You are working as a paralegal for the claims department of Autoking Insurance Company. Part of your job responsibilities is to determine whether the company is obligated to provide coverage when a claim is filed. All of the insurance policies are occurrence policies, which is the standard in the industry. Consult the text or do research to make sure you know if the claim needs to be made during the policy period. In other words, if the accident was during the policy period, is the accident covered? Is it covered even if the report of claim does not come until after the policy period?

On May 1, 2014, you received a new claims file to review. The claim was made on the appropriate online claim form and filled out completely. You note that the claims department received the claim on April 28, 15 days after the accident indicated on the claim form – April 13, 2014. The claimant is Jane Cartwright.

You contact Jane Cartwright at the phone number provided. You get her voicemail so you leave a message and the phone number for your direct line. You wait a few days and decide to try again. You get the voicemail and leave another message. The following day you receive a call from Jane Cartwright.

You discover the driver of the vehicle at the time of the accident was Tessa Martin. Tessa is an old family friend who was visiting from New York. While Ms. Martin has a NY driver’s license, she doesn’t have a car given the cost of parking in the Big Apple. Consequently, she did not have her own auto insurance while operating the Cartwright car.

You ask why Tessa was driving the car and you are told that she took the Toyota Prius out to take in a movie. Jane claims that she had given permission for Ms. Martin to use the car. You ask if Tessa was still visiting and are informed that she was not.

You ask Jane for Tessa’s contact number but Jane tells you that her number is unlisted and she doesn’t like to give it out. You explain that you need to speak with Ms. Martin to determine whether the claim is covered. Ms. Cartwright is angry and doesn’t see the need but eventually gives you Tessa’s number.

You inform Jane that you will be sending her some forms to authorize you to obtain relevant records. You advise her that she should complete them immediately upon receipt and return them either by fax or mail.

You proceed to contact the driver, Tessa. Once again, you get voicemail and leave a message. The next day Tessa calls you. She explains that she borrowed Jane’s Prius to go to a movie, confirming Jane’s story. Tessa was the only person in the car at the time of the accident. She admits to you that she was unfamiliar with the area and ran a red light because she was looking at a GPS device for directions instead of looking at the intersection.

You ask Tessa if the police were involved and she confirms that the police were called in. You make a note to get the police report. She does admit that she received a traffic ticket for reckless driving and failing to stop at a red light. She doesn’t think the other driver received a traffic ticket. Tessa denies that she was under the influence of any substance at the time.

You then ask Tessa whether she or anyone else was injured in the accident. She informs you that she suffered whiplash and is currently seeking treatment. She assumes that the people in the other car – an adult male, adult female and one child – were injured as paramedics at the scene treated them.

Tessa confirms that she does not have auto insurance but does have a driver’s license. She also informs you that she has filed a claim with her health insurance company for the medical bills, which is up to $4,000. You ask for the name of the insurance company. You also inform her that you will be sending an authorization form allowing the company to obtain her medical records and talk with her health insurance company. She tells you that she will complete it and return it right away.

You order an accident report from the relevant police department and it arrives in about a week. The report confirms most of Tessa’s story. However, the police did administer a Breathalyzer test and Tessa was positive for alcohol. But the level was below the legal limit so she was not ticketed for a DUI. Instead she received a citation for reckless driving and running a red light. No citation was given to the other driver.

You contact the other driver, Tim Collins, from the contact information provided in the police report. You identify yourself as a paralegal reviewing a claim filed by Ms. Cartwright, the company’s insured. Tim advises you that he has retained an attorney given the discovery of some soft tissue injury suffered by all members of his family. He gives you the number of his attorney and asks you to address your questions to her.

You contact the attorney. She agrees to send you a copy of Collin’s insurance policy and the contact number for their insurance adjuster. He’s also agreed to send along a copy of the estimation for repair of the vehicle, but does advise that it looks like complete loss – about $20,000 to replace. He doesn’t agree to give you the medical records until you have reached your coverage decision to protect his client’s privacy but does agree to send copies of the medical bills that total $11,000 so far.

Tessa’s forms come back to you within 10 days. You contact her insurance company and discover that she has accumulated about $4,300 in medical expenses so far.

The Cartwrights, on the other hand, have not returned their paperwork so you contact them. Jane apologizes and promises to return the forms immediately. You do receive them four days later. She includes an estimate from her body shop indicating a cost of $13,000 to repair the damage.

Tessa calls you a few days later and tells you that Tom Collins and the other passengers in his car have sued her. You ask her to email you a copy of the complaint, which she is happy to do. The complaint alleges that the plaintiffs’ injuries were a direct and proximate cause of Tessa’s negligence in operation of the car.

While reviewing the file you note that the Cartwrights did not renew their policy. They faithfully did pay all the premiums for the old policy.

The Declaration Sheet to the policy includes the following information:

Insured Names: John & Jane Cartwright

Policy Period: April 14, 2013, 12:00 a.m. to April 14, 2014, 11:59 p.m.

Annual Premium: $750

Year/Make/Model: 2012 Toyota Prius

Vehicle Damage Coverage

Bodily Injury Liability: $150,000 Each Person/$300,000 Each Accident

Property Damage Liability: $150,000 Each Accident

Uninsured Motorist: $150,000 Each Person/$300,000 Each Accident

Underinsured Motorist: $150,000 Each Person/$300,000 Each Accident

Personal Injury Protections: $25,000

Coverage for Damage to Your Vehicle: $0

Effective Date: April 14, 2013 Expiration Date: April 14, 2014

[part D does not refer to any of the coverages in the text used in the course.]