

SUPREME COURT OF THE STATE OF ALASKA

Tracy O. Atkins v. Inlet Transportation & Taxi Service, Inc. and State of Alaska, Workers' Compensation Benefits Guaranty Fund

426 P.3d 1124 (Alaska 2018) · No. S-16485 · Decided September 21, 2018

SUMMARY

The Alaska Supreme Court affirmed dismissal of a taxi driver's workers' compensation claim after he settled a third-party automobile-liability claim without obtaining the employer's written approval. The court held that the policy-limits settlement was a compromise subject to Alaska Statute 23.30.015(h) and that the absence of prejudice to the employer did not independently excuse the failure to obtain written approval. The opinion also addresses the Alaska Workers' Compensation Benefits Guaranty Fund's ability to assert defenses available to an insured employer.

CASE DETAILS

COURT	Supreme Court of the State of Alaska
WRITING FOR THE COURT	Chief Justice Stowers; Justice Winfree; Justice Bolger; Justice Carney
JURISDICTION	Alaska
DECIDED	September 21, 2018
DOCKET	S-16485
DISPOSITION	affirmed
PROCEDURAL POSTURE	Atkins appealed the Alaska Workers' Compensation Appeals Commission's decision affirming dismissal of his workers' compensation claim. The Alaska Supreme Court reviewed the Commission's decision and affirmed.
STANDARD OF REVIEW	In a workers' compensation appeal from the Commission, the Supreme Court reviews the Commission's decision rather than the Board's. Statutory interpretation is reviewed independently, according to reason, practicality, and common sense, considering statutory language, legislative history, and purpose.
PRECEDENTIAL VALUE	Published Alaska Supreme Court opinion; precedential
PARTIES	Tracy O. Atkins v. Inlet Transportation & Taxi Service, Inc., State of Alaska, Workers' Compensation Benefits Guaranty Fund

TOPICS

workers compensation

statutory interpretation

appellate procedure

standard of review

PRACTICE AREAS

workers compensation

employment law

statutory interpretation

appellate procedure

QUESTIONS PRESENTED

1. Whether Atkins's policy-limits settlement with the third-party tortfeasor was a compromise subject to AS 23.30.015(h).
2. Whether lack of prejudice to the employer excused Atkins's failure to obtain written approval of the settlement.
3. Whether Atkins substantially complied with AS 23.30.015(h).
4. Whether Inlet Taxi was equitably estopped from asserting the employer-approval defense.
5. Whether dismissal of Atkins's workers' compensation claim was proper under the employer-approval requirement.

HOLDINGS

1. A prelitigation settlement in which the claimant releases further liability in exchange for policy-limit payment is a compromise subject to AS 23.30.015(h), even when the amount recovered is limited by insurance-policy limits.
2. Lack of prejudice to the employer, standing alone, does not excuse failure to obtain the employer's written approval of a third-party settlement under AS 23.30.015(h).
3. Atkins did not substantially comply with the statutory written-approval requirement.
4. Inlet Taxi was not equitably estopped from asserting the employer-approval defense.

KEY QUOTATIONS

"The agreement between the estate (through its insurer) and Atkins meets this definition." (-15-)

"The statutory penalty for not getting employer approval, while harsh, is clear." (-20-)

"But giving notice is not the same as getting approval of a policy-limits settlement" (-21-)

"We AFFIRM the Commission's decision." (-24-)

FACTUAL BACKGROUND

Tracy Atkins, a taxi driver, was severely injured in a September 2009 collision while driving to pick up a fare. The employment relationship and the identity of his potential employer were disputed, and the taxi business was uninsured, so the Alaska Workers' Compensation Benefits Guaranty Fund assumed responsibility for the claim. Atkins retained counsel for a third-party tort claim and settled with the other driver's estate for policy limits

without obtaining written approval from Inlet Taxi or the Fund. His medical expenses exceeded the settlement amount.

PROCEDURAL HISTORY

After Atkins filed a workers' compensation claim, the Alaska Workers' Compensation Board dismissed it because he had settled a third-party tort claim without obtaining the employer's written approval as required by AS 23.30.015(h). The Commission initially remanded for additional findings. On remand, the Board dismissed the claim as untimely based on the two-year period following a notice of controversy. The Commission reversed that determination, but again concluded that dismissal was proper under the employer-approval provision. Atkins appealed to the Alaska Supreme Court, which affirmed the Commission.

DISPOSITION

affirmed

CASES CITED

- Huit v. Ashwater Burns, Inc., 372 P.3d 904, 912 (Alaska 2016)
- Louie v. BP Expl. (Alaska), Inc., 327 P.3d 204, 206 (Alaska 2014)
- State, Department of Fish & Game v. Kacyon, 31 P.3d 1276, 1283 (Alaska 2001)
- Forest v. Safeway Stores, Inc., 830 P.2d 778, 779-82 (Alaska 1992)
- Bell v. O'Hearne, 284 F.2d 777, 778-80 (4th Cir. 1960)
- Banks v. Chicago Grain Trimmers Ass'n, 390 U.S. 459, 461, 466-67 (1968)
- Adamson v. Municipality of Anchorage, 333 P.3d 5, 14 (Alaska 2014)
- Jones v. Short, 696 P.2d 665, 667 n.10 (Alaska 1985)
- Hull v. Alaska Fed. Sav. & Loan Ass'n of Juneau, 658 P.2d 122, 126 (Alaska 1983)