

STATE OF ARIZONA



Provider Indemnity Program

PIP

ARIZONA DEPARTMENT OF ADMINISTRATION
RISK MANAGEMENT DIVISION
100 North 15th Avenue, Suite #301
Phoenix, Arizona 85007

(602) 542-2182

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PIP

The Provider Indemnity Program, better known as PIP, is an insurance program developed by the State which provides liability coverage for individual providers while caring for a State client, and acts of clients that result in damage to their property or to third parties.

The Department of Administration through the Risk Management Division may either self-insure or purchase insurance to cover liability losses pursuant to A.R.S. 41-621(B), which may occur when a State client causes bodily injury or property damage. In order to receive coverage from PIP, the State client must be participating in one of four State sponsored programs:

- Foster Care
- Services for the Developmentally Disabled
- Independent Living
- Respite-Sitter Services

There is no charge to the individual provider for this coverage because PIP is funded by the State of Arizona.

While PIP is not designed to meet all of the insurance needs an individual provider may require, PIP can respond to certain losses when an individual provider has been found negligent while providing necessary care to a client as part of the services which are required under the four covered programs. Each individual provider should check with his/her insurance agent to make sure that all other insurance needs are covered.

WHO IS ELIGIBLE FOR COVERAGE?

The Arizona Revised Statutes provide coverage for:

1. The State Client and
2. The Individual Provider

A State "client" is defined as an individual who has a custodial relationship through contract or court order with the Department of Economic Security, the Department of Corrections, the Department of Juvenile Corrections, or the Office of the Courts, who is in the care, custody and control of an individual provider and who is receiving services through Foster Care, Independent Living, Respite-Sitter Services or Services for the Developmentally Disabled.

In order for PIP to respond to a liability loss, the individual provider and the client must meet the criteria of this definition.

WHAT DOES PIP COVER?

The coverages which apply under PIP are:

1. General Liability. This includes bodily injury, property damage or personal injury caused by a State client or by an individual provider. However, coverage for the individual provider is limited to those losses which result from the direct or incidental care of a State client.
2. Damage to Personal Property of the Provider. This includes physical damage to or destruction of the individual provider's property, both real and personal property. However, the damage must actually be caused by a State client.
3. Coverage is provided on a replacement cost less depreciation basis for the loss of or damage to real or personal property owned by a provider, as a result of the actions of a client.

According to A.R.S. 41-621(B), coverage provided by the State is primary coverage.

EXCLUSIONS OF COVERAGES:

Coverages which are excluded from the program are:

1. Mysterious disappearance of property.
2. Intentional, unlawful or illegal acts of the provider.
3. Automobile physical damage resulting from permissive use by a client.
4. Benefits covered by medical insurance, workers' compensation, unemployment or disability laws.
5. All claims or lawsuits, including defense costs, which result from allegations of physical abuse, sexual abuse or sexual molestation. This exclusion does not apply to the acts of a client.

6. Damage to personal property of those individual providers operating as a non-profit or for profit organization.

7. Normal wear and tear to the individual provider's personal property as a result of having a client in the home.

8. Juvenile offenses that are deemed to be a felony by an adult court.

HOW TO REPORT A CLAIM:

In the event that an incident occurs which could lead to a bodily injury or property damage claim, the individual provider should immediately report the incident.

The individual provider, or person making the claim, should telephone the Risk Management Division and provide them with the necessary information. A loss report form will be mailed to the provider, or claimant, and should be completed accurately and returned promptly to the Risk Management Division. If necessary, an adjuster may visit you to obtain additional information. Risk Management's address is as follows:

DEPARTMENT OF ADMINISTRATION
RISK MANAGEMENT DIVISION
100 North 15th Avenue. Suite #301
PHOENIX, AZ 85007

TELEPHONE (602) 542-2180

In addition, please be sure to notify other appropriate authorities when necessary, such as your local police and your case manager.

If, for any reason, you are served with a summons or complaint associated with a lawsuit, IMMEDIATELY contact the Risk Management Division at the above address and telephone number and forward the papers to us the same day.

Remember, it is important that each claim, or even an incident that could lead to a claim, be reported as soon as possible after it happens. The statute of limitation on reporting a claim is 180 days from the date of loss. Proof of loss is the responsibility of the individual provider or person making the claim.

CLAIMS REPORTING CHECK LIST:

When calling Risk Management with the initial report of a claim or incident, please have the following information available for the adjuster:

1. Date, time and location of the incident.
2. Description of the incident including any unusual circumstances.
3. Name, address and telephone number of the injured person(s), as well as a description of the injuries.
4. Proof of the loss, including description of the damaged property, and your receipt, picture, or actual damaged item.

5. Name of the State client involved.

6. Your name, address, telephone number and Social Security Number.

7. The State program that you and the client are in: Foster Care, Independent Living, Respite-Sitter, or Services for the Developmentally Disabled.

8. Retain all damaged property, whenever possible, for inspection by the adjuster.

A.R.S. §41-621(B).

B. To the extent it is determined necessary and in the best interests of the State, the Department of Administration shall obtain insurance or provide for State self-insurance against property damage caused by clients and liability coverage resulting from, the direct or incidental care of clients participating in programs of the state and its departments, agencies, boards or commissions relating to custodial care. The insurable programs shall include foster care, programs for the developmentally disabled, an independent living program pursuant to section 8-521 and respite-sitter service programs. The department shall obtain insurance or provide for state self-insurance pursuant to this subsection to protect the clients participating in these programs and individual providers of these program services on behalf of the state and its departments, agencies, boards or commissions. The insurance provided under this subsection does not include medical or workers' compensation coverage for providers.