

SUPREME COURT OF IOWA

Sarah Kingsbury v. Second Injury Fund of Iowa

Kingsbury v. Second Injury Fund · No. 25-0717 · Decided April 24, 2026

SUMMARY

The Iowa Supreme Court held that Sarah Kingsbury’s compromise settlement with Walmart barred her from pursuing benefits against the Second Injury Fund because the settlement did not establish Walmart’s liability or a degree of permanent disability. The court interpreted Iowa Code sections 85.35(10) and 85.64 and concluded that fixed employer liability is necessary before Second Injury Fund liability can be determined. The court reversed the district court and remanded with instructions to affirm the workers’ compensation commissioner’s dismissal of Kingsbury’s claim; Justice Waterman dissented, joined by Justice McDermott.

CASE DETAILS

COURT	Supreme Court of Iowa
WRITING FOR THE COURT	Christensen, C.J.; Mansfield, J.; McDonald, J.; Oxley, J.; Waterman, J.; McDermott, J.; May, J.
JURISDICTION	Iowa Supreme Court
DECIDED	April 24, 2026
DOCKET	25-0717
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The Second Injury Fund appealed from a district court order reversing the workers’ compensation commissioner’s summary-judgment dismissal of Kingsbury’s claim for Second Injury Fund benefits.
STANDARD OF REVIEW	Review is for correction of errors at law because the workers’ compensation commission is not vested with interpretive authority over the statutes at issue.
PRECEDENTIAL VALUE	Published and precedential Iowa Supreme Court opinion
PARTIES	Second Injury Fund of Iowa v. Sarah Kingsbury

TOPICS

- workers compensation
- statutory interpretation
- administrative law
- appellate procedure
- standard of review

PRACTICE AREAS

workers compensation

employment law

administrative law

statutory interpretation

QUESTIONS PRESENTED

1. Whether a workers' compensation claimant may continue pursuing Second Injury Fund benefits after entering a full and final compromise settlement with the employer that does not establish the employer's liability for permanent disability.
2. Whether Iowa Code sections 85.35(10) and 85.64(1) bar Kingsbury's claim against the Second Injury Fund because the settlement left unresolved the existence and extent of permanent disability and did not establish a payment obligation by Walmart.

HOLDINGS

1. A claimant may not continue pursuing a Second Injury Fund claim after entering a full and final compromise settlement with the employer that does not establish the employer's liability for a specified degree of permanent disability. The settlement is a final bar to further rights under the Iowa Workers' Compensation Act regarding the subject matter of the compromise.
2. A claimant and employer may structure a settlement that establishes the employer's liability for part of the claim or identifies the extent of permanent disability, thereby permitting a subsequent claim against the Second Injury Fund.

KEY QUOTATIONS

"Under these circumstances, the answer is no because the claimant's settlement left her unable to prove that she sustained a work-related, compensable injury for some degree of permanent disability that would trigger Fund liability." (2)

"Unlike ordinary workers' compensation benefits, . . . the Second Injury Fund's obligation cannot be assessed until the employer's liability is fixed." (6)

"In conclusion, Kingsbury's compromise settlement with Walmart left her unable to establish Walmart's fixed liability for her injury." (10)

FACTUAL BACKGROUND

On August 13, 2021, Sarah Kingsbury, a Walmart pharmacy technician, tripped over a box at work and injured her right lower extremity and right shoulder. She later asserted that the injury caused permanent disability and amended her workers' compensation petition to add the Second Injury Fund, alleging a prior qualifying loss involving her left lower extremity. Kingsbury and Walmart entered into a commissioner-approved full and final compromise settlement concerning her right shoulder and knee injuries, but Walmart disputed the extent of permanent disability and the settlement did not establish a fixed degree of employer liability. The Fund then obtained summary judgment on the ground that Kingsbury could not establish the employer liability necessary to trigger Fund liability.

PROCEDURAL HISTORY

Kingsbury filed a workers' compensation claim against Walmart and its insurer after a workplace injury and later amended the claim to add the Second Injury Fund. The commissioner approved a full and final compromise settlement between Kingsbury and Walmart that did not establish Walmart's liability for permanent disability. The deputy commissioner granted the Fund summary judgment, and the commissioner affirmed. The district court reversed, concluding that Kingsbury's Fund claim was not within the subject matter of the settlement. The Iowa Supreme Court retained the Fund's appeal, reversed the district court, and remanded for entry of judgment affirming the commissioner.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remand to the district court to enter a judgment affirming the workers' compensation commissioner's decision granting summary judgment and dismissing Kingsbury's claim against the Second Injury Fund.

CASES CITED

- Delaney v. Second Inj. Fund of Iowa, 6 N.W.3d 714, 719 (Iowa 2024)
- Second Inj. Fund of Iowa v. Braden, 459 N.W.2d 467, 473 (Iowa 1990)
- Second Inj. Fund of Iowa v. Bergeson, 526 N.W.2d 543, 547-48 (Iowa 1995)
- Tweeten v. Tweeten, 999 N.W.2d 270, 276, 278 (Iowa 2023)
- Second Inj. Fund of Iowa v. Strable, 14 N.W.3d 742, 745 (Iowa 2024)
- Nance v. Iowa Dep't of Revenue, 908 N.W.2d 261, 269 (Iowa 2018)
- Teig v. Chavez, 8 N.W.3d 484, 494 (Iowa 2024)
- City of Sioux City v. Greater Sioux City Press Club, 421 N.W.2d 895, 897 (Iowa 1988)
- Garrison v. New Fashion Pork LLP, 977 N.W.2d 67, 87 (Iowa 2022)
- Mid Am. Constr. LLC v. Sandlin, 2 N.W.3d 838, 850 (Iowa 2024)
- Peak v. Adams, 799 N.W.2d 535, 539 (Iowa 2011)
- Bankers Standard Ins. v. Stanley, 661 N.W.2d 178, 181 (Iowa 2003)