

Subrogation claims overview

Presenters:

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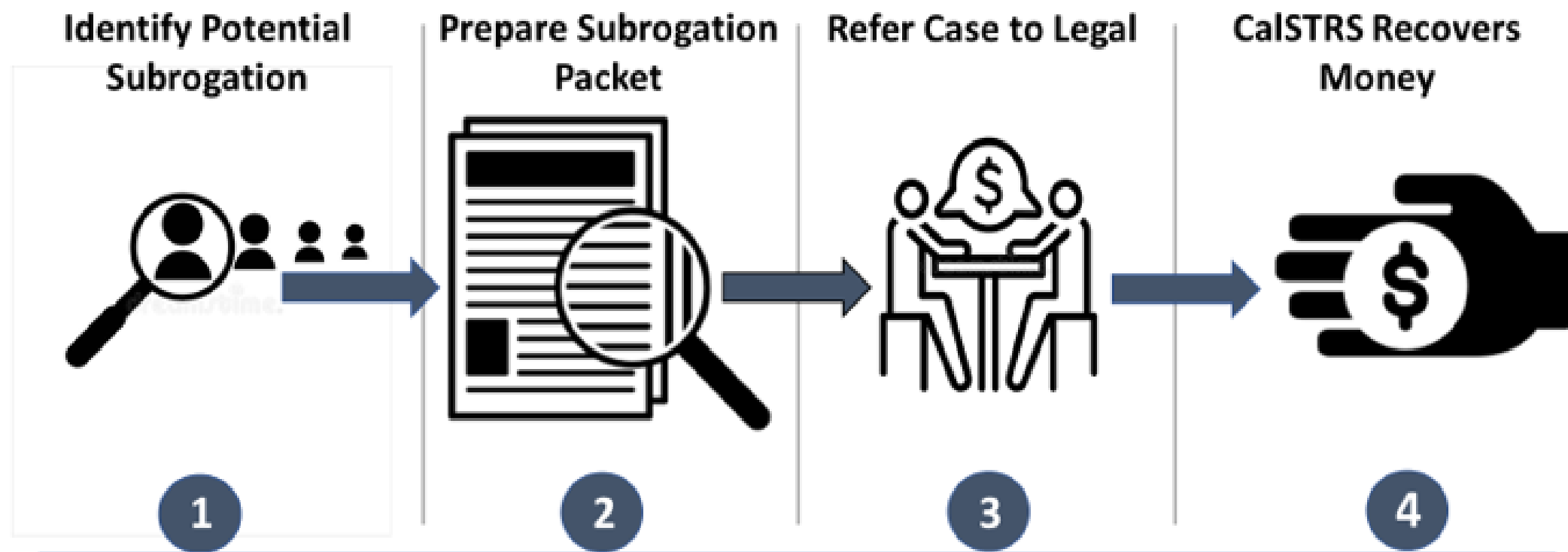
What is Subrogation?

§ 24500. Right of recovery from third person or entity on behalf of plan

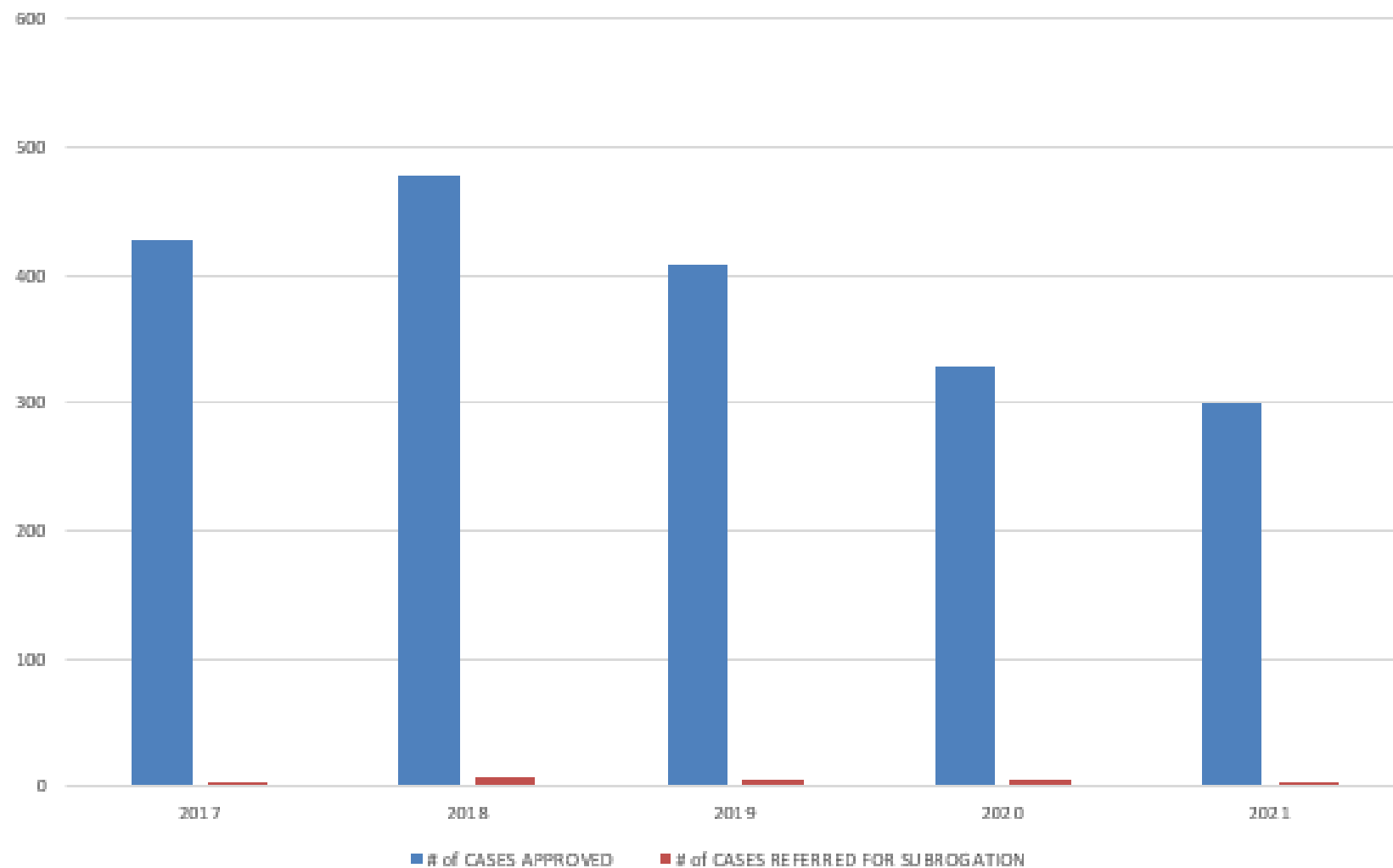
- Subrogation is CalSTRS' right of recovery when a member's injury or death is caused by a third party.
- If a member is injured by a third party and those same impairment(s) entitle them to a CalSTRS disability benefit, CalSTRS may recover the actuarial value of the additional benefit payable.
- Survivor benefits/family allowances payable due to a member's death resulting from an act of a third party are also recoverable by CalSTRS.
- CalSTRS may file a legal action, intervene in the claim, or file a lien against any judgment that may be recovered by the member.



Subrogation process flow



Disability benefit subrogation referrals 2017 – 2021



Key points:

- 1,939 Disability Application approvals from 2017-2021.
- Subrogation referrals (26 total) comprise 1.34% of approvals.
- Full or partial recovery on 19 of 26 referrals.

Wrap-up

- ✓ Keep the fund whole when third party is responsible.
- ✓ Applicable to Disability and Survivor Benefits.
- ✓ Few claims, substantial recovery.



Questions?



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