

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

Authority Fleet Servs. Corp. v. Amtrust N. Am., Inc.

2026 NY Slip Op 02620 · No. 2024-06886 · Decided April 29, 2026

SUMMARY

The Appellate Division, Second Department, affirmed an order and judgment requiring Amtrust North America, Inc. to defend Authority Fleet Services Corp. and the other plaintiffs in an underlying construction-accident action. The court held that the allegations in the underlying complaint suggested a reasonable possibility of coverage and that the insurer failed to raise a triable issue of fact defeating its duty to defend.

CASE DETAILS

COURT	Appellate Division of the Supreme Court of the State of New York, Second Department
WRITING FOR THE COURT	Angela G. Iannacci, J.P.; Cheryl E. Chambers, J.; Lillian Wan, J.; Janice A. Taylor, J.
JURISDICTION	Supreme Court of the State of New York, Appellate Division, Second Department
DECIDED	April 29, 2026
DOCKET	2024-06886
DISPOSITION	affirmed
PROCEDURAL POSTURE	Amtrust appealed from an order and judgment granting the plaintiffs summary judgment declaring that Amtrust was obligated to defend them in an underlying construction-accident action and denying Amtrust's cross-motion for summary judgment.
STANDARD OF REVIEW	The Appellate Division reviewed the parties' summary-judgment motions and whether the underlying complaint triggered a duty to defend. The insurer bears the burden of establishing as a matter of law that there is no possible factual or legal basis for indemnification under the policy.
PRECEDENTIAL VALUE	published
PARTIES	Amtrust North America, Inc. v. Authority Fleet Services Corp., et al.

TOPICS

duty to defend

duty to indemnify

insurance coverage

construction law

appellate procedure

PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether the allegations in the underlying construction-accident complaint created a reasonable possibility of coverage sufficient to trigger Amtrust's duty to defend.
2. Whether Amtrust established as a matter of law that there was no possible factual or legal basis for indemnification under any policy provision.
3. Whether the plaintiffs were entitled to summary judgment declaring that Amtrust was obligated to defend them in the underlying action.

HOLDINGS

1. The allegations in the underlying complaint suggested a reasonable possibility of coverage for the plaintiffs and therefore triggered Amtrust's duty to defend.
2. The plaintiffs were entitled to summary judgment declaring that Amtrust was obligated to defend them, and Amtrust failed to raise a triable issue of fact in opposition.

KEY QUOTATIONS

“A duty to defend is triggered by the allegations contained in the underlying complaint” ([*2])

“An insurer’s duty to defend is broader than the duty to indemnify and arises whenever the allegations of the complaint against the insured, liberally construed, potentially fall within the scope of the risks undertaken by the insurer” ([*2])

“Nonetheless, ‘an insurer can be relieved of its duty to defend if it establishes as a matter of law that there is no possible factual or legal basis on which it might eventually be obligated to indemnify its insured under any policy provision’” ([*2])

“In determining a dispute over insurance coverage, we first look to the language of the policy” ([*2])

“As with any contract, unambiguous provisions of an insurance contract must be given their plain and ordinary meaning” ([*2])

FACTUAL BACKGROUND

Joshua Devito and Brian Guilfoil allegedly were injured in a construction accident on September 30, 2022. They sued the plaintiffs and another party, alleging that they worked for 1-888-Junk-Demo, Inc., which had a contract with the plaintiffs, and that the plaintiffs supervised, managed, controlled, and directed the work. The plaintiffs notified Amtrust and sought coverage under a workers' compensation and employers' liability policy issued to Authority Fleet Services Corp.

PROCEDURAL HISTORY

The plaintiffs sought a declaration that Amtrust owed defense and indemnity obligations under a workers' compensation and employers' liability policy. The Supreme Court, Suffolk County, granted the plaintiffs' motion for summary judgment as to the duty to defend, denied Amtrust's cross-motion, and declared that Amtrust was obligated to defend. The Appellate Division affirmed insofar as appealed from.

DISPOSITION

affirmed

CASES CITED

- Cumberland Farms, Inc. v. Tower Group, Inc., 137 AD3d 1068, 1070
- 523 BWAY, LLC v. Erie & Niagara Ins. Assn., 236 AD3d 841, 843
- Allstate Ins. Co. v. Zuk, 78 NY2d 41, 45
- Gem-Quality Corp. v. Colony Ins. Co., 209 AD3d 986, 990
- Durant v. State of New York, 195 AD3d 796, 798
- Cumberland Farms, Inc. v. Tower Group, Inc., 137 AD3d 1068, 1071
- Matter of Ovadia v. Office of the Indus. Bd. of Appeals, 19 NY3d 138, 145

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