Accident Insurance for Sports & Recreation Organizations

Accident Insurance is also known as Excess Accident Insurance, Participant Accident Insurance, or Medical Expense Insurance in the sports insurance industry. It pays medical bills on behalf of injured participants, usually on an excess basis, subject to the policy terms and conditions.

 Accident insurance claims tend to be frequent but most payouts are small to moderate to cover emergency room services, diagnostic tests, doctors visits, etc. However, more serious injuries that require surgery such as ACL or certain fractures can quickly escalate well beyond $25,000.

**Reasons to carry Accident insurance**

 Organizations buy Accident insurance for two primary purposes:

1. From a feeling of responsibility to cover the out of pocket medical bills for those who are injured in the program, and
2. Because it is required by the General Liability carrier as a pre-condition of extending coverage for lawsuits arising out of injuries to injured participants.

 The General Liability carriers use the Accident policy as a shield to prevent and reduce damages owed on General Liability claims. If the Accident policy eliminates out of pocket medical expenses from being paid by the participants and/or parents, that reduces the likelihood that they are going to file a lawsuit against the sports or recreation organization.

**Common policy provisions of Accident policies:**

 Maximum Medical Limit : Should be at least $25,000 but can be as high as $250,000. A Catastrophe Accident policy can be purchased to extend limits as high as $5,000,000. Deductible: Deductibles commonly range from $0 to $1,000 per claim. The higher the deductible, the greater the premium discount.

 Benefit Period: Most Accident policies have a benefit period where incurred bills will be paid from one year from the date of the injury. Some policies have benefit periods of two or three years.  Excess Coverage: Most Accident policies provide coverage that is excess or secondary to existing family health insurance. If there is no existing family health insurance, the excess Accident policy becomes primary. If the existing family health policy does not cover all the bills, the Excess Accident policy fills in the gaps.

 Accidental Death & Dismemberment: Common AD&D limits range from $5,000 to $15,000. This benefit is paid in the event of accidental death or loss of use of sight, hearing, or limbs.

**What is the premium based upon?**

 The premium is most commonly based on the number of participants or teams and the length of the activity.

**Importance of quality claims administration**

The payment of claims under an Excess Accident policy is a complicated transaction and requires a top notch claims administrator with excellent systems in place. Before payment can be made, the claims administrator must collect itemized bills from the medical service providers and explanations of benefits (EOBs) from the existing family health insurance carrier, if any, to show what they have and have not paid