

SUPREME COURT OF IOWA

Lori A. Gregory v. Second Injury Fund of Iowa

Gregory v. Second Injury Fund · No. 07-1764 · Decided January 22, 2010

SUMMARY

The Iowa Supreme Court reverses the district court’s judgment affirming the workers’ compensation commissioner’s denial of Lori Gregory’s claim against the Second Injury Fund of Iowa. The court holds that Gregory’s permanent partial loss of her left hand qualified as a first injury under Iowa Code section 85.64, even though the same underlying injury also caused impairment to her shoulders and was compensated as an unscheduled body-as-a-whole injury. The case is remanded for determination of the Fund’s liability based on the combined effect of the qualifying hand and foot injuries.

CASE DETAILS

COURT	Supreme Court of Iowa
WRITING FOR THE COURT	Hecht, Justice
JURISDICTION	Iowa
DECIDED	January 22, 2010
DOCKET	07-1764
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Employee appealed the district court's judgment affirming the workers' compensation commissioner's denial of her claim for benefits from the Second Injury Fund of Iowa.
STANDARD OF REVIEW	Workers' compensation appeals are reviewed under Iowa Code chapter 17A. The agency decision is reviewed under Iowa Code section 17A.19(10); because interpretation of Iowa Code section 85.64 was not clearly vested in the commissioner, the court reverses an agency decision based on an erroneous interpretation of law.
PRECEDENTIAL VALUE	Published opinion; precedential
PARTIES	Lori A. Gregory v. Second Injury Fund of Iowa

TOPICS

- workers compensation
- statutory interpretation
- judicial review of agency action
- administrative law

PRACTICE AREAS

workers compensation

administrative law

statutory interpretation

QUESTIONS PRESENTED

1. Whether a permanent partial loss or loss of use of an enumerated member under Iowa Code section 85.64 may qualify as a first injury even when the same injury also causes impairment to other enumerated or unenumerated body parts.
2. Whether the fact that compensation for the first injury was calculated as an unscheduled body-as-a-whole injury under Iowa Code section 85.34(2)(u) prevents the injury from qualifying as a first injury under section 85.64.
3. What limitations apply to calculating the Second Injury Fund's liability so that Gregory does not receive a double recovery.

HOLDINGS

1. A permanent partial loss or loss of use of an enumerated member may qualify as a first injury under Iowa Code section 85.64 even when the same incident also causes disability to one or more other enumerated or unenumerated body parts.
2. The method used to calculate compensation for the first injury, including compensation as an unscheduled injury to the body as a whole under Iowa Code section 85.34(2)(u), does not control whether an enumerated-member loss qualifies as a first injury under section 85.64.
3. On remand, the commissioner must calculate the Fund's liability based only on the combined effect of Gregory's qualifying left-hand injury from 2000 and qualifying right-foot injury from 2002, considering the disability to other body parts from the 2000 injury only to the extent necessary to avoid compensating Gregory twice.

KEY QUOTATIONS

"Workers' compensation statutes are to be liberally construed in favor of the employee. The legislature enacted the workers' compensation statute primarily for the benefit of the worker and the worker's dependents. Therefore, we apply the statute broadly and liberally in keeping with the humanitarian objective of the statute." (7-8)

"The focus of our analysis must therefore be on whether Gregory sustained a partial permanent loss of at least two enumerated members in successive injuries." (8)

"The plain language of section 85.64 does not support the Fund's contention that it is significant to the determination of whether the 2000 injury is a first qualifying loss that compensation was calculated under 'the schedule' found in Iowa Code section 85.34(2)(a)–(t), rather than under section 85.34(2)(u) as one of the factors bearing upon the nature and extent of an injured worker's industrial disability." (9)

FACTUAL BACKGROUND

Gregory developed bilateral upper-extremity dysfunction while working for Doorcraft and underwent carpal tunnel and bilateral shoulder surgeries in 2000 and 2001. Those injuries resulted in permanent functional impairments, including a two percent impairment to her left hand, a six percent impairment to her right hand, and ten percent impairments to each arm. She later sustained a work-related fracture to her right foot on October 8, 2002. Although the earlier injuries included shoulder impairment compensated as an injury to the body as a whole, Gregory claimed that the two percent permanent impairment to her left hand was a qualifying first injury under Iowa Code section 85.64.

PROCEDURAL HISTORY

Gregory sought workers' compensation benefits from Doorcraft and the Second Injury Fund after successive workplace injuries to her left hand and right foot. The workers' compensation commissioner denied her claim against the Fund, concluding that the first injury did not qualify under Iowa Code section 85.64 because the injury also caused bilateral shoulder impairment extending into the body as a whole. The Iowa District Court for Polk County affirmed, and the Supreme Court of Iowa reversed and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The district court judgment is reversed, and the matter is remanded to the workers' compensation commissioner for further proceedings. The commissioner must determine the Fund's liability using only the combined effect of Gregory's qualifying left-hand and right-foot injuries and must account for the compensable value of the previously lost left-hand member without awarding additional compensation for other 2000 injuries.

CASES CITED

- Second Injury Fund v. Shank, 516 N.W.2d 808, 812 (Iowa 1994)
- Second Injury Fund v. Neelans, 436 N.W.2d 355, 358 (Iowa 1989)
- Anderson v. Second Injury Fund, 262 N.W.2d 789, 791-92 (Iowa 1978)
- Mosher v. Dep't of Inspections & Appeals, 671 N.W.2d 501, 508 (Iowa 2003)
- Finch v. Schneider Specialized Carriers, Inc., 700 N.W.2d 328, 330 (Iowa 2005)
- Beier Glass Co. v. Brundige, 329 N.W.2d 280, 283 (Iowa 1983)
- Am. Home Prods. Corp. v. Iowa State Bd. of Tax Review, 302 N.W.2d 140, 142-43 (Iowa 1981)
- State v. Bower, 725 N.W.2d 435, 442 (Iowa 2006)
- Myers v. F.C.A. Servs., Inc., 592 N.W.2d 354, 356 (Iowa 1999)
- Holstein Elec. v. Breyfogle, 756 N.W.2d 812, 815-16 (Iowa 2008)
- Second Injury Fund v. George, 737 N.W.2d 141, 144-47 (Iowa 2007)
- Second Injury Fund v. Nelson, 544 N.W.2d 258, 269 (Iowa 1995)
- Pappas v. N. Iowa Brick & Tile Co., 201 Iowa 607, 609, 206 N.W. 146, 147 (1925)
- Jennings v. Mason City Sewer Pipe Co., 187 Iowa 967, 971, 174 N.W. 785, 786 (1919)

- Schwab v. Emporium Forestry Co., 153 N.Y.S. 234, 235-36 (N.Y. App. Div. 1915)

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