

# Should I Have Premises Medical Coverage?

Some agents may tell you that you need to have premises medical coverage, and that a policy without it offers less protection. As the following case shows, that is simply not true.

Premises medical coverage is included in your general liability policy and the theory is that it helps business owners convey goodwill to customers and reduces claims costs. But it hasn't worked out that way. It actually increases claims costs. Premises medical coverage can be used as a means of financing further legal action against owners, which affects the business owner's loss history and can impact premiums.

Property owners are not automatically legally liable for accidents that occur on their premises. The property owner must have caused the accident through negligence in order to be held responsible. Your general liability policy already protects you from claims for which you are legally liable.

Businesses with general liability policies that include a premises medical provision often pay for unwarranted claims. Premises medical coverage pays for medical expenses (usually up to \$5,000) that are "necessary, reasonable, and related to an accident occurring on the premises." **It sounds good, until you realize that because the coverage is no-fault, the payment will be made regardless of the facts surrounding the incident – even if your store is not at fault for causing the accident.**

When making a payment under premises medical coverage, you cannot obtain a release from the injured party, so they can still take civil action against you. In fact, many claims continue to be pursued after payment has already been made under premises medical coverage. **For these reasons we have removed Premises Medical Coverage from our policies.**

Here's an example of why it is a good idea to eliminate premises medical coverage from your policy:

## **Wolfe vs. Taber's Foods**

While shopping in the Produce Department at Taber's Foods, Mrs. Wolfe slipped, fell, and broke her wrist. She underwent surgery and ultimately incurred \$12,500 in medical expenses as a result of the accident.

**Grocers Insurance** investigated the incident and found that Mrs. Wolfe was not sure what had caused her to fall. Taber's had excellent maintenance procedures, and an employee had swept the area only 10 minutes before the fall. Because there was no negligence on the part of Taber's, the claim was denied.

Mrs. Wolfe filed suit against Taber's, claiming that the store was at fault for her injury. An arbitrator decided the case in favor of Taber's, because the store had done nothing wrong. On appeal, the District Court affirmed the decision, stating that Mrs. Wolfe had failed to meet the burden of proof.

In the end, no money was paid to Mrs. Wolfe. However, had the policy owned by Taber's included the standard \$5,000 premises medical provision, she would have received the \$5,000 regardless of the store's lack of responsibility.

Without premises medical coverage, we make payments on your behalf when it's appropriate, and we can request a signed release. For more information on premises medical coverage and why we recommend that you have it removed from your policy, call your local Grocers Insurance agent or Claims Services at 1-800-777-3602.