

We are focused on keeping customers' costs as low as possible. That is why we are committed to subrogation – the recovery of funds from responsible third parties – whenever possible..



## What is Subrogation?

Subrogation is the legal process of recovering funds from a third-party that caused a loss. For workers' compensation losses, this recovery typically includes medical and disability indemnity benefits we pay on a claim.

Common situations resulting in third-party liability and providing the opportunity for subrogation include:

- **Motor vehicle accidents** – An accident involving one or more vehicles can be the result of bad road conditions, negligent driving, intoxication, improper third-party vehicle servicing and defective parts/equipment.
- **Defective equipment** – Heavy equipment, power saws, electric drills, chairs, ladders, etc., can malfunction because of design or manufacturing flaws, faulty repairs or lack of safety warnings/information.
- **Other events** – Airplane crashes, accidents on someone else's property, dog bites, explosions, gas leaks, and construction site accidents all present the potential for third-party liability.

## How Does it Work?

Our talented team of workers' compensation, automobile and property adjusters are trained to recognize indications of third-party fault. When they do, they notify our subrogation team who investigates and makes the determination whether to pursue subrogation.

### Workers' Compensation:

For workers' compensation, each state has specific rules governing whether the injured worker, the workers' compensation carrier, or both can pursue recovery from the third-party, and in what order. Whether we are proceeding in a primary role on behalf of the employer/policyholder or in a secondary role by asserting a lien against the employee's recovery, our subrogation team has the training and the tools to maximize recovery.

Significantly, workers' compensation subrogation can both reimburse/reduce the benefits paid on a claim and provide a credit to off-set future benefits payable. For example, if an injured worker receives a \$5,000 settlement after paying attorney's fees and costs, the carrier may receive a corresponding "credit" of \$5,000 on the workers' compensation claim. If further benefits become payable, the injured worker may then be responsible for payment of the first \$5,000 of those benefits before the carrier resumes payment.

### **Auto and Property:**

For automobile and property losses, we assume a primary recovery role, and we always include the customer's deductible in every demand. We even work with our customers to identify their out-of-pocket/uninsured losses to ensure that they are not overlooking an important recovery opportunity.

For all lines, we will hire and supervise outside counsel as needed to assist our recovery efforts. Each claim is decided on its own merits, and while not all are pursued, you can be confident that we will seek recovery whenever it is economically feasible to do so. Pursuing subrogation, where appropriate, is only one of the many ways we demonstrate our commitment to cost control.

### **How Can You Help?**

#### **When an accident occurs:**

- Gather as much information as possible.
- Preserve the accident scene and any related evidence such as a broken ladder, a blown-out tire, or other defective parts/equipment.
- Take many photographs. The more evidence that is preserved from the scene of the accident, the greater the chance for a successful subrogation recovery.
- If you suspect a third-party may be responsible for an accident, make sure you document that suspicion when you complete the initial claims form.

Always cooperate with our subrogation team and investigators who may ask to examine the accident scene, vehicle or equipment, or to review related documents. Similarly, work with our team as we cooperate with the injured worker's attorney, with whom we have a shared interest in holding the responsible third-party accountable.

### **Our Experts are Here to Help**

Subrogation is only one service provided by our team. Our highly skilled adjusters and attorneys are commercial insurance experts, and they provide advice and representation to policyholders with respect to any contested claim.



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