

MASTERS OF FOXHOUNDS ASSOCIATION OF AMERICA

P.O. BOX 363
MILLWOOD, VIRGINIA 22646
(540) 955-5680 (OFFICE)
(540) 955-5682 (FAX)
www.mfha.org



February 13, 2012

Re: Hunt Liability Coverage: Effective "Incident Reporting" and "Claims Submission"

Dear Master:

As Chair to the Insurance and Liability Committee, I gave a report to the full MFHA Board on January 26 (this past month) with an emphasis on and the importance of "incident" (inclusive of accident) reporting for potential future claims purposes. This letter may appear to be somewhat technical; but, it is essential to have an overall understanding of the process. An "incident report" is different from submission of a "claim". And, please note that an incident can be as benign as a potential 3rd party landowner complaint where someone in the Hunt field takes down a supportive landowner's boundary fence "gap" and leaves it open (with no readily apparent harm done); and, then cattle subsequently escape into a non-supportive landowner's (3rd party) property and create havoc (destroy a crop, etc.). On the other hand, an incident can involve an accident where there is an immediate and critical medical issue to be addressed.

The first step to be taken in both instances is that the "story" be reduced to writing. It is critical that a "Report to File" be made to a "Master's Log" with a report by narrative description of events and all players involved (even inclusive of Hunt riding members who are non-participants in the Hunt liability policy) with an explanation of any other relevant circumstances. Secondly, should you, as Master, have any suspicion of a potential future claim, then, it is advisable to forward this "Report to File" narrative of events ("The Incident") to our Executive Director, Dennis Foster at the MFHA office. Dennis and his staff will be in a position to advise as to a proper course of action; i.e., whether to forward the "incident report" to your Insurance Carrier (i.e., Burley Cocks/ American Bankers Ins. Co.) – or, whether to simply retain the narrative incident on your "Master's Log" file. Of course, I will be available to consult with Dennis and/or your Agent (Burley Cocks, etc) should it be beneficial.

Please note: I am attaching a correspondence mailed to you in February of 2009 from Scott Tepper, MFH (my predecessor) which addressed what "incidents" should be reported. Scott asked our Insurance Company for some guidance. Please read his letter because the company responded with some valuable guidance as to what should be reported and what to look for. Please note: the act of reporting something that happened is understood by the

company to not necessarily be a bonafide claim, as many "incidents" go nowhere and files are closed.

Now to the technical part: There are (2) two types of Policy Formats used in the Insurance Industry. (1) Occurrence Type, and (2) Claims Made Type. It is important that you understand the Type of Policy Format ("Claims Made" term) that is used for Liability Coverage (such as we have). Note: The format for Property Coverages: such as a "Dwelling Fire" policy are written on an "Occurrence Form". With an "Occurrence" (Property) type policy, the Insurance Company that responds to the claim is the very same company that the original "incident" was reported to: i.e., the house caught on fire, the "incident" was reported to the Fire Department, and the "incident" and "claim" were immediately filed with the company. Hence, when insuring a house: the company responding to the claim is the same company to which the "occurring incident" was reported.

A Liability policy is written on a "Claims Made" policy form. As we all know, with "incidents" of a liability nature that occur in the Hunt Field: these potential claims can linger, fester, and develop (in some cases) slowly over time. As we said: some of these "incidents" go away and files are closed; but, some take time to take shape and solidify into hard-file claims. And, importantly, there are many cases where such time has elapsed that a different (new) insurance carrier, from the one where the initial "incident" was reported (old company), "responds" to the actual "Claim" filed (that is directed to that new carrier). Your Hunt (a Hunt) may have secured coverage from a different (new) carrier – for cost reasons or additional coverage, etc. Here is where another factor enters the equation: one major requirement for submitting a successful claim on a "Claims Made" policy form (where an "incident" had been previously reported): is that there be "Continuity of Coverage". This means that your claim will be covered, even though you have a different Insurance Company responding to your claim (different from the Ins. Company to which you reported the initial "incident"). As long as you maintain continuous coverage extending back to when the incident actually occurred; then, your new insurance will respond to a written claim based upon that previous "incident report". Your coverage, provided you have maintained "continuity" will extend back to the "Retroactive Date", which is defined as "the date when this specific type liability coverage was first purchased." So, the new, existent policy, that you have, will cover an incident extending back to your Retroactive Date. The actual definition is: "A policy that is in a "Claims Made" form, means that it covers written claims, first made, during the current policy period, which were unknown or unforeseen when the policy coverage commenced."


Now, to wrap-up: should you switch policies down-the-road – it is essential that you avoid any "Gap" in this continuity of coverage. With this "Claims Made" policy format – you must have coverage that extends back far enough to respond to a previous incident. For example: when a great many of our member Hunts Transferred to Burley Cocks and American Bankers Insurance Company – the transition was a fluid one. Most everyone kept their continuity of coverage by purchasing this new coverage by the policy renewal date. So, this permits Burley to respond to "claims filed" where incidents were reported to a previous Insurance Carrier.

Just a note for your protection and information: If down the road you anticipate a "gap time" in securing a new policy upon the expiration of your old policy: you can normally purchase an "Extended Reporting Period" Endorsement or what we call "Tail Coverage" that will provide you with extra time to maintain continuity of coverage and keep your retroactive date intact – in order to insure that in the future a claim can be made on an "old reported incident". If you will recall, Burley urged us to begin the process of applying for the American Bankers policy ASAP, so that there would be no Gap in coverage when AEIG's (American Equine Ins. Group) Policy expired on July 1, 2009.

I hope this letter will be of help in the administering of your MFHA endorsed policy and/or a different program of your own choice.

Also, I have attached a Summary ("Hunt Insurance") of our endorsed program through American Bankers Ins. and Burley Cocks, along with the Aflac supplemental accident indemnity program.

Sincerely yours,

for 

Dinwiddie Lampton, MFH
Chair, Insurance & Liability Committee

Attachments: (2)

MASTERS OF FOXHOUNDS ASSOCIATION OF AMERICA

P.O. BOX 363
MILLWOOD, VIRGINIA 22646
(540) 955-5680 (OFFICE)
(540) 955-5682 (FAX)
www.mfha.org



February 4, 2009

Dear Master:

We wanted to remind you that the MFHA endorsed insurance policy contains a provision that requires a hunt to report any "incidents" rather than "claims" to our insurance carrier. During the MFHA board meeting in New York last month, a question arose as to what "incidents" should be reported. We asked our insurance company for some guidance and this is what we were advised:

If there is any bodily injury that requires emergency medical attention, has the likelihood for long term care or may impact someone's life to the point of upsetting their current daily lifestyle, the company should be notified. Likewise, any type of property damage that would rise to what someone might claim under a homeowner's policy or requires outside help to fix, like a contractor or professional services, these too should be reported.

All hunts should understand that the act of reporting something that happened is understood by the company to not necessarily be a bonafide claim, as many instances go nowhere and files are closed. Reporting however at least allows the company to make a record, and allows for consideration on what information should be gathered at an early stage before memories fade, damages are fixed, or circumstances change. The company can only protect a hunt, under the policy, by knowing about something that may some day require a response by the policy.

So, while each hunt should use its reasonable discretion in reporting any "incidents," the above guidelines should be consulted. If there is any question, please do not hesitate to contact me, although if there is a question, then the "incident" should probably be reported. This is true even if the person injured or affected by an "incident" is a long time hunt member, or a participant who has signed the release. (Of course, all participants should sign appropriate releases, long time members and visitors alike.)

We hope this letter has been of some use to you in administering your MFHA endorsed policy.

Sincerely yours,

SCOTT J. TEPPER, MFH
Chair, Insurance & Liability Committee

Hunt Insurance

The MFHA is offering a hunt policy for the MFHA's registered and recognized hunts. For some hunts this insurance will be more costly than in the past. For most hunts, however, we believe the premiums will be lower. Unlike in the past, a hunt cannot simply self-rate itself, write out a check, and send it in along with the application in order for the insurance to be effective. With this insurance, each hunt's insurance liaison must fill out the application, send it in and then be rated by the agency administering the insurance. You will probably have questions. If so, it would be best for you to contact our agent, Burley Cocks, who is also a hunting member of the Elkridge-Harford Hunt. Burley and his staff can provide you with further information, additional applications for excess coverage, and instructions about how to fill out the forms.

ABCO/ICS Insurance Company Agent: Burley Cocks (800) 564-0169

As you all are aware this new insurance has an athletic participant exclusion, like most insurance offered in the United States involving sports activities. We have been advised that this exclusion will NOT provide coverage if a hunt is sued by one of its members who is injured during a hunt activity. For this reason, it is very important that each hunt make certain that all of its participants sign releases before participating in any athletic activity or any other activity whatsoever involving the hunt.

If you have insurance through another company you should compare its cost and benefits with this insurance which best protects your hunt.

Insurance Applications (go to www.mfha.org/hunts-insurance.html)

Accident Indemnity Advantage Program

offered to the Masters of Foxhounds through Aflac.

This voluntary supplemental program offers the following coverage: brochures can be found on www.mfha.org/hunts-insurance.html

- Protection 24 hours a day, 7 days a week, on or off a horse
- Protection includes riders in competition or pleasure riding
- Coverage includes minor accidents up to those that are severe
- The program is guaranteed renewable. As long as the premiums are paid the coverage is in force
- The "Association Rate" is locked in and won't change. Aflac hasn't raised rates on existing policy holders in 56 years
- There are no deductibles or co-pays
- There are no lifetime limits
- No network restrictions - you choose your own medical treatment provider
- No coordination of benefits - we pay regardless of any other insurance
- Once a claim is received, Aflac processes and sends a check directly to the policy holder with in 4-7 days

For more information on Aflac's Accident Indemnity Advantage Program, contact Daniel Hugo at (720) 427-0173.