

## Cost Recovery—Questions and Answers

- Q1. Will my insurance rates increase because of a claim?
- A1. No. If you experience a rate increase, it is likely because you were at fault in the accident and considered higher risk. This increase would happen with or without assessing a user fee. If you are not at fault in an accident, your insurance company will not be billed.
- Q2. What if my insurance company refuses to pay the claim?
- A2. If you are a Township resident, you are exempt from out-of-pocket costs, no further billing will occur. If you are a non-resident (not paying taxes in Napoleon Township), you will be billed directly.
- Q3. Is this a program that seeks to increase revenue for the Township?
- A3. No, this is simply reimbursement of the tax dollars already paid by Township residents. The Township is not reimbursed by the insurance company or other liable party unless the Township has spent the money.
- Q4. How do I know if my insurance will pay?
- A4. Most insurance policies are written to cover liabilities associated with negligence. An at-fault driver in an accident is liable for many things, and policies cover many items that are not specifically “line-itemed.” However, many of these items are under an umbrella of liability coverage.
- Q5. Who submits the insurance and non-resident billing?
- A5. The Township has contracted with Cost Recovery Corporation to perform this service. The Police and Fire Chiefs will input their incident data as required by the State for any accident/incident. Cost Recovery Corporation will submit the billing from that information. Napoleon Township will do no billing, and no Township resident will ever receive a bill.
- Q6. Where will the money go that is reimbursed by an insurance company or a non resident?

- A6. The reimbursement money will go into a police or fire department equipment fund (police reimbursements to police equipment; fire reimbursements to fire equipment).
- Q7. Is this a tax?
- A7. No. This is a user fee assessed ONLY to the negligent or liable party. It is a reimbursement for money already spent for accidents/incidents caused by people that are at fault drivers, cause hazmat incidents (e.g. the summer of 2010 oil spill in the Kalamazoo River), or down utility lines.
- Q8. I can understand why insurance companies of drivers that cause an accident or that cause a hazmat incident are billed, by why downed utility lines?
- A8. Many times when a utility line is down, the Township's Fire Department has to have a least one person stay at the scene until the utility company responsible arrives. Many times this is hours. The Fire Department has only one full-time and one part-time employee. All others are paid-on-call volunteers. Some utility companies are very slow to respond to a downed utility line. This could mean that the firefighter is "babysitting" a downed utility line and unavailable to Township residents should there be a fire to respond to. This program will encourage a more timely response by utility companies.

If you have additional questions, we want to answer those for you. Please email those to Supervisor Denise Butler at [denise@denisebutler.com](mailto:denise@denisebutler.com) or phone 517 536-8108. We will respond to you as soon as possible and update this Question and Answer if necessary. Thank you for taking the time to review this.