BACKGROUND

At about 6:30 p.m. on Wednesday, July 23, 2014, a patron was leaving a pub in southeastern Wisconsin. Intending to pull straight out of his parking stall, he accidently put his vehicle into reverse and accelerated, backing into the building and caving in the wall. Meanwhile, inside the pub, an employee was serving drinks from behind the bar, which is near a cooking area with a broaster. Suddenly, scalding hot grease erupted from the broaster, splashing everything nearby. The vehicle had hit the wall that contained the cooking equipment, causing serious injuries to the pub employee and significant damage to the building.

TOP PRIORITIES:

1. THE BEST CARE FOR YOUR INJURED EMPLOYEE
2. GETTING BACK TO BUSINESS QUICKLY

SITUATION

On Thursday, July 24, 2014, Society Insurance received notice of an incident at a policyholder pub in southeastern Wisconsin. Since there were both employee injuries and property damage associated with this incident, a specialist from Society’s workers compensation claims team along with a dedicated representative from Society’s property claims team were quickly on the case. Care for the injured employee was a top priority, as well as getting the pub reopened and back to business.
CASE STUDY: **EMPLOYEE INJURY & PROPERTY DAMAGE**

**SOCIETY INSURANCE SOLUTION**

**Employee Injury & Workers Compensation**

All the bartender remembered of the actual incident was what he described as an explosion and hot grease in the air. He received second and third degree burns over 20 percent of his body. Surgery was required and the healing period lasted for a year. Since this was a work-related injury, Society paid the employee for the time he missed from work, compensation for some resulting permanent disability, and over $200,000 for necessary medical treatment.

**Recovery**

The employee retained an attorney to pursue a third-party liability claim against the driver and his insurance company. Society’s knowledgeable claims adjuster recognized the opportunity to retain counsel to protect Society’s statutory right to reimbursement, applicable in this workers compensation claim.

In 2016, the third-party claim was settled for $1.1 million. The proceeds were distributed according to the distribution formula outlined in state statutes. The settlement was large enough that Society was able to recoup 100 percent of the loss payments in this claim, over $207,000. In addition, the settlement was sufficient to also fund a cushion from which any future medical treatment would be paid if that became necessary.

This large claim could have adversely affected this Society Insurance policyholder since workers compensation premiums are affected by the number and value of claims experienced by the employer. In this case, however, the responsible party – the driver – ended up covering this loss so the pub’s insurance premium will be unaffected by this claim.

**Property Damage**

Society’s experienced claims representative immediately contacted a building restoration company who subsequently hired a professional engineer to monitor the repair work for structural and safety purposes. The restoration company took the lead by contacting subcontractors in an effort to gather estimates for repairs.

Temporary repairs were done immediately, which included bracing the damaged wall and removing loose siding. The ambitious goal was met to get the pub back up and running by dinner time on Friday, July 25, to avoid long-term loss of business income and reputational damage.
Restoration

While the pub focused on getting back to business, Society’s experienced claims specialist took care of the details associated with finalizing repairs – including availability of unique construction materials, consideration of cooking equipment repairs or replacement, and building code upgrades. Once the final estimate and subcontractor bids were ready, Society worked with a building consultant to audit the prices and make sure that they were appropriate for the project. With Society’s focus on minimizing downtime, the pub was only required to close for two additional days in November 2014 to complete the final repairs.

Subrogation

The pub was responsible for a $1,000 deductible on this claim, while Society paid nearly $170,000 for building, contents, and code upgrades. This large claim had the potential to adversely affect this pub, and other policyholders, but Society’s experienced team was responsible for recovering 87 percent of the total damages through subrogation. The driver involved in this accident had valid personal auto and umbrella policies, which were responsible for reimbursement to Society in 2016.

What is Subrogation?

Subrogation occurs when an insurance company which pays its insured customer for injuries and losses then legally pursues a third party which caused the damages.*

SUMMARY

When an unexpected situation interrupts your ability to conduct business, Society is ready to bring speed and skill to the claims process. This includes thorough investigation, the best possible care for your employees, quick restoration, and paying what is rightfully owed. You can feel confident knowing that your business and your employees are protected by Society Insurance.

To find out how Society can help your business, visit societyinsurance.com to find an agent and request a free quote.

*http://dictionary.law.com/
REAL BUSINESS PROBLEMS
REAL-LIFE SOLUTIONS

When disaster strikes our policyholders, they count on Society to step in and help piece things back together. With over 100 years in business, we’ve handled all sorts of issues – and now we’re sharing the solutions with you! Case studies are real-life stories, explaining complex business situations from start to finish. These stories detail how we’ve helped business owners like you overcome unique and unexpected challenges.

Case Studies

• Recovering from Downtime with Business Interruption Insurance
• Workers Compensation: Taking Care of People and Claims
• Protecting Your Bottom Line with Prompt Claims Reporting
• Minimizing Losses with Risk Management
• Recovering Money and Lowering Insurance Premiums
• Ensuring an Accurate Final Premium

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