

Drivers paying accident charges Insurers won't cover police, fire crews

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An Ohio company promised dozens of cities that with its new billing plan, insurance companies, rather than taxpayers, would help bear the cost of sending police and firefighters to motor vehicle accidents.

But months into the program, some cities have discovered that most of the thousands of dollars collected so far by Dayton-based Cost Recovery Corp. came directly from the pockets of motorists. Officials in several cities, including the Summit County community of Stow, said the company failed to disclose that many insurance policies do not cover the cost of police work at crash scenes. Instead, the insurers have rejected the claims and contend that the police service is supported by tax dollars and required by law.

We have yet to see a policy that covers police and fire department responses to accidents," said Mary Bonelli, spokeswoman for the Ohio Insurance Institute, which represents at least 60 insurance companies. "The burden then unfortunately goes to individuals who are already going through a traumatic experience having been involved in an accident and now are being socked again with another expense."

CRC President Regina Moore said many other insurance companies do pay the bills, and cities that have pulled back are reacting to negative media reports rather than giving the program a fair shake.

"When you look at the good work these programs have done, it's incredible," Moore said. "When police come to the scene of an accident, they're reacting to a civil situation that's outside the normal police function. So while your police department is busy baby-sitting a car accident, they can't be somewhere else doing real police work. Cities suffer financially if they can't recover these costs."

The CRC program, marketed as an "alternative funding source" for cities, operates under the premise that insurance companies should pay because most information requested on auto accident police reports is used primarily to aid the insurers in processing claims.

At least three dozen Ohio cities, including Cleveland, Lorain and Cincinnati, have at some point billed insurers for police or fire services, the Ohio Insurance Institute reports. In addition to CRC, a handful of other companies bill for fire and ambulance runs. The ambulance runs are covered on most insurance policies.

But CRC is seeking a patent on its process of billing for police. Moore said about 40 cities in 13 states use CRC's police billing plan.

Hundreds more use the fire billing system, she said.

In the plan, the at-fault driver's insurance company gets the bill, and CRC handles the collection process. A city can opt to charge only nonresidents. The company keeps 10 percent of the returns and gives the rest to the city.

The program sounded great on paper when Stow City Council started it this summer, said Mayor Karen Fritschel. CRC promised that the plan would bring in about \$95,000 a year to pay for police personnel and equipment, Fritschel said.

But after the first few months, the city halted the program because the total collected - about \$3,000 - fell far short of CRC's predictions and city officials learned that most of the money had been paid by the drivers themselves.

□ Stow Police Chief Louis Dirker said he discovered CRC two years ago at a police chiefs convention, where the company had a booth. The plan seemed like an innovative way to buttress a police force that he says is operating at half-strength.

"As a police chief, I have to take every opportunity to think outside the box when it comes to generating funds," Dirker said. "Unfortunately, sometimes when you think outside the box, they beat you with the lid."

Fritschel said she feels misled by the company and will ask council in September to repeal the ordinance that created the program and refund money collected from drivers.

After using CRC's services for a year, the Cuyahoga County city of Shaker Heights decided not to renew its contract with the company.

Shaker Heights Chief Administrative Officer Jeri Chaikin said she had not seen evidence that insurance companies were rejecting the claims.

But the city collected only 28 percent of \$80,000 projected by CRC. City officials also were unimpressed with the company's approach to billing. Letters erroneously stated that the city could no longer afford to send police to accidents unless bills were paid, Chaikin said.

Shaker Heights will continue billing insurance companies in-house for another year, she said.

In the Cleveland suburb of South Euclid, Police Chief Matthew Capadona said he considered pitching the program to City Council this year, but decided against it after hearing stories of angry residents and low profits in other cities.

"There was no real guarantee that insurance companies would cooperate," Capadona said. "And people are already being taxed for the services they receive. It just seemed like a public relations nightmare. And for all the headaches it would present, I couldn't see the benefit."