



## 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.

CEG 059-102019/001