



ARBITRATION FORUMS, INC.

Membership driven. Innovation focused.



Prior Payments Workflow Guide (Arbitrators)

April 2023

Table of Contents

| | |
|--|----|
| Issue 1: There is a Misunderstanding Regarding TRS® Definitions “Prior Payment” and “Additional Exposure” | 3 |
| Issue 2: The Adverse Party Alleged a Prior Payment that the Recovering Party Did Not Acknowledge | 4 |
| Issue 3: The Adverse Party Did Not Enter its Prior Payment as Required | 6 |
| Issue 3-1: Entered Incorrectly as an Additional Exposure | 7 |
| Issue 3-2: Entered Incorrectly in Liability Arguments | 9 |
| Issue 3-3: Entered Incorrectly as a Damage Dispute | 11 |
| Issue 4: The Adverse Party Entered an Amount That Does Not Pertain to Damages Sought in the Arbitration | 13 |
| Issue 5: On a Supplemental Filing, the Adverse Party Entered the Amount of the Original Award as a Prior Payment | 15 |

Issue 1: There Is a Misunderstanding Regarding TRS[®] Definitions “Prior Payment” and “Additional Exposure”

Prior Payment

- Limited to damages **sought in the arbitration case**
- Includes deductible
- **Does not include additional exposures**

Additional Exposure

- Damages **other than those sought in the arbitration case**
- Examples include a damaged personal item in the vehicle, damage to a structure, etc.

TRS terms are defined to support how our membership intends arbitration to function, much like the terms in an insurance policy support how it functions. A **prior payment** in TRS means a payment for damages that the Recovering Party is seeking in arbitration, including its insured’s deductible.

An **additional exposure** is an amount that is not part of the arbitration case, such as damages sustained by a party not named in the filing or a personal item in the Recovering Party’s vehicle that was damaged, such as a laptop computer. It is important to understand what these terms mean in TRS to ensure that any potential award amount is accurate. It is the responsibility of the arbitrator to recognize misuse of TRS and to use the [Reference Guide to Arbitration Forums, Inc.’s Agreements and Rules](#) as a resource to apply the agreements and rules in practice.

Issue 2: The Adverse Party Alleged a Prior Payment that the Recovering Party Did Not Acknowledge

The screenshot displays the 'Feature Decision' interface. At the top, it shows case details: Loss State: Wisconsin, Loss Date: 10/28/2022, Filed On: 2/13/2023; Filing Parties: (2) ALPHA INSURANCE OF FLORIDA (FELICIA FILINGCASE) and BETA INSURANCE OF COLORADO (RORY RESPOND); AF Filing ID: A2300006CDF-C1-D1; Negligence Laws: 50% Comparative.

The 'WORKFLOW STEPS' sidebar on the left includes:

- Neutrality Statement
- Liability
 - ALPHA INSURANCE OF FLORIDA (FELICIA FILINGCASE)
 - BETA INSURANCE OF COLORADO (RORY RESPOND)
 - Liability Decision
 - ALPHA INSURANCE OF FLORIDA (FELICIA FILINGCASE) Damage Recovery
 - 2020 HONDA
- Summary
 - Award Summary
- Review & Submit
 - Review Evidence

The main content area shows a table for 'Deductible' with one entry:

| | Sought | Proven | |
|--|----------|----------|------------------------|
| <input checked="" type="checkbox"/> Deductible | \$500.00 | \$500.00 | Review |

Below this is the 'Prior Payments' section, which contains a red box labeled 'PROBLEM' around the following entry:

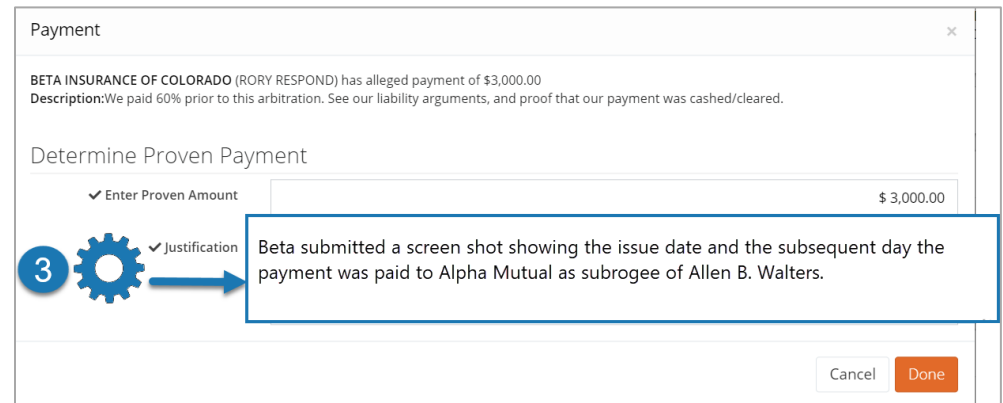
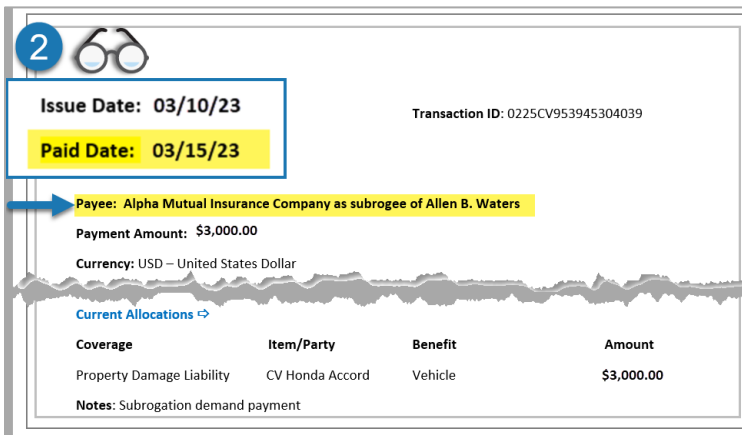
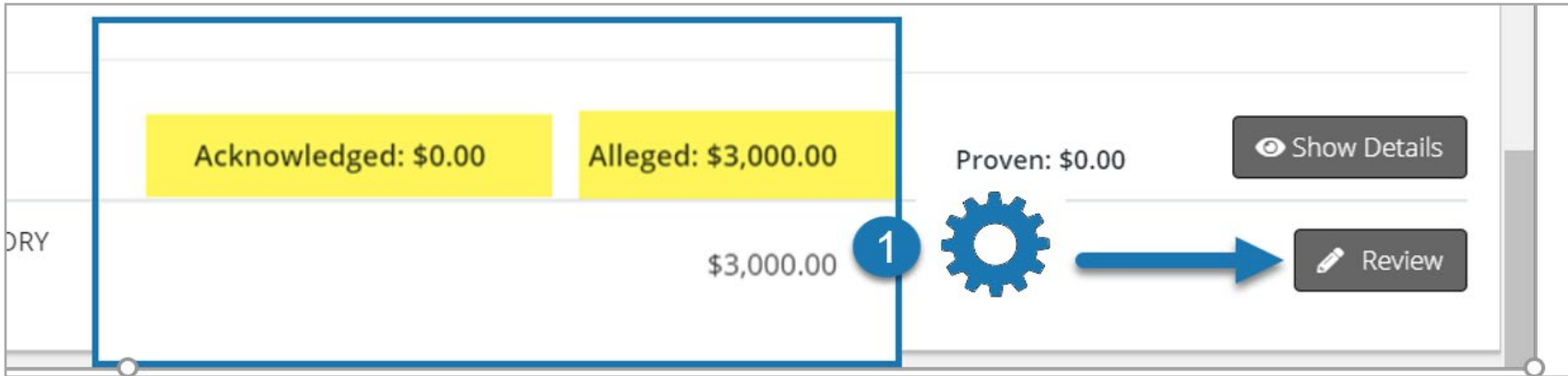
| Party | Acknowledged: | Alleged: | Proven: | |
|---|---------------|------------|---------|------------------------|
| * BETA INSURANCE OF COLORADO (RORY RESPOND) | \$0.00 | \$3,000.00 | \$0.00 | Review |

At the bottom, there is an 'Award Summary' table with columns: Damage Award Summary, Damages, Deductible, Legal Fees, Prior Payments, Total Owed.

TRS is designed to automatically provide credit for prior payments acknowledged by the Recovering Party. Unfortunately, the Recovering Party sometimes fails to acknowledge a prior payment it cashed/deposited from the Adverse Party. When this occurs, the Adverse Party will likely allege the prior payment, which appears during the Feature Decision, as shown above. **This discrepancy must be resolved.**



Click the “Review” button and review the evidence to determine if it proves the alleged prior payment was cashed/deposited by the Recovering Party. If it does, enter credit for the payment and explain how it was supported with evidence. If it does not, explain. Please view our [Prior Payment Proofs](#) job aid for examples of acceptable versus unacceptable proofs of a cashed/deposited payment.



Issue 3: The Adverse Party Did Not Enter its Prior Payment as Required

[The Reference Guide to Arbitration Forums, Inc.'s Rules and Agreements](#) states, "...for new Auto filings and TRS PIP and Medical Payments filings, if the Adverse Party has issued prior payments, **they must be entered in the Prior Payment Made field with proof of payment attached**. This includes deductibles and any payments alleged to be a double dip. This is especially important if there is a policy limit."

Please see Rule 2-5 in the [Reference Guide to Arbitration Forums, Inc.'s Agreements and Rules](#) for this language.

Errors of this type appear as follows:

- 1 The prior payment is entered as an additional exposure.
- 2 The prior payment is entered in the liability arguments.
- 3 The prior payment is entered as a damage dispute.

A **prior payment** in TRS means a payment for damages that the Recovering Party is *seeking in arbitration*, including its insured's deductible.

An **additional exposure** is an amount that is *not part of the arbitration case*, such as damages sustained by a party not named in the filing or a personal item in the Recovering Party's vehicle that was damaged, such as a laptop computer.

For guidance on recognizing and handling each error type listed above, please review pages 7-12 of this document.

Issue 3-1: Entered Incorrectly as an Additional Exposure

1 The prior payment is entered as an additional exposure.

Policy Limits Finding - Collision Exit Workflow Decision Actions ▾

Loss State: Wisconsin Filing Parties: (2) ALPHA INSURANCE OF FLORIDA (FARRAH FILINGARB)
 Loss Date: 1/2/2023 BETA INSURANCE OF COLORADO (REED RESPONDING)
 Filed On: 2/10/2023 AF Filing ID: A2300006CD5-C1-D1
 Negligence Laws: 50% Comparative
 Remaining Time: 17D 1H 52M

WORKFLOW STEPS

- Neutrality Statement
- Findings**
- Policy Limits ★
- Liability**
- 2020 HONDA
- Policy Limits**
- Collision - BETA INSURANCE OF COLORADO (REED RESPONDING)
- Summary**
- Award Summary
- Review & Submit**
- Review Evidence

Evidence

Evidence Types (show descriptions) View All Evidence

Proof of Payment

Comment: No Comment Added. +

PROBLEM 1

Exposure Rulings ?

| Amount/Description | Proven Paid Amount | Proven Unpaid Amount | Proven Undetermined |
|---|--------------------|----------------------|---------------------|
| * Amount: \$6,000.00 Paid Prior payment made to Alpha's insured for vehicle damages. | - | - | - |
| Total: \$6,000.00 | \$0.00 | \$0.00 | |

Review

Show Details

[Issue 3-1 Continued]



Click the “Review” button and a window will appear. Click “No” to indicate the alleged additional exposure is not a valid exposure. Explain that prior payments must be entered in the Prior Payment Made field with proof of payment attached and refer the party to the [Reference Guide to Arbitration Forums, Inc.'s Agreements and Rules](#) (Rule 2-5) for more detail.

Policy Limits Finding - Collision





Loss State: Wisconsin
Loss Date: 1/27/2023
Filed On: 2/10/2023

Filing Parties: (2) ALPHA INSURANCE OF FLORIDA (FARRAH FILINGARB)
BETA INSURANCE OF COLORADO (REED RESPONDING)

AF Filing ID: A2300006CD5-C1-D1
Negligence Laws: 50% Comparative

Exit Workflow Decision Actions ▾

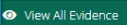
WORKFLOW STEPS

- Neutrality Statement
- Findings
 - Policy Limits 
- Liability
 - ALPHA INSURANCE OF FLORIDA (FARRAH FILINGARB) 
 - BETA INSURANCE OF COLORADO (REED RESPONDING) 
 - Liability Decision
 - ALPHA INSURANCE OF FLORIDA (FARRAH FILINGARB) Damage Recovery 
 - 2020 HONDA
- Policy Limits
 - Collision - BETA INSURANCE OF COLORADO (REED RESPONDING)
- Summary
 - Award Summary
- Review & Submit
 - Review Evidence
 - Review And Submit Decision

Exposure Ruling

Exposure Information - BETA INSURANCE OF COLORADO (REED RESPONDING)

Amount: \$6,000.00
Payment Status: Paid
Description: Prior payment made to Alpha's insured for vehicle damages.



+

Exposure Ruling ⓘ

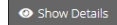
Is this a valid exposure? Yes No

A valid exposure is for payments to parties outside of arbitration and is not for damages being recovered in this decision or prior payments made to recovering parties in this decision.



Justification

This amount is for an alleged prior payment to Alpha's insured. It does not represent an additional exposure. Per the Reference Guide to Arbitration Forums, Inc.'s Agreement and Rules, "In addition, for new Auto filings and TRS PIP and Medical Payments filings, if the responding company has issued prior payments, they must be entered in the Prior Payment Made field with proof of payment attached. This includes deductibles and any payments alleged to be a double dip." (See Rule 2-5: Disputing Damages).

Cancel Save



| Amount/Description | Valid | Amount | Amount | Undetermined |
|---|---------------|--------|--------|--------------|
| * Amount: \$6,000.00 Paid Prior payment made to Alpha's insured for vehicle damages. | - | | | |
| Total: \$6,000.00 | Total Proven: | \$0.00 | \$0.00 | |

Issue 3-2: Entered Incorrectly in Liability Arguments

2 The prior payment is entered in the liability arguments.

Recovery Arguments
Exit Workflow
Decision Actions ▾

Loss State: Wisconsin
Loss Date: 1/2/2023
Filed On: 2/10/2023

Filing Parties: (2) ALPHA INSURANCE OF FLORIDA (FARRAH FILINGARB)
 BETA INSURANCE OF COLORADO (REED RESPONDING)

AF Filing ID: A2300006CD5-C1-D1
Negligence Laws: 50% Comparative
Remaining Time: 8D 1H 15M

WORKFLOW STEPS

- Neutrality Statement
- Findings**
- Policy Limits
- Liability**
- ALPHA INSURANCE OF FLORIDA (FARRAH FILINGARB)
- BETA INSURANCE OF COLORADO (REED RESPONDING) ★
- Liability Decision
- ALPHA INSURANCE OF FLORIDA (FARRAH FILINGARB) Damage Recovery**
- 2020 HONDA
- Policy Limits**
- Collision - BETA INSURANCE OF COLORADO (REED RESPONDING)

Liability Argument ? Show Adverse Party's Arguments

BETA INSURANCE OF COLORADO (REED RESPONDING)

Arguments:

PROBLEM 2

Responder Beta Insurance does not accept liability. The recovering party, Alpha Insurance, has the burden to prove liability against Beta.

Beta Insurance made a \$6,000 payment 1 to Alpha's insured in an attempt to settle the claim prior to this arbitration filing. This payment should not be construed as an admission of liability.

If this case is decided in Alpha's favor, our \$6,000 prior payment to Alpha should be deducted from the award because Alpha is not entitled to double payment.

A comment is required on all evidence attached to the arguments text denoted by a ■

Evidence

Evidence Types (show descriptions) View All Evidence

1 Proof of Payment

Comment No Comment Added.

Please note that a comment is required for all embedded evidence items.

[Issue 3-2 Continued]



Explain that prior payments must be entered in the Prior Payment Made field with proof of payment attached, and refer the party to the Reference Guide to Arbitration Forums, Inc.'s Agreement and Rules. This can be done as a comment on the evidence cited by the Adverse Party, as shown below.

WORKFLOW STEPS

- Neutrality Statement
- Findings**
- Policy Limits
- Liability**
- ALPHA INSURANCE OF FLORIDA (FARRAH FILINGARB)
- BETA INSURANCE OF COLORADO (REED RESPONDING)

Liability Argument Show Adverse Party's Arguments

BETA INSURANCE OF COLORADO (REED RESPONDING)

1 Beta Insurance does not accept liability. The recovering party, Alpha Insurance, has the burden to prove liability against Beta. Beta Insurance made a \$6,000 payment in an attempt to settle the claim prior to this arbitration filing. This payment should not be construed as an admission of liability. Alpha's insured in an attempt to settle the claim prior to this arbitration filing. This payment should not be construed as an admission of liability. If this case is decided in Alpha's favor, our settlement should be deducted from the award because Alpha is not entitled to double payment.

Comment on Evidence

2

Add a New Evidence Link Comment x

Per the Reference Guide to Arbitration Forums, Inc.'s Agreement and Rules, "In addition, for new Auto filings and TRS PIP and Medical Payments filings, if the responding company has issued prior payments, they must be entered in the Prior Payment Made field with proof of payment attached. This includes deductibles and any payments alleged to be a double dip." (See Rule 2-5: Disputing Damages).

Document Information

Proof of Payment

Cancel Save

Issue 3-3: Entered Incorrectly as a Damage Dispute

3 The prior payment is entered as a damage dispute.

Feature Decision

Damage Decision - Auto Damage x

Loss State: Wisconsin
 Loss Date: 1/2/2023
 Filed On: 2/10/2023

ALPHA INSURANCE OF FLORIDA (FARRAH FILINGARB)

Auto Damage Amount Sought: \$8,300.00

Disputes

BETA INSURANCE OF COLORADO (REED RESPONDING)

Proposed Amount: \$2,300.00
 Dispute Types: Third Party
 Justification:

PROBLEM 3

Beta Insurance has already paid Alpha's insured directly in the amount of \$6,000 to settle the claim. AD1

If this case is decided in Alpha's favor, our prior payment to Alpha should be deducted from the award because Alpha is not entitled to double payment.

Alpha seeks: \$8300.00

*****-\$6000.00 (less prior payment to Alpha's insured)

*****\$2300.00 Balance

A comment is required on all evidence attached to the damage by a AD1

Evidence Types [\(show descriptions\)](#) View All Evidence

AD1 Proof of Payment

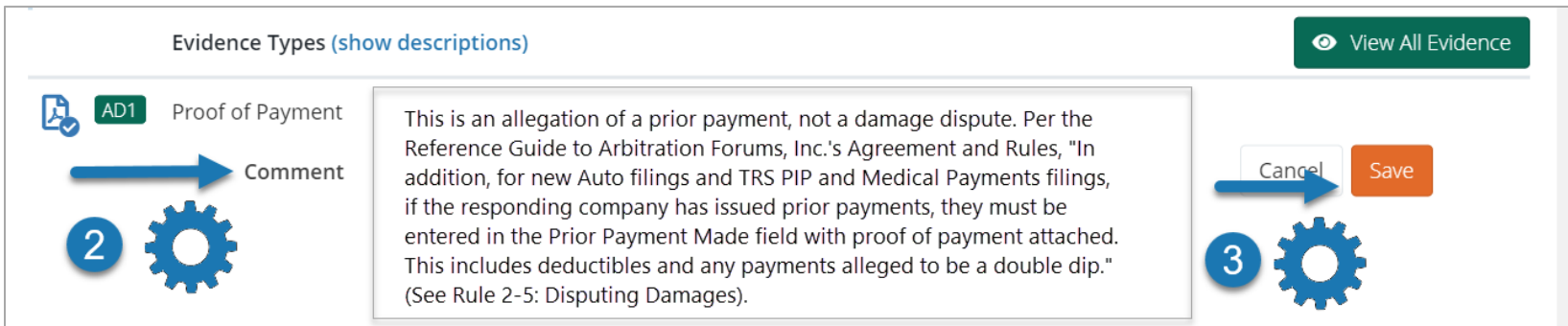
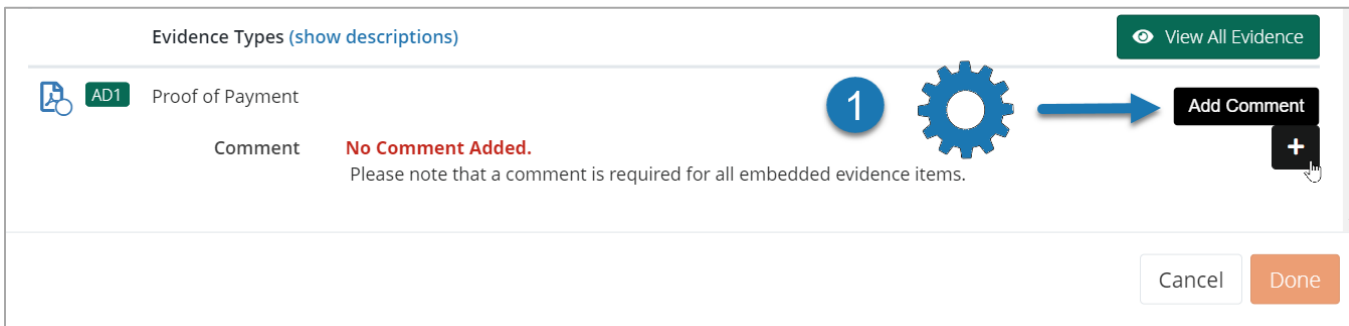
Comment No Comment Added.

Please note that a comment is required for all embedded evidence items.

[Issue 3-3 Continued]



Click the related proof of payment evidence or scroll to the evidence and explain that prior payments must be entered in the Prior Payment Made field with proof of payment attached. Then, refer the party to the [Reference Guide to Arbitration Forums, Inc.'s Agreements and Rules](#) (Rule 2-5) for more detail.



Issue 4: The Adverse Party Entered an Amount That Does Not Pertain to Damages Sought in the Arbitration

Look at the Feature Workflow Step (in this case, the vehicle). In this scenario, the Recovering Party will not acknowledge the prior payment because it does not pertain to damages sought in the arbitration. **Please note that this issue initially reveals itself to be the same as Issue 2 documented above – there is a discrepancy between a prior payment alleged by the Adverse Party and no acknowledgement of a prior payment by the Recovering Party.**

WORKFLOW STEPS

- Neutrality Statement
- Liability
 - ALPHA INSURANCE OF FLORIDA (FELICIA FILINGCASE)
 - BETA INSURANCE OF COLORADO (RORY RESPOND)
 - Liability Decision
- ALPHA INSURANCE OF FLORIDA (FELICIA Damage Recovery)
 - 2020 HONDA
- Summary
 - Award Summary
- Review & Submit
 - Review Evidence
 - Review And Submit Decision

Evidence Types (show descriptions) View All Evidence

RE1 Adjusters Notes

Comment No Comment Added. Please note that a comment is required for all embedded evidence items. +

| Deductible | Sought | Proven | |
|--------------|----------|--------|---|
| * Deductible | \$500.00 | | <input type="button" value="Accept"/> <input type="button" value="Review"/> |

Prior Payments

| Party | Acknowledged: \$0.00 | Alleged: \$3,000.00 | Proven: \$0.00 | |
|---|----------------------|---------------------|----------------|---------------------------------------|
| * BETA INSURANCE OF COLORADO (RORY RESPOND) | | \$3,000.00 | | <input type="button" value="Review"/> |

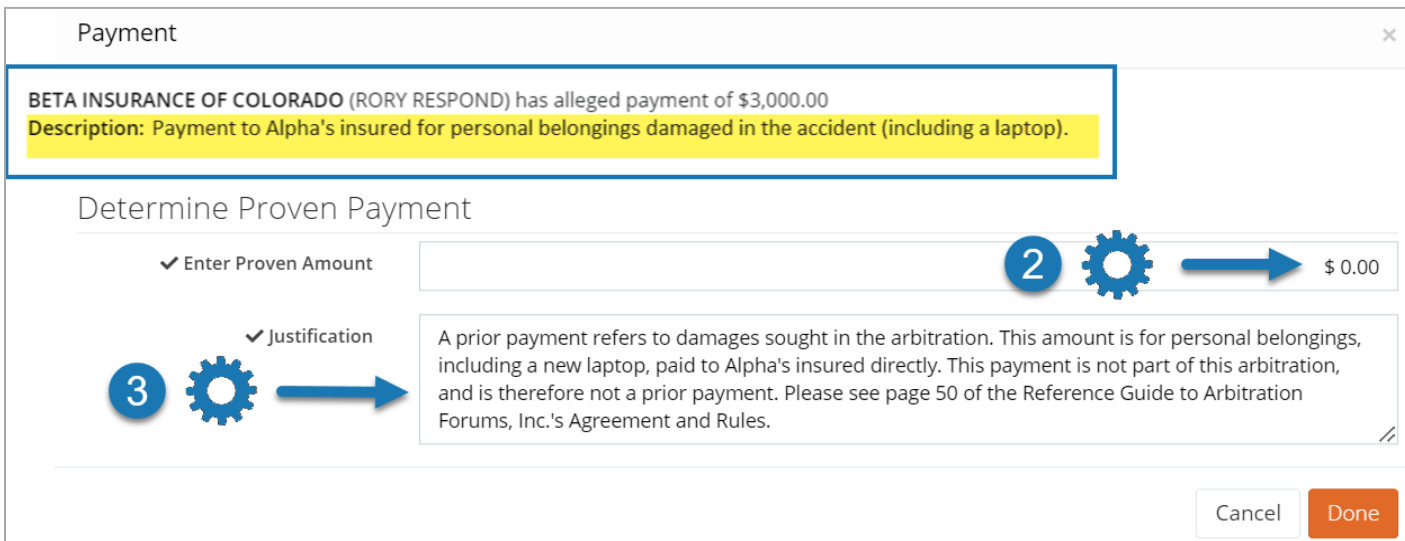
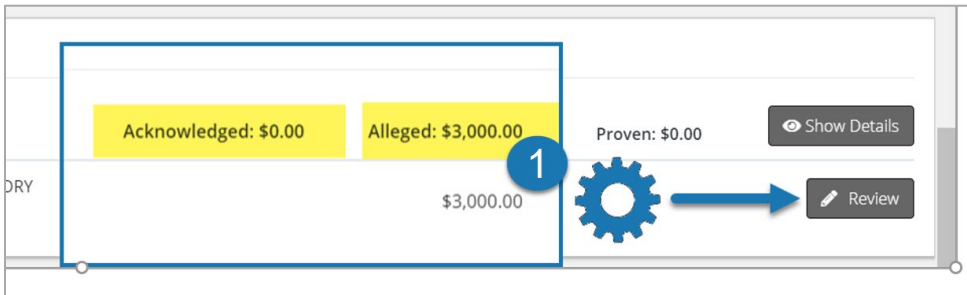
Award Summary

| Damage Award Summary | Damages | Deductible | Legal Fees | Prior Payments | Total Owed |
|---|---------------|---------------|------------|----------------|---------------|
| BETA INSURANCE OF COLORADO (RORY RESPOND), 80% Liable | \$0.00 | \$0.00 | — | — | \$0.00 |
| Company Totals | \$0.00 | \$0.00 | — | — | \$0.00 |

[Issue 4 Continued]



Click the Review button and **look closely at the description provided by the Adverse Party.** If the description states the prior payment is for an amount not being sought in arbitration, enter \$0.00 and explain.



Issue 5: On a Supplemental Filing, the Adverse Party Entered the Amount of the Original Award as a Prior Payment

On all supplemental filings, compare the amount sought to the amount of the prior payment.

In the example below, Alpha seeks an additional \$315.24 and Beta alleges a prior payment of \$5,651.23. The fact that only \$315.24 is sought should make you question if the \$5,651.23 alleged prior payment applies to the supplemental damages filing.

The screenshot displays a workflow interface for a damages decision. On the left, a 'WORKFLOW STEPS' sidebar lists: 'Neutrality Statement' (checked), 'ALPHA INSURANCE OF FLORIDA (SARA BING) Damage Recovery', '2019 TOYOTA' (highlighted with a yellow star), 'Summary', 'Award Summary', 'Review & Submit', 'Review Evidence', and 'Review And Submit Decision'. The main content area shows two sections:

- ALPHA INSURANCE OF FLORIDA Recovery (SARA BING) - Damages Decision**: Includes case details like 'Collision, 2019 TOYOTA 4 RUNNER' and 'Driver: SARA BING'. A table shows 'Sought: \$315.24' and 'Proven: \$0.00'. A 'Show Details' button is present.
- Prior Payments**: A table shows 'Alleged: \$5,651.23' and 'Proven: \$0.00'. A 'Show Details' button is present.

Both the 'Sought: \$315.24' and 'Alleged: \$5,651.23' values are circled in orange in the original image.

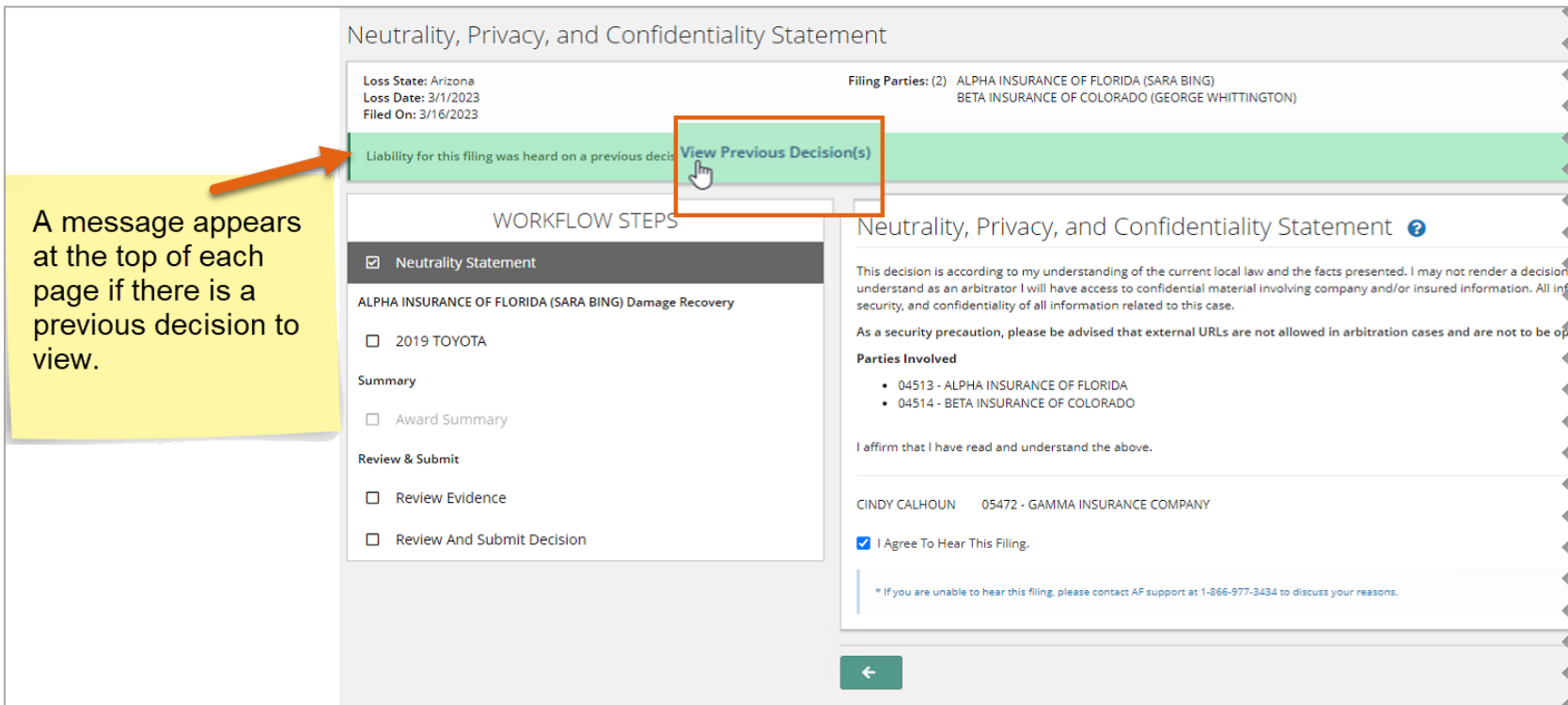
[See next page]

[Issue 5 Continued]



View the prior decision to determine if the award amount equals the amount of the prior payment entered on the supplemental filing.

Do not apply the credit if it does.



Neutrality, Privacy, and Confidentiality Statement

Loss State: Arizona
Loss Date: 3/1/2023
Filed On: 3/16/2023

Filing Parties: (2) ALPHA INSURANCE OF FLORIDA (SARA BING)
BETA INSURANCE OF COLORADO (GEORGE WHITTINGTON)

Liability for this filing was heard on a previous decision. [View Previous Decision\(s\)](#)

WORKFLOW STEPS

- Neutrality Statement
- ALPHA INSURANCE OF FLORIDA (SARA BING) Damage Recovery
- 2019 TOYOTA
- Summary
 - Award Summary
- Review & Submit
 - Review Evidence
 - Review And Submit Decision

Neutrality, Privacy, and Confidentiality Statement

This decision is according to my understanding of the current local law and the facts presented. I may not render a decision, understand as an arbitrator I will have access to confidential material involving company and/or insured information. All information, security, and confidentiality of all information related to this case.

As a security precaution, please be advised that external URLs are not allowed in arbitration cases and are not to be open.

Parties Involved

- 04513 - ALPHA INSURANCE OF FLORIDA
- 04514 - BETA INSURANCE OF COLORADO

I affirm that I have read and understand the above.

CINDY CALHOUN 05472 - GAMMA INSURANCE COMPANY

I Agree To Hear This Filing.

* If you are unable to hear this filing, please contact AF support at 1-866-977-3434 to discuss your reasons.