

Media Contact:
Laura Emanuel, APR
Brownstein Group
267.238.4118
lemanuel@brownsteingroup.com

The Graham Company Organizes Statewide Coalition to Reverse *Patton v. Worthington*; Pennsylvania Supreme Court Reinstates Long-Standing Statutory Employer Defense

- Court cites insurance brokerage's Amicus Brief in its final ruling; Graham mobilized 8 major association groups and 21 of the Commonwealth's largest contractors to support the reinstatement of "statutory employer" defense -

PHILADELPHIA, PA – March 27, 2014 – The Pennsylvania Supreme Court has reinstated a long-standing statutory employer defense for companies that hire subcontractors in its decision in *Patton vs. Worthington Associates, Inc.* Yesterday's 7-0 decision confirms that general contractors have immunity from suit as a statutory employer under the Workers' Compensation Act – that immunity is the same immunity that a direct employer would have. [The Graham Company](#), one of the Mid-Atlantic region's largest commercial insurance brokerages, played an important role in the Supreme Court's decision, organizing a significant statewide coalition comprised of eight major association groups and 21 of the Commonwealth's largest contractors to jointly file an Amicus Brief which ultimately aided the Court's decision.

The Graham Company, which has a portfolio heavily comprised of large, reputable contractors, recognized that the trial court and the Pennsylvania Superior Court in the Patton case initially misconstrued the statutory employer defense to make it effectively unavailable to contractors in the future. As a result of the initial Patton decision, contractors were forced to pay millions of dollars of injury claims while at the same time remaining responsible for paying workers' compensation benefits. Furthermore, the decision effectively turns 80 years of Workers' Compensation precedent on its head.

"We firmly believed that because general contractors have a responsibility to pay benefits to subcontractor employees who are injured and have no other workers compensation insurance available, they should not also be exposed to liability from lawsuits from those same employees" said [William A. Graham IV](#), Chairman and CEO of The Graham Company. "As such, we felt a great responsibility to take action and appeal the Patton case to the Pennsylvania Supreme Court, on behalf of our wrongfully impacted clients."

In July 2013, the brokerage filed an amicus brief in the appeal of the Patton case to the Pennsylvania Supreme Court. [The filed brief](#) was made significantly stronger by The Graham Company's effort to organize a coalition of best-in-class contractors and authoritative association groups to support the brief. The coalition, jointly led by The Graham Company's Chairman and Vice President-General Counsel, included 21 contractors and eight construction related associations, including several who contributed financially:

A & E Construction, Inc.
Alvin H. Butz, Inc.
American Infrastructure, Inc.
Buckley & Company, Inc.
Cornell & Company, Inc.
Duggan & Marcon, Inc.
Driscoll Construction Company, Inc.
E.J. Breneman, LP
Ernest Bock & Sons, Inc.
Green Acres Contracting, Inc.
Intech Construction, LLC
J.D. Eckman, Inc.
Madison Construction Company,
MECO Constructors, Inc.
Nyleve Bridge Corporation
Penntex Construction Company, Inc.

Philadelphia D&M, Inc.
PKF-Mark III, Inc.
Seravalli, Inc.
Susquehanna Valley Construction Corporation
T.N. Ward Company
Worth & Company, Inc.
Pennsylvania Defense Institute
Associated Builders & Contractors Eastern PA Chapter
Associated Pennsylvania Constructors
Contractors Association Of Eastern Pennsylvania
General Building Contractors Association, Inc.
General Contractors Association Of Pennsylvania
Keystone Contractors Association
The Master Builders' Association of Western
Pennsylvania, Inc.

Lawyers Stephen A. Serfass and Matthew I. Lewis of Drinker, Biddle & Reath, LLP drafted this important brief with assistance from Richard H. Lowe of Duane Morris LLP. “The exhaustive effort the brokerage applied and the significant outlay of legal fees we shouldered to overturn the Patton decision were absolutely worthwhile,” said [A. Peter Prinsen](#), Esquire, CPCU, RPLU, ASLI, AIC, Vice President and General Counsel. “The brief filed by The Graham Company most certainly had an impact on the Court’s decision and we are honored to have played a role in shaping the Court’s opinion. It will provide very good law in the future for the application of the statutory employer defense in situations where contractors who have a contract with the owner and subcontract out a portion of the work, are sued by injured employees of a subcontractor.”

The Graham Company’s brief is quoted on [page six of the opinion](#). It should be noted that the court was particularly moved by the brokerage’s comments about the “tremendous amount of new legal liability” on the construction industry in the event that the Patton decision was not overturned.

About The Graham Company

The Graham Company is an insurance brokerage and consulting firm committed to enhancing employee safety and business viability through an action oriented approach to risk management. In business for over 50 years, The Graham Company focuses on customizing property and casualty, surety, and employee benefits programs for its clients. With its uniquely proactive approach to managing risk, The Graham Company is redefining what it means to be a broker because it believes Actions Matter. To learn more about The Graham Company, visit www.grahamco.com

###