

## **MINNESOTA SUPREME COURT DECISION**

September 2012

### **Giersdorf v. A & M Constr., Inc., A11-1841 (September 5, 2012)**

Compensation Judge: James Cannon

WCCA Panel: Wilson, Pederson, Johnson

Supreme Court: Justice Stras

On September 5, 2012, the Minnesota Supreme Court ruled Minnesota's Office of Administrative Hearings (OAH) has subject matter jurisdiction to hear an employer's petition for a declaration of insurance coverage. In *Giersdorf v. A & M Const.*, A11-1841 (Minn. 2012) the Court affirmed the Workers' Compensations Court of Appeals (WCCA) and trial judge, and held that because the underlying claim in the employer's petition involved insurance coverage, not breach of contract, the OAH had jurisdiction to hear it. The Court remanded the case to the trial court to determine whether the employer's coverage with the insurer remained in effect at the time of the employee's injury.

### **Subject Matter Jurisdiction**

The employer sought a declaration its insurance coverage with an insurer was still "in effect," a question within a compensation judge's authority to decide. However, employer's Petition for Declaration of Insurance Coverage contained language in the nature of a breach of contract claim. The insurer argued that breach of contract claims are outside the authority of the workers' compensation courts to decide. Despite the claims asserted in its initial pleadings, the Court found employer consistently argued it sought a declaration from the compensation judge with respect to whether or not it had workers' compensation coverage with the insurer and whether or not insurer owed employer duties of defense and indemnification for employee's workers' compensation claim. Therefore, the Court agreed with the WCCA that "the 'real' nature of the claim is 'whether employer's insurance coverage was in effect,' a question [] within the authority of the compensation judge to answer."

### **Procedural Due Process**

The insurer also argued allowing the compensation judge to decide these issues violated its procedural due process rights because it could not interpose defenses to A & M's alleged contractual claims. The Supreme Court indicated A & M's original petition, which was the only pleading being considered by the Court, requested a determination of coverage and the duties to defend and indemnify and did not include claims for breach of contract. Therefore, it was premature for the Court to rule on whether any defenses to the breach of contract claim would be available to Hartford in any proceedings at OAH and whether Hartford's due process rights were violated.