

MEMO



TO: Districts Mutual Insurance Member Insureds

FROM: Steven Stoeger-Moore

DATE: October 24, 2005

RE: Tracking Claims Related Expenses

Under your DMI policy the Educators Legal Liability coverage (Errors and Omissions, EPL) has a \$100,000 deductible which is applicable to loss and loss adjustment expense. Under your DMI policy the General Liability and Auto Liability coverage has a \$5,000 deductible which is applicable to loss and loss adjustment expenses.

If a claim moves to litigation the District may engage local counsel with DMI approval or utilize defense counsel as arranged by DMI. In either circumstance counsel from Midwest Claims should be involved in the review process. The District/defense counsel should send the invoice for defense costs to Midwest Claims for review. A request from Midwest Claims will then be forwarded to the District for the requested payment. This process will permit Midwest Claims to “track” expenses that can be applied toward the deductible.

Please be advised that any defense expense paid directly by the District does not appear on the Loss Run. If a District claims that a deductible amount has been met and that DMI should now participate in the claim payment, this District will need to provide full documentation of the expenses paid before DMI will assume any payment on behalf of claims expense.

Please call the DMI office at 262/268-6954 if you have any questions.