Loss Runs

The single biggest obstacle to obtaining insurance proposals is lack of current Loss Runs. It is the responsibility of your insurance agent or company to provide you with Loss Runs for policies that have open claims on a quarterly basis. It is part of the premium you pay; you are entitled to them – demand that they be delivered.

1. Bidding: currently valued Loss Runs are essential for bids. Insurance companies will not even offer proposals without copies of insurance company Loss Runs.

2. Risk management: Loss Runs are essential to your District in determining how to control or eliminate future accidents.

3. Premium decisions: analysis of Loss Runs will afford the information necessary to determine the most advantageous combination of deductibles and premiums.

Some companies offer online claim information services; be sure to take advantage of this important service.

<u>Loss Run Standards</u>

- The reports should be quarterly generated for each policy with open claims.

- The most important Loss Runs are those valued as of six months following policy expiration, because those are used in the calculation of Experience Modifiers. These are the Loss Runs that need to be included in an RFP.

- Loss Runs should be by policy by year, showing type of coverage, claimant, description of loss, amount paid, amount reserved, claim expenses and recoveries.

- Insurance companies require at least five years history.

- Some insurance companies do not prepare Loss Runs for policies without claims. Obtain a letter stating that there have been no claims.