SUPREME COURT OF UTAH

Workers Compensation Fund v. Utah Business Insurance Company

Workers Compensation Fund v. Utah Business Insurance Co., 2013 UT 4 (2013) · No. No. 20110744 · Decided January 25, 2013

SUMMARY

The Utah Supreme Court held that the targeted tender doctrine is incompatible with Utah's statutory workers compensation scheme. Because both insurers' policies covered the employee's injury, both were jointly liable, and Workers Compensation Fund was entitled to equitable contribution from Utah Business Insurance Company for reasonable past and future claim costs. The court affirmed the denial of summary judgment and additional discovery and remanded for resolution of remaining issues.

CASE DETAILS

COURT	Supreme Court of Utah
WRITING FOR THE COURT	Justice Durham; Chief Justice Durrant; Associate Chief Justice Nehring; Justice Parrish; Justice Lee
JURISDICTION	Utah
DECIDED	January 25, 2013
DOCKET	No. 20110744
DISPOSITION	affirmed
PROCEDURAL POSTURE	Utah Business Insurance Company appealed an order granting Workers Compensation Fund partial summary judgment, denying UBIC's counter-motion for summary judgment, and denying UBIC's motion for additional discovery under Utah Rule of Civil Procedure 56(f).
STANDARD OF REVIEW	Summary judgment is reviewed for correctness, with no deference to the district court. Denial of a Utah Rule of Civil Procedure 56(f) motion is reviewed for abuse of discretion and will not be reversed unless the ruling exceeds the limits of reasonability.
PRECEDENTIAL VALUE	Published Utah Supreme Court opinion; binding precedent in Utah.
PARTIES	Utah Business Insurance Company v. Workers Compensation Fund

TOPICS

workers compensation | insurance coverage | insurance | contract interpretation | standard of review

PRACTICE AREAS

workers compensation | insurance coverage | contracts | appellate procedure

QUESTIONS PRESENTED

1. Whether Utah's workers compensation statutory scheme permits application of the targeted tender doctrine when multiple insurers cover the same workplace injury.
2. Whether UBIC and WCF were jointly liable for Antone's claim and whether WCF was entitled to equitable contribution from UBIC.
3. Whether the district court abused its discretion by denying UBIC's motion for additional discovery under Utah Rule of Civil Procedure 56(f).

HOLDINGS

1. The targeted tender doctrine is incompatible with Utah's workers compensation statutory scheme and does not apply in the workers compensation context.
2. Because both policies covered the injury and the targeted tender doctrine does not apply, UBIC and WCF were jointly liable for Antone's claim. WCF was entitled to equitable contribution from UBIC for one-half of the reasonable past and future benefits paid on the claim.
3. The district court did not abuse its discretion in denying UBIC's Rule 56(f) motion for additional discovery.

KEY QUOTATIONS

> *"The workers compensation statutes have one central purpose: to ensure that employees are covered in the event of an accident."* (¶ 17)

> *"The statutory scheme therefore precludes us from adopting the targeted tender doctrine in the context of workers compensation."* (¶ 18)

> *"Because we decline to apply the targeted tender doctrine in the workers compensation context, we hold that both insurers are liable for Mr. Antone's claim."* (¶ 31)

FACTUAL BACKGROUND

Pioneer Roofing was insured under a WCF workers compensation policy effective April 1, 2007, through April 1, 2008, and a UBIC policy that repeatedly stated an effective date of February 22, 2008. Both policies were therefore in effect on March 21, 2008, when Pioneer employee Russell Antone suffered a catastrophic workplace injury. WCF paid Antone's medical expenses and weekly compensation benefits, then sought reimbursement from UBIC under the policies' identical Other Insurance clauses. After WCF filed suit, Pioneer requested that UBIC retroactively change its policy effective date to March 31, 2008, but the court held that the workers compensation statutory scheme did not permit that retroactive alteration.

PROCEDURAL HISTORY

Pioneer Roofing Company was insured under overlapping workers compensation policies issued by WCF and UBIC when its employee suffered a catastrophic workplace injury. WCF paid the employee's benefits and sued UBIC for joint liability and equitable contribution. The district court granted WCF partial summary judgment, denied UBIC's summary judgment motion and Rule 56(f) discovery motion, and the Utah Supreme Court affirmed those rulings while remanding for resolution of the remaining issues.

DISPOSITION

affirmed

REMAND INSTRUCTIONS

Remanded to the district court for resolution of the remaining issues, including the reasonableness of past benefits and administrative costs and other matters left unresolved by the partial summary judgment.

CASES CITED

- Bahr v. Imus, 2011 UT 19, 250 P.3d 56
- Overstock.com, Inc. v. SmartBargains, Inc., 2008 UT 55, 192 P.3d 858
- John Burns Constr. Co. v. Ind. Ins. Co., 727 N.E.2d 211 (Ill. 2000)
- Mut. of Enumclaw Ins. Co. v. USF Ins. Co., 191 P.3d 866 (Wash. 2008)
- Cas. Indem. Exch. Ins. Co. v. Liberty Nat'l Fire Ins. Co., 902 F. Supp. 1235 (D. Mont. 1995)
- Am. States Ins. Co. v. Nat'l Fire Ins. Co., 135 Cal. Rptr. 3d 177 (Ct. App. 2011)
- Touchard v. La-Z-Boy Inc., 2006 UT 71, 148 P.3d 945
- Sharon Steel Corp. v. Aetna Cas. & Sur. Co., 931 P.2d 127 (Utah 1997)
- City of Waldo v. Poetker, 628 S.W.2d 329 (Ark. 1982)
- Deep Creek Ranch, LLC v. Utah State Armory Bd., 2008 UT 3, 178 P.3d 886
- Crossland Sav. v. Hatch, 877 P.2d 1241 (Utah 1994)