

## WORKERS' COMP CLAIM CENTERS ON MEETING FOR BUSINESS OR SOCIAL PURPOSES



A woman on her way to a manager's home was injured in a collision. Her resultant filing for workers' comp was predicated on the central issue of the case: whether or not the woman was attending a business meeting or a social gathering. The woman was a shift supervisor at a Noodles & Company restaurant in Eagan, MN. In 2007, Noodles was set to open a new location in another city, where the woman would be assistant manager. The Eagan general manager (GM) – and the woman's supervisor – would temporarily manage the new restaurant and train the plaintiff, and the Eagan assistant manager (AM) would temporarily manage the Eagan location. One evening, at the end of her shift, the woman was to meet the GM and the AM at the GM's house. She asked to have the meeting rescheduled, but the GM told her to attend. On the way, she ran a red light and turned in front of an oncoming vehicle. She was seriously hurt, and the ensuing medical bills totaled 250,000 dollars. Attorneys for Zurich American Insurance Company, which handled workers' comp for Noodles, reportedly told the GM and the AM that characterizing the meeting as "social" was significant. The GM initially told the area manager that the accident "was not work-related," calling it a "social gathering." However, he later told Zurich's claims rep that the meeting's purpose was "work plus additional things." He also acknowledged having previously held business meetings offsite and serving food and drinks. Regardless, the plaintiff's claim was denied, noting that business meetings should be held onsite. At the workers' comp trial, both the GM and AM insinuated in their depositions that the meeting was business-related and admitted that the woman wished to reschedule. There was a discussion of settling the claim, but the claims rep allegedly suggested that Noodles not accept liability. The GM and AM later contradicted themselves in their testimonies, but eventually stated that it was a business meeting.



The woman sued the restaurant and insurance company for intentional obstruction of workers' comp in violation of a Minnesota statute. The district court granted summary judgment in favor of the defendants. While it questioned the credibility of the GM in particular, the court also questioned the plaintiff's credibility and suggested that it was "possible" that she was "embellishing." It further believed that a meeting of "mixed purposes" was a reasonable motivation for denying the claim. The appeals court disagreed. It noted the possibility of obstruction of workers' comp by citing Zurich and Noodles blaming the other for the 17-month delay in payment: Noodles claims that it wanted to accept liability, while the insurance company states that Noodles wanted a "more aggressive trial strategy." Even more was made of the fact that the GM's initial recorded statement, confirming that the meeting was for business, was withheld at the workers' comp trial. Zurich continued to deny the claim after the sworn testimonies from the GM and AM. The appeals court saw "genuine issues of material facts" for trial. It reversed the district court's ruling and remanded the case for further proceedings.

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