

## **0620.08 Submission of Claims by the General Public to the Finance and Claims Committee of the State Administrative Board**

Issued: January 13, 2014  
Revised:

### **PURPOSE**

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To communicate procedures for filing and resolution of claims by the general public to the Finance and Claims Committee (F&C) of the State Administrative Board (Ad Board).

### **APPLICATION**

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Executive Branch Departments and Sub-units (Agency).

### **CONTACT AGENCY**

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Department of Technology, Management and Budget (DTMB)  
State Administrative Board (Ad Board)

Telephone: 517-284-7028 Ad Board Secretary

Fax: 517-335-0046 DTMB Procurement fax

### **SUMMARY**

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The Ad Board Secretary reviews all claims filed by the general public presented for F&C/Ad Board approval and prepares the agenda for the meetings of the F&C of the Ad Board.

### **APPLICABLE FORMS**

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DTMB-1104 Claim Against the State of Michigan for Personal Losses Less than \$1,000 (Claim Form)

MDOT-3600 Claim of Damages Less than \$1,000

### **PROCEDURES**

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#### **Claims by the General Public**

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- The Ad Board is authorized to decide claims for property damage or personal injury against the state, its departments/agencies, officers, or colleges and universities in an amount less than \$1,000 (see MCL 600.6419).
- Claims by the General Public (citizens) for loss claims require:
  - Submits claim within 365 days of loss.
  - A detailed description of the claim of loss.
  - The loss occurred by reason of an action, inaction, property defect, or maintenance condition attributable to the state of Michigan.

- The claimant's action or inaction was not a contributing factor to the loss.
  - An Agency incident report or police report must be provided with the claim.
  - A repair estimate and/or proof of insurance deductible must be provided.
  - Claims for theft of money require that the money was taken from the claimant by force or threat of force and a police report must be provided.
  - Claimant must not have been reimbursed for the loss from another source.
  - Claims by insurers under subrogation rights are reduced by any payments to the insured on the same claim.
  - Claims by insureds are reduced by any payments to the insurer on the same claim.
- Personal property loss reimbursements are based on present value and not replacement cost. Claims are subject to the following depreciation requirements:
    - Depreciation is calculated with a 20% straight-line depreciation rate per year starting with year two and continuing until a residual balance of 10% remains.
    - Automobile, eyeglasses, precious metal jewelry, and cash claims are not subject to depreciation.
    - Claims by patients at state psychiatric hospitals and centers for developmental disabilities are not subject to depreciation.
    - Claims where the claimant cannot establish year of purchase are payable at the residual value rate.
    - Claims for disposable or perishable property such as food will not be considered without a receipt that shows purchase within 7 days of loss.

## **Processing Claims**

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### **Claimant**

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- Submits a Claim Form or an MDOT-3600 with pertinent information to the Ad Board Secretary; or to the Finance Division or Human Resources Division of the Agency under whose control the claim occurred.
- The claim form must be fully completed and notarized.

### **Ad Board Secretary**

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- Assigns a claim number and records the claim in the claims database.
- Saves an electronic scanned copy of the claim documents.
- Sends a receipt to the claimant.

- Forwards the claim file to the applicable Agency for investigation and recommendation for payment or denial.

### **Agency**

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- Transmits a copy of the claim to the Agency personnel assigned to investigate claims or to supervisory personnel with personal knowledge of the incident so a recommendation for approval or denial of the claim can be prepared for the Ad Board.
- Sends the claim and Agency recommendation to the Ad Board Secretary with an unstapled, one-sided copy of the claim, documentation, and recommendation.
- Is responsible for payment to claimant of awarded claims.

### **Ad Board Secretary**

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- Places the claim information and Agency recommendation on the F&C agenda.
- Logs the recommendation, F&C date, and Ad Board date in the claims database.
- Prepares the proposed claim decision letter.
- Adds Secretary's report of any claims over 90 days old to the F&C Agenda (monthly).
- Prepares and forwards F&C Agenda to the F&C for action.
- After the F&C meeting, prepares the F&C meeting Report and forwards the F&C Report and the F&C Agenda containing the claim recommendations to the Ad Board for action.
- After the Ad Board meeting, notifies the Agency and the claimant of the Ad Board's decision by letter.
- Handles correspondence and other communications relative to the claims.

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