

Spirit OF THE WEST

MAY 19-21, 2025
SALT LAKE CITY, UT

PIONEERING THE
future OF CAPTIVES


WRCIC
WESTERN REGION CAPTIVE
INSURANCE CONFERENCE, LLC
2025

Claims and Risk Management: Handling Captive Claims

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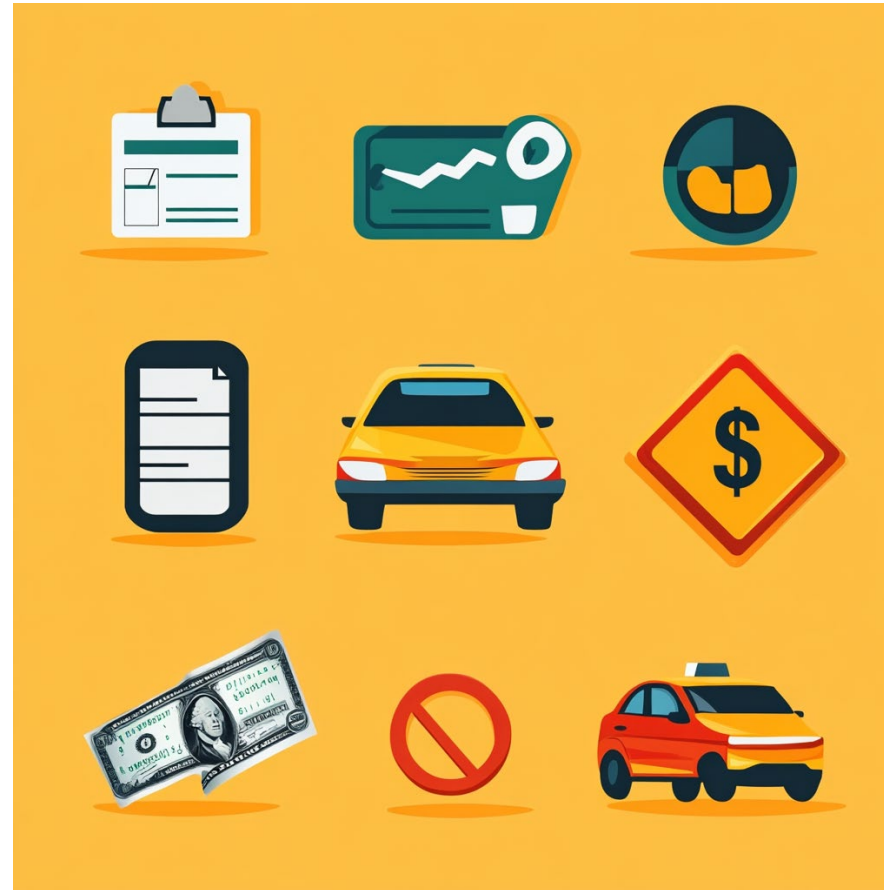


John Davidson, JD, ACI

Davidson Risk Consulting, LLC
John@DavidsonRisk.com

Overview

- Ed Morse Automotive Group
- Composition of a Loss
- Claims Handling Process
- Loss Mitigation



Ed Morse Automotive Group

About Ed Morse Automotive Group

- Founded in 1946 in Miami by WWII veteran Ed Morse
- Grew from a small rental business to one of the largest family-owned, private dealership groups in the U.S.
- Ownership followed by Ed's son Ted Morse and now led by Ed's grandson, Teddy Morse



Ed Morse
1921-2012



Ted Morse
1949-2016

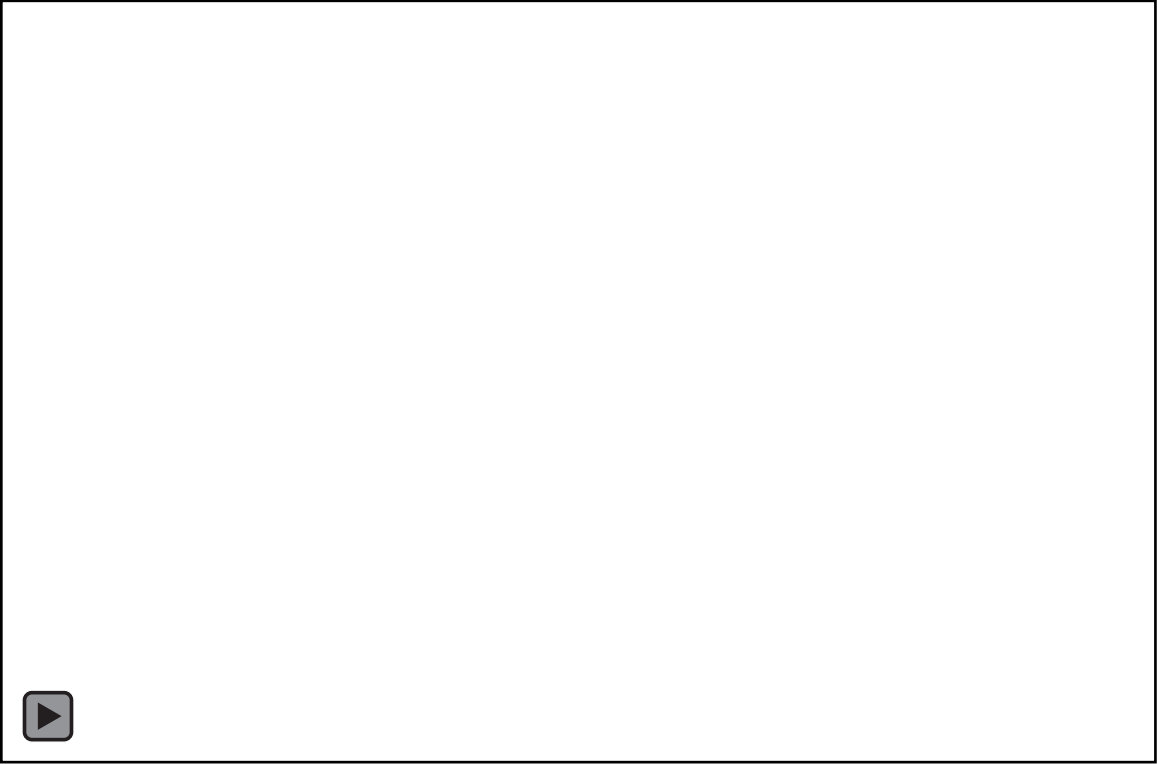


Teddy Morse

Ed Morse Automotive Group

About Ed Morse Automotive Group

- Over 55 locations across 8 states
- Headquartered in Delray Beach, Florida
- representing 30+ brands



Ed Morse Automotive Group

About Ed Morse Automotive Group

- 2,800+ employees
- Risk Management Team
(4 members)



Types of Claims

Protection of
Physical Assets

Responsibility to
Others
(TORTS)

Responsibility to
Employees

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Occurrences

Claims Handling

Mitigation

Conclusion

You Will Have Claims

- Reimbursement of Commercial Policy Deductibles or Self-Insured Retentions.
- Broadened Coverage or Excess Limit over a Sublimit
- Policy not written by a Commercial Insurer
- Workers Compensation
- Natural Disasters
- Accidents



- Heavy Rain
- Negligence
- Slip and fall
- Puddles
- Wind and Hail
- Well marked curbs



Insert example of ComplyNet Report



INSPECTION REPORT

Ed Morse Cadillac Tampa

07/11/2023
HOT LIST ITEMS
0

Inspection Overview

Ed Morse Cadillac Tampa
101 East Fletcher Ave
Tampa
Florida

Compliance Success Manager
Tony Radoci
[REDACTED]

INTRODUCTION

As part of your loss prevention efforts, ComplyNet performed an onsite assessment of your facility in order to assist your team in: (a) protecting its assets; (b) maintaining safe working conditions; (c) complying with applicable regulations; and (d) reducing operating expenses. Please carefully review the Inspection Report and feel free to contact your compliance success manager by email or phone should you have any questions.

PRIORITIES BY SEVERITY

Each of the inspection issues noted below are followed by a Severity Priority number. In terms of priority and severity, the number classifications mean the following:

(1) **HOT LIST ITEMS -Can cause death, amputation, loss of an eye, in-patient hospitalization, or major destruction of property and must be remedied immediately;**

(2) **Can cause serious harm to persons and/or destruction of property, or is a likely issue cited by the federal agencies and must be remedied as soon as possible;**

(3) **Can cause harm to persons and/or direct damage to property;**

(4) **Can significantly aggravate what would otherwise be a minor incident;**

(5) **Less likelihood of an incident, but can still generate a fine if not corrected;**

(6) **Is a recommended Best Practice to reduce losses and control costs.**

Facility Safety & Risk Management

- Regular site inspections with fixed ops leaders
- KPA (fka ComplyNet) provides reports with issues, corrections, and photos
- GMs responsible for confirming corrections

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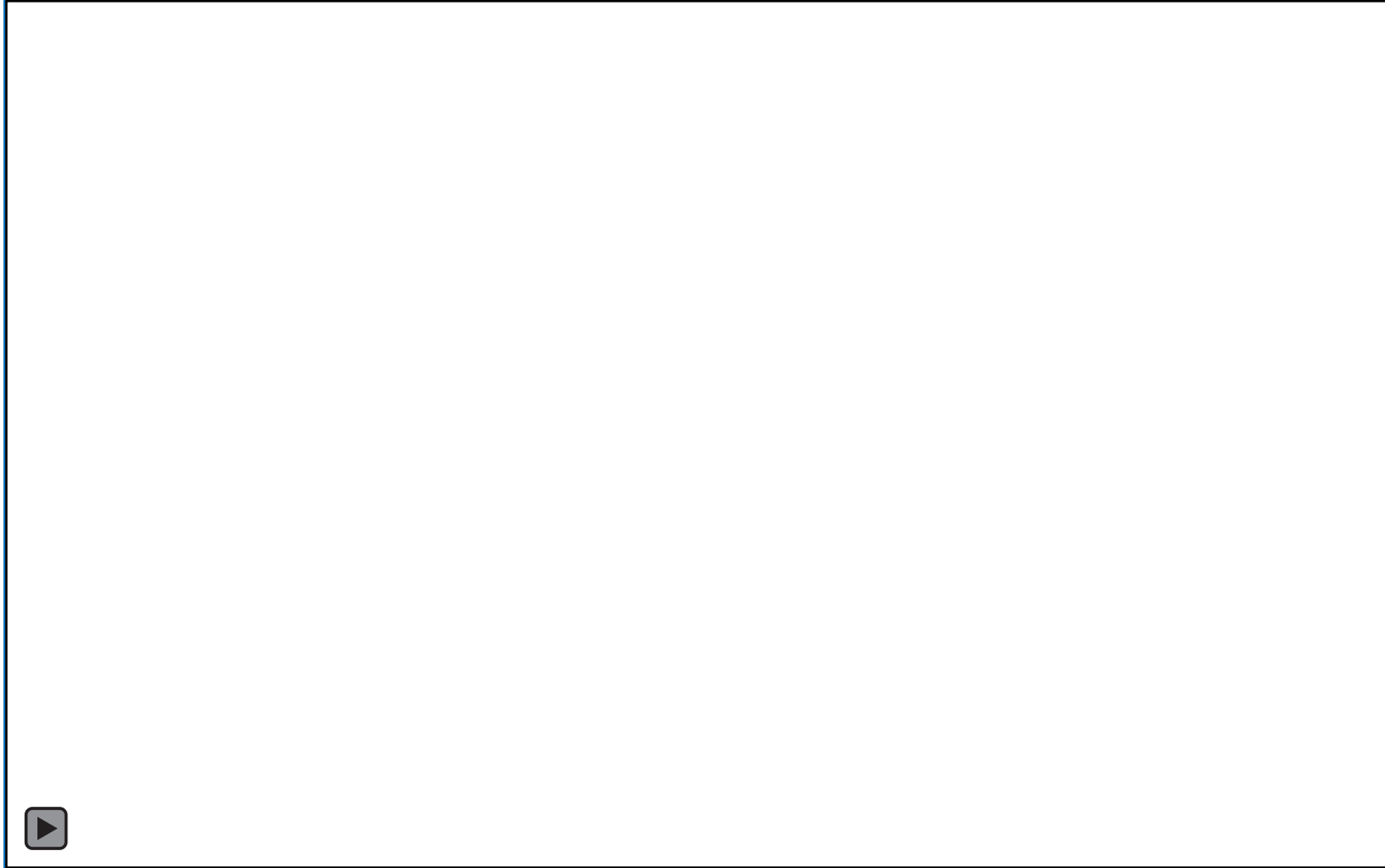
Issue	Severity Priority	Comments	Repeat Issue	Photo 1	Photo 2
The exit sign is not illuminated. According to OSHA, exit signs must be suitably illuminated by a reliable light source, giving a value of not less than 5-foot candles on the illuminated surface. 29CFR 1910.37(b)(6)	5	Shipping receiving area	<input type="checkbox"/>		





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EMAG Risk Management Process Flow Illustration

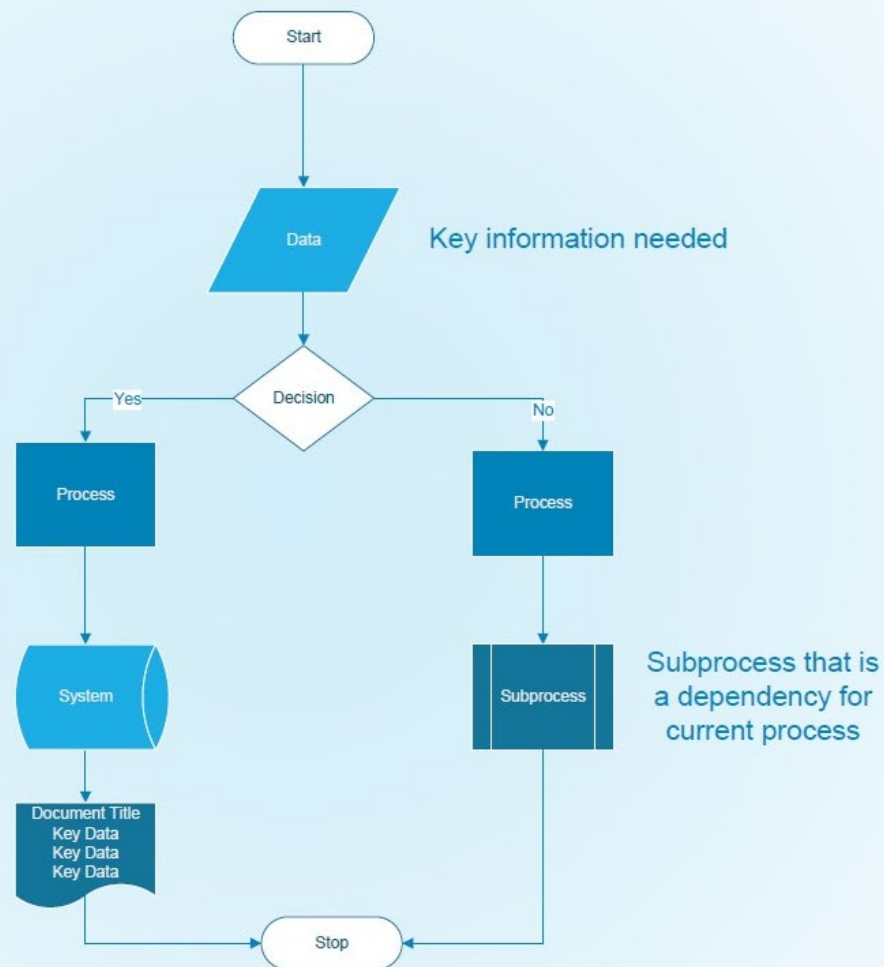
General Process Description:
Short description of what this
process entails; key actors,
inputs and outputs

Process step includes key actor,
and specific process activity

System or tools/applications
used

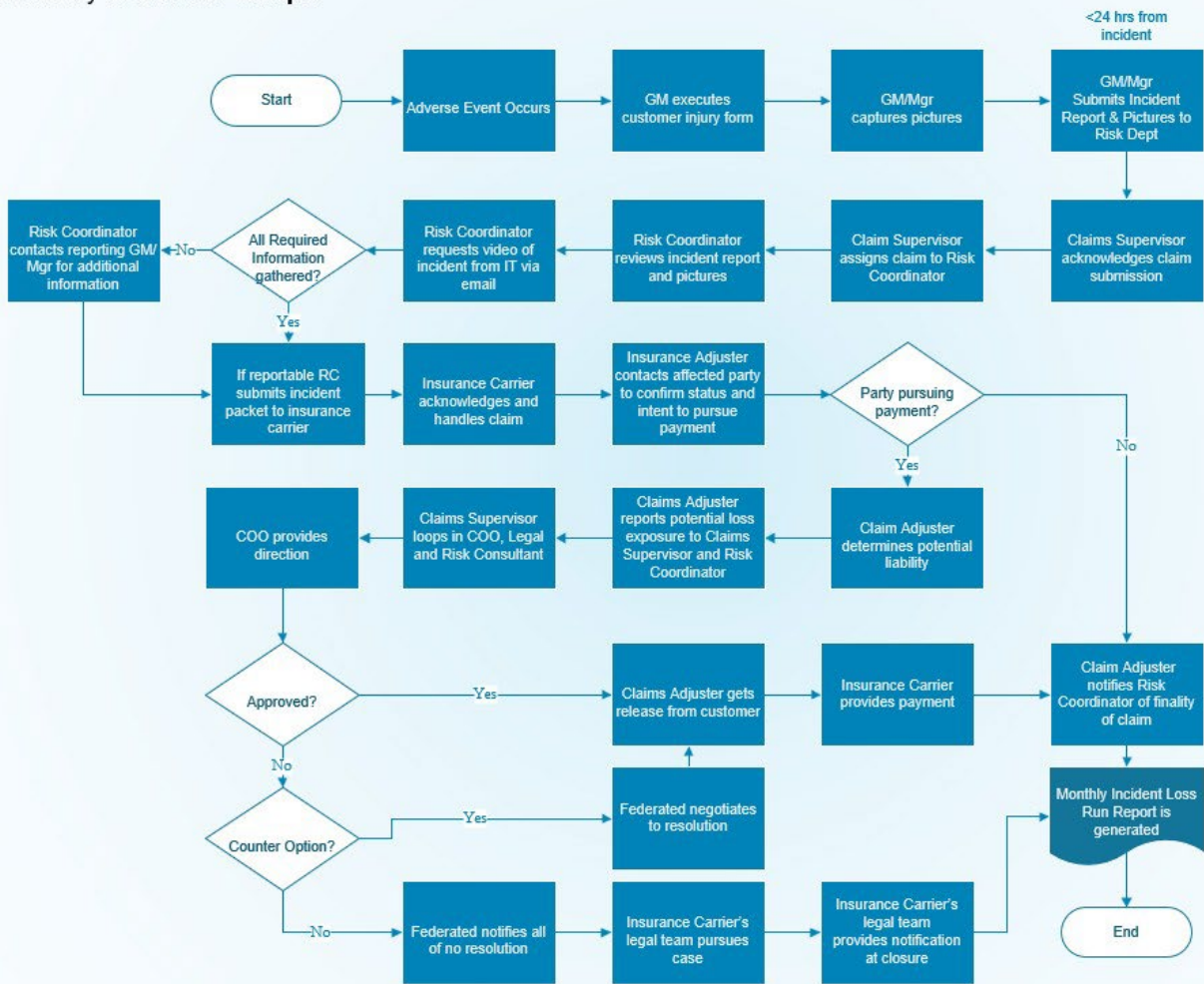
Report or information generated

Single start point





General Liability Work Flow **Sample**



GM – General Manager
Mgr - Manager
CS – Claims Supervisor
RC – Risk Coordinator

Authorization



March 5, 2025

Renea Louie, ARM, ACI, Fellow
Chief Executive Officer
Sotera Global Management
1663 U.S. Hwy 395, N., Suite 100
Minden, Nevada 89423

RE: [REDACTED]
Claim Number E25-0016
Policy Number 25-0001B
Total Amount \$0
Status Closed Without Payment – Doesn’t Exceed Deductible

Dear Renea:

On 2/16/2025 at or around 1:30 P.M. Red Bud Parts Center driver [REDACTED] was driving Truck 49 in winter-weather conditions when the truck spun out and ended up in a ditch. Fortunately, the driver wasn’t injured, and no other vehicles were involved. However, the truck sustained \$1,156.91 in damages. I ask that you file the report for this claim and proceed to close it without payment, as it does not exceed the deductible condition found in the policy (see below).

3. **DEDUCTIBLES**
Except as specifically referenced below, all losses, damages, or expenses arising out of any one occurrence shall be adjusted as one loss and from the amount of such adjusted loss shall be deducted the sum of \$2,500.

Summary:
Please close the claim without payment and review the attached supporting details for this claim report. Should you have questions, please don’t hesitate to give me a call.

Sincerely,

Robert J. Davidson, CIC, CPCU, CRM
Principal

cc: Morse Operations, Inc.

10 Lea Avenue, Suite 810 Nashville, TN 37210

Robert J. Davidson CIC, CPCU, CRM
(615) 260 3005
bob@dauidsonrisk.com

John R. Davidson JD, ACI
(615) 818 6212
john@dauidsonrisk.com

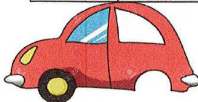
Steve's Auto Repair
200 North Early St
PO BOX 95
IT. 62480

Shop: [REDACTED]-3664
Jesse's Cell: [REDACTED]-3024

Invoice

Date	Invoice #
[REDACTED]	1872

Bill To
ED MORSE



	P.O. No.	Terms	Project
Description	Quantity	Rate	Amount
TAIL LIGHT	1	87.90	87.90T
AXLE	1	311.97	311.97T
RIM USED	1	75.00	75.00T
USED LEAF SPRING	1	185.00	185.00T
Oil	3	8.99	26.97T
GASKET	1	18.90	18.90T
Wrecker		200.00	200.00
Labor		200.00	200.00
Sales Tax		7.25%	51.17
		Total	\$1,156.91



Quarterly Claims Review



- Review Commercial Claims
 - New Claims
 - Case Claims
 - Reserves
 - Discussion of Road to Resolution with Adjuster
- Review captive Claims
 - Activity, Amounts
- Discuss Concerns, Trends, Developments

The Problem Child



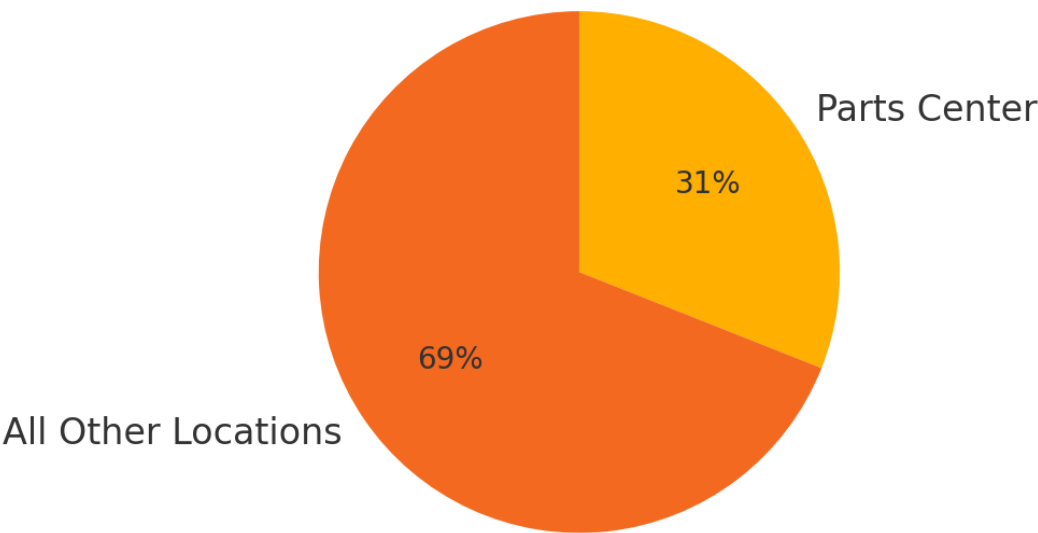
- Ed Morse Parts Center in Red Bud, IL
- Operates as a distribution center for OEM parts to dealerships and repair shops in a 200-mile radius.
- Parts range from bolts to engines
- 115,000 square foot warehouse
- 250 employees
- 60 delivery vehicles



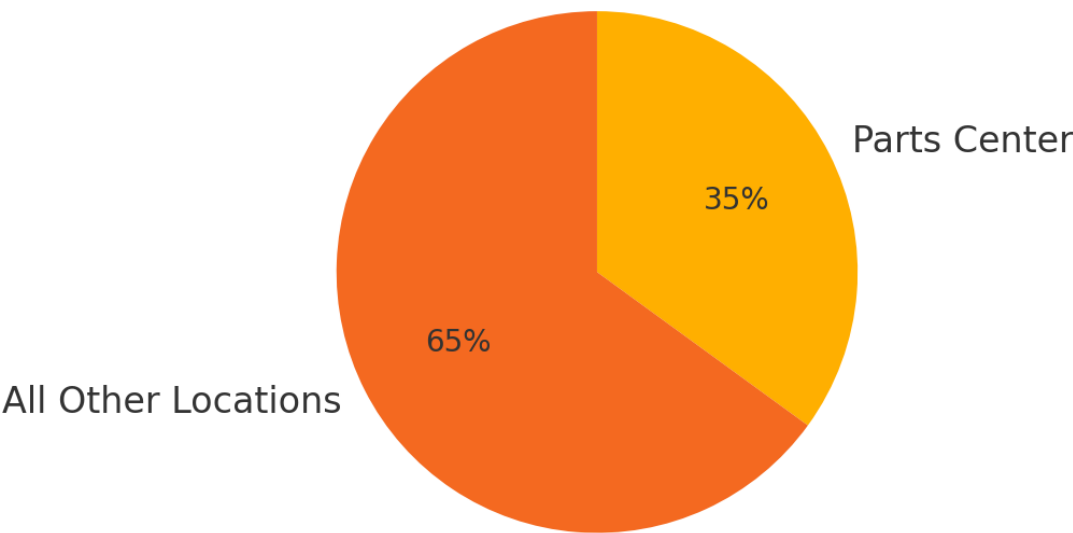
The Problem Child...Continued

Ed Morse Automotive Group

Claims Frequency



Claims Severity



- Total incurred losses at Parts Center increased 50% percent from 2024 to 2025 policy year.

Undercover Consultant



- Traveled to Red Bud and worked two weeks at the Parts Center
- Went in as a new hire and operated completely undercover—only the GM was aware
- Worked every shift - parts picking, receiving, truck pre-loading and completed three-day driver training program
- Knew problem areas before going in due to attendance of claims meetings and thorough review of loss runs
- Identified opportunities to improve warehouse and driver safety
- Held meetings with GM to address concerns and ask clarifying questions
- Ultimately provided executives with a report on findings

Key Takeaways



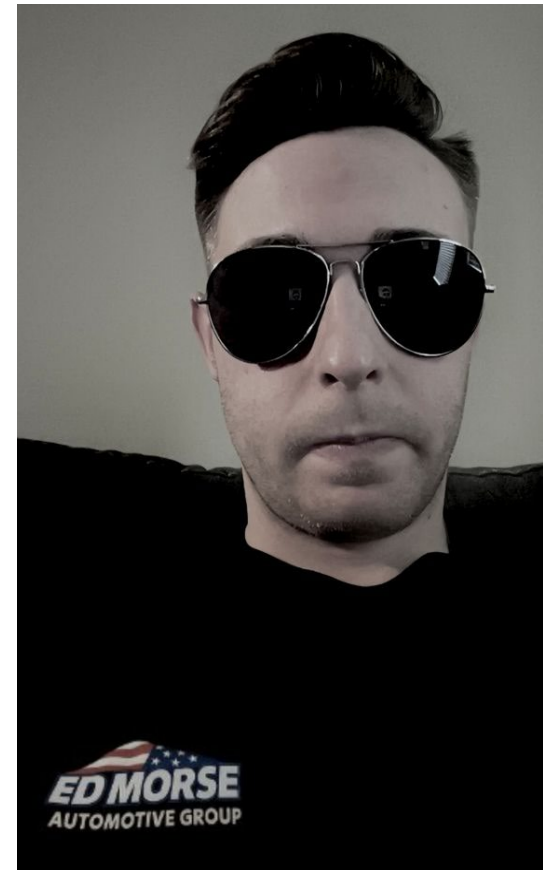
- Lack of communication to GM regarding severity and frequency of losses
- Training programs don't have safety built in
- Lack of emphasis on safety for an organization with high losses
- Fragmented safety communication
- This process put the GM on notice that his loss experience is of great importance to the organization
- While it may look like it on loss runs – no organization wants to have losses

Key Takeaways

- Claims will happen
- How to reduce claim impact
 - Mitigation
 - Preparation
 - Documentation
- Identify your own problem child, ask what can be done to reduce their impact
- The claim you don't have goes right to the bottom line



Any Questions?



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