



Risk Management Considerations for When a Claim Occurs

Incidents that result in harm are unfortunate but they do not necessarily mean that your organization is negligent or liable for the damages. Each and every incident must be assessed on its own merits.

In many circumstances an insurance recovery is wanted. In such situations, the terms and conditions of the insurance policy must be followed. The liability policy agrees to pay on behalf of the entity all sums for compensatory damages that the entity becomes obligated to pay by reason of liability imposed by law. The conditions within the policy impose certain requirements upon the parties to the insurance contract. Among them are the duties of the insured in the event of a claim, the investigation of the claim and the requirement of assistance and cooperation of the insured. The insured cannot admit liability nor take any actions that can prejudice the insurer's position or defence of the claim. Prejudicing the insurer's position can result in denial of the claim thereby requiring the organization to rely on its own funds to pay monetary damages, investigation expenses and legal fees.

The initial contact with the claimant can impact the final resolution of the situation.

In order to protect the organization we recommend the following protocol:

- Listen and document the conversation.
- Offer empathy not monetary restitution.
- Do not admit fault.
- Assure them that you will report the incident to the appropriate party within your organization.
- If contacted by the media, inform them that the incident has been reported to the appropriate party within the entity and an investigation is taking place.
- Refrain from commenting on the incident to avoid prejudicing the insurer and/or breaching any privacy laws.

If at any time you are unclear as to the appropriate response do not hesitate to contact your insurer. They are there to assist and advise you throughout the process.

While Intact Public Entities Inc. does its best to provide useful general information and guidance on matters of interest to its clients, statutes, regulations and the common law continually change and evolve, vary from jurisdiction to jurisdiction, and are subject to differing interpretations and opinions. The information provided by Intact Public Entities Inc. is not intended to replace legal or other professional advice or services. The information provided by Intact Public Entities Inc. herein is provided "as is" and without any warranty, either express or implied, as to its fitness, quality, accuracy, applicability or timeliness. Before taking any action, consult an appropriate professional and satisfy yourself about the fitness, accuracy, applicability or timeliness of any information or opinions contained herein. Intact Public Entities Inc. assumes no liability whatsoever for any errors or omissions associated with the information provided herein and furthermore assumes no liability for any decision or action taken in reliance on the information contained in these materials or for any damages, losses, costs or expenses in a way connected to it. Intact Public Entities Inc. is operated by a wholly owned subsidiary of Intact Financial Corporation. Intact Design® and Risk Management Centre of Excellence® are registered trademarks of Intact Financial Corporation or its affiliates. All other trademarks are properties of their respective owners. TM & © 2021 Intact Public Entities Inc. and/or its affiliates. All Rights Reserved.