

**SUPREME COURT OF THE STATE OF NEW YORK, APPELLATE DIVISION,
SECOND JUDICIAL DEPARTMENT**

Naula v. Utokilen, LLC

2020 NY Slip Op 01355 (App. Div. 2d Dep't 2020) · No. 2018-11339 · Decided February 26, 2020

SUMMARY

The Appellate Division, Second Department dismissed Adapt Construction, LLC's appeal because it was not aggrieved by dicta concerning findings of the Workers' Compensation Board. The court affirmed the denial of Specialized Dental Construction, Inc.'s summary judgment motion and the dismissal of its Workers' Compensation Law § 11 exclusivity defenses, holding that the employer could not invoke those protections because it lacked workers' compensation insurance at the time of the accident.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, Second Judicial Department
WRITING FOR THE COURT	Leonard B. Austin; Jeffrey A. Cohen; Colleen D. Duffy; Angela G. Iannacci
JURISDICTION	New York
DECIDED	February 26, 2020
DOCKET	2018-11339
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeals from an order of the Supreme Court, Queens County (Leslie J. Purificacion, J.), entered August 16, 2018, which, insofar as appealed from by Adapt Construction, LLC, made statements about the Workers' Compensation Board's finding, and insofar as appealed from by Specialized Dental Construction, Inc., denied its motion for summary judgment dismissing the third-party complaint and granted the cross motion of Utokilen, LLC and Nancy Marin-Rojas D.D.S., P.C. for summary judgment dismissing Specialized Dental's affirmative defenses based on Workers' Compensation Law § 11.
STANDARD OF REVIEW	Summary judgment is appropriate when the movant demonstrates prima facie entitlement to judgment as a matter of law, and the opposing party fails to raise a triable issue of fact.

PRECEDENTIAL VALUE	Published
PARTIES	Adapt Construction, LLC; Specialized Dental Construction, Inc. v. Utokilen, LLC; Nancy Marin-Rojas D.D.S., P.C.

TOPICS

workers compensation indemnity summary judgment third party practice affirmative defenses
appellate procedure construction law

PRACTICE AREAS

Workers' Compensation Construction Law Insurance Appellate Practice

QUESTIONS PRESENTED

1. Whether Specialized Dental, as an employer that failed to secure workers' compensation insurance, may invoke the exclusivity provisions of Workers' Compensation Law § 11 to bar third-party claims for indemnification and contribution.
2. Whether Adapt is aggrieved by portions of the order containing the Workers' Compensation Board's finding that Adapt was a general contractor, so as to have standing to appeal.

HOLDINGS

1. An employer cannot benefit from the protections of Workers' Compensation Law § 11 against third-party liability when it fails to secure workers' compensation insurance. Therefore, Specialized Dental's affirmative defense based on § 11 was properly dismissed, and its motion for summary judgment dismissing the third-party complaint was properly denied.
2. A party is not aggrieved merely because it disagrees with the particular findings, rationale, or opinion supporting a judgment or order; therefore, Adapt's appeal is dismissed.

KEY QUOTATIONS

“Workers' Compensation Law § 11 prohibits third-party claims for indemnification and contribution against an employer unless the employee has sustained a 'grave injury' as defined in that statute or, as is not relevant herein, there is a written contract entered into prior to the accident or occurrence by which the employer had expressly agreed to contribution or indemnification of the claimant”

“an employer cannot benefit from the protections of Workers' Compensation Law § 11 against third-party liability when it fails to secure workers' compensation insurance”

“A party is not aggrieved merely because it 'disagrees with the particular findings, rationale or the opinion supporting' a judgment or order”

“That a decision 'may contain language or reasoning which . . . parties deem adverse to their interests does not furnish them with a basis for standing to take an appeal'”

FACTUAL BACKGROUND

The plaintiff allegedly fell at a work site on premises owned by Utokilen and leased by Marin-Rojas. Following a hearing, the Workers' Compensation Board awarded benefits and found that the plaintiff's employer, Specialized Dental, was uninsured at the time of the accident. The Board also found that Adapt was the general contractor and Specialized Dental was the subcontractor. Utokilen and Marin-Rojas commenced a third-party action against Specialized Dental for common-law indemnification and contribution.

PROCEDURAL HISTORY

The plaintiff commenced an action to recover damages for personal injuries sustained in a fall at a work site. The Workers' Compensation Board awarded benefits and found that the plaintiff's employer, Specialized Dental, was uninsured, that Adapt was the general contractor, and that Specialized Dental was the subcontractor. Utokilen and Marin-Rojas commenced a third-party action against Specialized Dental for common-law indemnification and contribution. Specialized Dental moved for summary judgment asserting Workers' Compensation Law § 11 exclusivity and lack of grave injury. Utokilen and Marin-Rojas cross-moved to dismiss Specialized Dental's and Adapt's affirmative defenses based on § 11, arguing that Specialized Dental was uninsured. The Supreme Court granted the cross motion and denied Specialized Dental's motion. Specialized Dental and Adapt appealed.

DISPOSITION

affirmed

CASES CITED

- Flores v Lower E. Side Serv. Ctr., Inc., 4 NY3d 363, 367
- Muhjaj v 77 Water St., Inc., 148 AD3d 1165, 1166-1167
- Sarmiento v Klar Realty Corp., 35 AD3d 834, 837
- Boles v Dormer Giant, Inc., 4 NY3d 235, 240
- Waldorf v Waldorf, 117 AD3d 1035
- Parochial Bus Sys. v Board of Educ. of City of N.Y., 60 NY2d 539, 545
- Pennsylvania Gen. Ins. Co. v Austin Powder Co., 68 NY2d 465, 472-473