

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

Issued: January 13, 2014
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PURPOSE

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

Executive Branch Departments and Sub-units (Agency)

CONTACT AGENCY

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

Telephone: 517-388-5773 Claims Technician/Analyst
517-388-5850 Secretary of Ad Board

Fax: 517-335-0046 DTMB Central Procurement

SUMMARY

The Claims Technician/Analyst processes claims for personal property losses submitted by the general public for Ad Board approval and prepares the claims portion of the agenda for the meetings of the F&C.

APPLICABLE FORMS

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

Claims by the General Public

- The Ad Board has discretionary authority, upon the advice of the Attorney General, to decide claims for property loss/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 require:
 - Submittal of a claim within 365 days of the date of loss.

- A detailed description of the loss or damage. If additional space is needed, the claimant may attach an additional sheet using 8-1/2" x 11" blank paper.
- 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 or receipt 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 on behalf of the insured will not be accepted.
- 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.
 - If the claimant cannot provide a receipt or proof of the original purchase amount to assist in the determination of the present value of the item(s), the residual balance may be calculated using the average cost.
 - 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

Claimant

- Submits a Claim Form or an MDOT-3600 with a copy of relative supporting documentation to the Claims Technician/Analyst; or to the

Finance Division or Human Resources Division of the Agency under whose control the claim occurred.

- The Claim Form must be completed in full, signed by the claimant, and notarized.

Claims Technician/Analyst

- 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 or returns the claim to the claimant for proper completion.
- Forwards the claim file to the applicable Agency for investigation and recommendation for payment or denial.
- Handles correspondence and other communications relative to the claim.

Agency

- 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 with supporting documentation and recommendation. Claims may be submitted to the Ad Board electronically.

Claims Technician/Analyst

- Reviews the claim, Agency recommendation and supporting documentation for consistency.
- Seeks the advice of the Attorney General for discrepancies. The Claims Technician/Analyst or Attorney General may contact the investigating Agency to resolve a discrepancy.
- Places the claim information and recommendation on the F&C Agenda. If a discrepancy cannot be resolved, the Claims Technician/Analyst, under the advice of the Attorney General, either places the agency recommendation or an alternate recommendation on the F&C Agenda.
- Logs the recommendation, F&C date, and Ad Board date in the claims database.
- Prepares and forwards the claim section of the F&C Agenda to the Ad Board Secretary for F&C action.

Ad Board Secretary

- Prepares and forwards F&C Agenda to the F&C Committee for review of the agenda and recommendations.
- After the F&C meeting, prepares the F&C meeting Report and forwards the F&C Report and F&C Agenda containing the claim recommendations to the Ad Board for final approval.

Claims Technician/Analyst

- Prepares the Claim Decision letter.
- After the Ad Board meeting, notifies the Agency and the claimant of the Ad Board's decision by letter.

Agency

- Distributes signed claim decision letter to pertinent Agency representatives for informational purposes and/or payment processing.
- Is responsible for timely payment to the claimant of awarded claims.
