

From The Morning Call

November 9, 2006

# Emmaus may steer away from charging fee for car crashes

**Councilman says billing motorists for public safety is 'just wrong.'**

By Randy Kraft Of The Morning Call

Every municipality should vote against hiring Cost Recovery Corp. to recover accident fees because "it's wrong, it's just wrong," said Emmaus Borough Councilman Brent Labenberg.

Cost Recovery President Regina Moore was grilled by Labenberg and council President Craig Neely when she came to Emmaus to answer council's questions about her business Monday.

Council tentatively approved hiring the company in September, but may drop that idea. No one on the seven-member council spoke in favor of hiring the company Monday.

Cost Recovery, which is based in Dayton, Ohio, bills insurance companies and out-of-town motorists deemed responsible for causing accidents in a municipality to recover costs of police and fire personnel who respond.

In business since 1999, it claims to earn an average of \$350 per accident for hundreds of municipal clients in several states. It does not charge municipalities, but makes money by tacking 10 percent administrative fees onto bills sent to insurance companies or motorists.

Moore acknowledged her program may not be for Emmaus if it is "in great financial shape," but maintained cost recovery is a trend because many cities are in trouble and don't have enough money for police and fire personnel.

Moore told council Allentown and Easton are "looking seriously" at her program. She also has made a pitch to Bethlehem, but did not mention that city Monday.

"If everybody goes for the money grab, everybody's going to pay for it," Labenberg said. He added communities now "cover each other, that's public service."

Moore replied: "Baby-sitting a motor vehicle accident is not public service."

"We're seeking money for something we're not legally entitled to," Neely said. "It's totally arbitrary and unfair." He said the program is "hard to stomach," like lawyers filing frivolous lawsuits.

Moore predicted the federal government eventually will require insurance companies to pay fees for fire and police departments, as it does for ambulance services.

"Until it is equal for everyone and the federal government mandates it, I'm against it," Labenberg said. "I hope every municipality votes this down until it becomes law."

Councilwoman Susan Schmidt, saying she didn't like her colleagues' "heavy-handed" attack on Moore, reminded council the Emmaus Police Department thinks hiring Cost Recovery is a good idea.

"Some of our sergeants think we should move forward on it," she said.

Labenberg said they might be for it until they have an accident in Allentown and face paying a \$400 bill.

After the meeting, Borough Manager Bruce Fosselman said he expects council will consider final action on the proposal Nov. 20.

On Sept. 5, council voted 6-1 to tentatively approve an ordinance to establish a cost recovery program in Emmaus. Neely voted no.

On Monday, Councilman Michael Waddell asked why fees are necessary, because Emmaus police are working anyway. Moore said some large cities don't even send police to accidents unless there are injuries. She added police can't investigate crimes if they are at accidents.

Moore said many accidents are caused by out-of-town motorists, but taxpayers have to pay for those police and fire services. Yet she said claims are submitted to the insurance companies of both residents and nonresidents responsible for causing accidents.

She said 50 percent of all insurance companies voluntarily pay the claims in full. "Fifty percent of insurance companies coming to the table is a significant amount of money."

Moore said the program involves no out-of-pocket expenses to residents. She said if a resident's insurance company declines payment, "you simply write it off."

Both Labenberg and Schmidt thought Cost Recovery would only go after insurance companies of nonresidents.

Labenberg was concerned that such bills could increase insurance rates. Moore said rates go up if insurance companies determine their customers cause an accident, not because of cost recovery fees.

If insurance companies of nonresidents responsible for causing accidents decline payment, Cost Recovery submits claims directly to those individuals.

Schmidt also didn't like that, but Moore indicated it has to be done for the program to succeed. When Labenberg asked what would happen if Cost Recovery doesn't go after nonresidents whose insurance companies won't pay, Moore said: "Your recovery rate would be next to nothing."

Neely wanted a list of insurance companies that voluntarily participate in the program, but Moore didn't have one. She acknowledged insurance companies are not legally required to pay the fees.

Neely also wanted to know how it can be determined who causes an accident. Moore said that's determined by police. Neely said police are not required to determine who is at fault, adding that determination usually is made by insurance companies.

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