11,250.00

Justification: Pro rata share

PIP - RICHARD WAYNE
ALPHA INSURANCE OF FLORIDA (JAMES GORDON)
Injured Party Status: Occupant

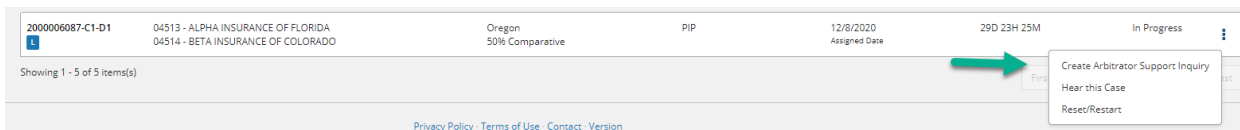
Claim Number: MCKERNAN

Modify Awards

Award Allocation	Recoverable Amount	Proven Payments	Award Owed
BETA INSURANCE OF COLORADO (ROBERT RIDDLER), 100% Liable	\$3,750.00	—	\$3,750.00
Company Totals	\$3,750.00	\$0.00	\$3,750.00

Justification: Pro rata share

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.



2000006087-C1-D1 04513 - ALPHA INSURANCE OF FLORIDA 04514 - BETA INSURANCE OF COLORADO Oregon 50% Comparative PIP 12/8/2020 Assigned Date 29D 23H 25M In Progress

Showing 1 - 5 of 5 item(s)

Privacy Policy Terms of Use Contact Version

Create Arbitrator Support Inquiry
Hear this Case
Reset/Restart