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REPORT CLAIM TO ENSURE PROTECTION

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FEATURES AND TRAVEL 3D

By Bill Eichenberger

It was only a fender-bender. You barely nicked the guy's car, so you decided to settle it yourself. No need to report this to the insurance company, you said.

A year later you are facing a \$50,000 lawsuit.

Not reporting an automobile accident to your insurance company can be risky business.

"If you don't report an accident to your agent, you may be leaving the door open for a lawsuit . . . (and) you will have broken your contract with your insurance company, so they won't have to defend you," said Mitch Wilson.

WILSON, SPOKESMAN for the non-profit Ohio Insurance Institute, said every auto insurance policy requires the holder to contact the company after an accident.

Not everybody does.

Some people don't report to their agents or insurance companies for fear their premiums will increase. Others fear their policies will be canceled.

"Not making claims is something that's done, but I'd hope these do-it-yourself settlements remain limited," said Harvey Seymour, a spokesman for the New York-based Insurance Information Institute, an industry clearinghouse.

"Get an insurance agent you trust, and report all accidents to him. There might be times when your agent tells you not to make a claim, to go ahead and pay for an accident out of your own pocket. The important thing is notifying him so you've adhered to your contract," Seymour said.

A GOOD agent can clarify the gray areas, but in some situations you must notify your company, Seymour said.

"Always call after accidents involving major property damage - more than \$500 - or personal injury," he said.

Seymour said motorists in Ohio have less reason not to file claims than residents of other states.

The average yearly cost for auto insurance in Ohio is \$283.36; in Pennsylvania it is \$463.87, in New Jersey, \$607.27, he said. Only five states have lower premiums than Ohio.

Scott L. Chaney, president of The Chaney Group insurance agents, said many people worry needlessly about premium hikes and cancellations.

"Most companies have a threshold of between \$400 and \$600. That means if your claim is under \$400, for instance, then your premiums won't go up," Chaney said.

All companies have cancellation policies, usually after three claims within a two- or three-year period, but each company has different rules.

For instance, if you have several drivers under your policy, one company may cancel when a single driver makes three claims; another may cancel for any three claims.

ATTORNEY *KEITH KARR* said it is important to know what's in your policy.

"It's not surprising that most people don't read their policies - what with all the legal mumbo-jumbo. But you should at least be familiar with the declaration sheet, which tells you what your policy will do." Karr said.

If you still want to settle fender-benders yourself, Seymour makes this recommendation: "By all means get a legal release saying this payment is the end of the claim."

Further, he suggests talking with a lawyer for the correct wording of the release.

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