

## *Liability Form Types*

When purchasing insurance there are a lot of important things to take into account. One very important thing to look at is the type of liability coverage each carrier offers. Three forms are typically offered: **Claims-Made**, **Claims-Paid** and **Occurrence**, each with important differences you should be aware of before choosing one over the other.

- **Claims-Made Form:** This form provides liability insurance for covered claims that occur during the policy period and are turned in while that policy is in force. If a claim is not turned in until after you have exited that program, coverage for that claim may not be awarded.
- **Claims-Paid Form:** Much like the Claims-Made form noted above, liability coverage is awarded for claims that occur and are turned in during the policy period. The significant difference is that this form makes you responsible for known and unknown claims if you exit the program. The program will stop paying for any open claims if you exit the program.
- **Occurrence Form:** This form provides liability insurance for covered claims that occur during the policy period, regardless of the date that the claim is turned in. This form is permanent insurance and a claim can be turned in anytime in the future as long as it took place during the coverage term.

For those entities that are in either a Claims-Made or Claims-Paid program, the Ohio Plan can offer **“Prior Acts”** coverage, which will help protect you from those claims that your current program would have covered when you were a member, but will not cover after you leave.

All things being equal, your best choice of liability coverage is **Occurrence**. **Also Beware** – there are programs that state their forms are **“Occurrence”** when they are actually **“Claims-Paid”**. Be sure to ask, “Who would handle my claims that occurred during the current policy period, if I am no longer with your program?” The answer will determine if you are “renting” coverage or “buying it”!