

Ohio insurers taking issue with plan to levy fees for fire, police runs

ASSOCIATION LAUNCHES Web site questioning a practice it says charges fees for services already paid for with taxes.

BY ADRIAN BURNS | BUSINESS FIRST

The Ohio Insurance Institute has always used its Web site to address a host of issues affecting the industry. But the debate over municipal accident fees has been deemed important enough for the group to create its first single-issue Internet site.

The practice of collecting accident fees, also known as third-party reimbursement fees, can include billing drivers or their insurance companies for routine fire or police runs to highway crashes.

The insurers are concerned that by charging a fee for police or fire responses, drivers are sometimes paying for a service that they're already paying for with taxes, said institute spokeswoman Mary Bonelli.

The other chief concern is that since most insurance companies don't build nonmedical police and fire response fees into their premiums, bills for the services could burden the insurance industry and drive up rates, she said.

Because Columbus officials and others across the state continue to consider imple-

"Our concern is that a number of municipalities are being led down a road of misinformation," she said.

RECOVERING COSTS

The fee-collection practice has become increasingly popular in many states. That includes Ohio, which has dozens of municipalities that charge for fire or police runs, including Cleveland, Dayton and Toledo, Bonelli said.

Columbus has charged fees for emergency medical service runs since late 2003 and brought in \$7.4 million last year.

Those fees are typically covered by insurance companies, but the city is also considering implementing fees for firefighter runs to auto accidents.

Officials are gathering information, however, and haven't made any decisions, said Columbus City Council spokesman Scott Varner.

Such fees wouldn't be unreasonable, said Lawrence Stevens, a Columbus fire lieutenant who is studying the issue for the city.

For instance, losing sides in court cases must pay court costs despite having already paid their taxes, he said.

"Like anything else, it's an opportunity to recover costs for a service we provide," he said.

Toledo implemented the fees in early 2005 and started collecting money in July. The \$134,000 raised from July through the end of the year made up less than 1 percent of the \$50 million the department spent last year from the general fund, said spokesman John Kromenacker.

"It offsets some of the costs we have," he said.

Toledo charges for fire runs only when medical treatment is given, something many insurers usually cover, Bonelli said. But other municipalities charge for services as simple as the arrival of a police car or fire truck at a crash scene, which is what the insurance group opposes.

NOT FADE AWAY

An economic downturn and reduced funding from the state have pushed many municipalities to charge the fees, said Susan Cave, executive director of the Ohio Municipal League, an organization of governments around Ohio.

"Municipalities have to end the year on a balanced budget, and it's really tough," she said.

A lack of consistency among municipalities that charge fees and the range of amounts they charge make it difficult for policyholders and insurance companies to track charges, said John Melvin, director of claims for Columbus-based insurer State Auto Financial Corp.

"We're trying to get a handle on what these ordinances mean. There are still a lot of mysteries," he said.

Bonelli is hopeful the Web site, which takes a decidedly anti-fee slant, will shed light on the practice, which usually requires municipal governments to pass an ordinance to charge the fees.

But with so many municipalities looking for added funding sources, municipal fees are something that everyone is going to face, said Pam Sprows, a spokeswoman for Bolivar-based Ohio Billing Inc., which handles billing for medical and fire runs.

"This is not something that is going to go away," she said.

614-220-5450 | aburns@bizjournals.com

"Our concern is that a number of municipalities are being led down a road of misinformation."

Mary Bonelli
Ohio Insurance Institute

menting accident fees, Bonelli said, it seemed like an appropriate time to roll out the Web site, municipalfeefacts.org.

The site was launched April 21 and is meant to inform consumers and municipal officials. It cost the trade group about \$5,000, Bonelli said.