



A VL real life claim example

Work Care

Factory Machinery

The Insured firm holds Statutory Liability insurance as well as Work Care insurance with a \$50,000 benefit limit. Amongst other work, it processes various forms of fabric into cotton waste. The end of its process involves a high speed rotary shredder.

The operator put his hand into the machine to free up a seizure caused by a piece of heavy duty nylon material. (This material should not have been in the machine – it should have been removed from the stock of rags as part of a screening process prior to the final shredding process).

When the offending material was being pulled clear, the machine started up suddenly and the employee's hand and arm were drawn into the machine resulting in the loss of four fingers. There was a guard on the machine but because of frequent blockages and stoppages the operators customarily propped up the guard to allow easier access to clear obstructions. The lifting of the guard was also supposed to shut off the power to the machine but this was non-functioning.

The owner of the company, who had little involvement in the day to day running of the company, was unaware that his factory manager had turned a blind eye to what was going on.

WorkSafe was notified and an investigation commenced. VL appointed a lawyer to manage the claim.

At the same time, VL settled the Work Care claim by paying 30% of the \$50,000 benefit (\$15,000) for the injured worker's permanent physical impairment to the Insured. The Insured passed this payment on to the injured worker as early voluntary reparation.

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A VL real life claim example

Work Care

Harvesting Machine

The Insured employer is a market gardener. They hold Statutory Liability insurance as well as Work Care insurance.

An employee was operating a harvesting machine. The machine went out of control due to a mechanical malfunction. Tragically the employee suffered fatal injuries when he attempted to gain control of the machine.

WorkSafe investigated and a prosecution began. The circumstances pointed to an early guilty plea by the employer.

The deceased employee was a foreign national. Within 48 hours of the matter being reported and after a process of international inquiry, the VL appointed lawyer was able to facilitate a payment of \$50,000 from VL to the Insured which in turn was paid to the deceased's estate.

\$50,000 is the standard death benefit under Work Care Insurance.

A final outcome is yet to be known but the swift settlement should allow the court to treat this voluntary early reparation payment as a significant factor in discounting the eventual fine. This is a benefit to the Insured, because, by law, fines cannot be insured.

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