



APRIL, 2006

## New twist—cities send out bills for police work

By Tom Reed

**I**f you're involved in an auto accident, you have plenty to worry about even if no one is injured. Your car is damaged and you may be fined if you're at fault. Add one more worry to the list if the crash occurred in certain localities. You may have to pay hundreds of dollars to have the police come out and make a report.

"A concerned member brought this growing phenomenon to AAA's attention," said Brian Newbacher, director of public affairs for AAA East Central.

"He felt the charges were excessive and amounted to double taxation. I agree with his assessment," added Newbacher.

The trend started about a year-and-a-half ago when the Cost Recovery Corporation of Dayton began marketing the concept to municipalities. So far, only a handful of Ohio cities have signed on, including at least four in Northeast Ohio.

Shaker Heights, Huron, and Sheffield Lake are among the company's clients. Sheffield Village was on the list, but decided to drop out.

Investigating accidents has traditionally been a police function, supported by taxes. But then the Cost Recovery Corporation (CRC) saw an opportunity. The company had been billing insurance companies, on behalf of its client cities, for certain fire department calls for seven years. Why not do the same for police?

Although the details vary from city to city, the company bills insurance companies of at-fault drivers for the work police do in preparing an accident report. The amount varies depending upon the number of officers involved and the time it takes. The fee typically ranges from about \$100 to \$300 or more. One motorist whose insurance company refused to pay got a bill for \$238 for the response of one police officer and one police car, for the 30-plus minutes it took to make a report.

Shaker Heights started the program early last year. Jeri Chaikin, the city's chief administrative officer, said, "The city was operating at a

### AAA's Great Battery Roundup April 17-23

*Help the environment and celebrate Earth Day. Bring us your old batteries. Join the AAA Great Battery Roundup April 17-23, at participating NAPA stores and on Friday April 21 at Independence AAA. Details on Page 22.*

deficit and we were looking for ways to tap into new revenue sources."

#### Non-residents billed

If the insurance company refuses to pay, Cost Recovery Corporation will send bills to individuals but only if they are non-residents. To date, the city has not taken any action to pursue collections, but this doesn't mean those drivers are off the hook. Chaikin says the city may do so in the future. Through last November, Shaker Heights had collected only about \$18,000 of the approximately \$100,000 billed.

Huron Police Chief Randy Glovinsky said the city has collected about \$5,000 since the program began in July 2005.

"I think it's a great idea," he says. "Most of our work at accident scenes is for insurance companies."

Regina Moore, vice president of Cost Recovery Corporation, agrees. She says that police departments are required to do only a minimum amount of work at accident scenes if no injuries are involved.

Sec. 5502.11 of the Ohio Revised Code requires police to file a 3-page written report of accidents if they involve an injury, fatality, or property damage over \$400.

"We're having a great deal of success," Moore says. "At least 50 percent of insurance companies are paying."

CRC gets 10 percent of the amount collected.

#### Rates to rise?

Mary Bonelli, a spokeswoman for the Ohio Insurance Institute, says  
(Continued on Page 10)

## Police

(Continued from Page 1)

CRC is telling communities, in their marketing materials, that insurance rates will not go up.

"That's a total misrepresentation of the truth," Bonelli says. "There's no way insurance companies can pay without having the service factored in insurance rates. These types of services are not typically covered by current policies."

A spokesman for the Ohio Department of Insurance, Robert Denhard, says the department is aware of the issue, but has not yet received any requests for rate hikes as a result.

Sheffield Lake is another north-east Ohio community using the services of Cost Recovery Corporation. Finance Director Tammy Smith says about \$1,000 has been collected in the year since the program began. She said there have been very few complaints.

#### Sheffield Village cancels

But a nearby community with a similar name has dropped the program. Sheffield Village Mayor Darlene Ondercin said, "We felt justified in charging out-of-town people" because three state routes (SR 254, 301, and 611) and Interstate 90 go through the village. During the year in which the program was in effect, the village billed nearly \$50,000, but collected only about a tenth of that.

"It's a PR nightmare," the mayor said. "It's not really worth the time and trouble."

So the village decided to cancel it.

What should you do if you get a bill from a city still using the program? The Insurance Institute's Bonelli suggests that you contact your insurance company so it can provide a proper defense.

At your fingertips—  
AAA services at [www.aaa.com](http://www.aaa.com)