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# LEGISLATIVE POSITION

## Professional Insurance Agents of New York State Inc.

### Changes in New York Labor Law liability standards

PIANY supports change to New York's Labor Law that would substitute a negligence standard for the absolute liability imposed by current law.

Sections 240, 241 and 241-a of the New York Labor Law impose an absolute liability standard upon property owners and general contractors for workers injured at their job sites. Absolute liability exists when liability is imposed for a breach of duty, without affording access to the customary legal defenses. In the case of New York Labor Law, damages are paid by property owners and/or general contractors regardless of fault, since a determination of liability does not consider possible culpability by the injured worker.

This absolute liability provision has led recently to an increase of lawsuits. With no leverage in these suits, defendants are under pressure to settle with plaintiffs. At the same time, they are under pressure to expand the litigation to draw in anyone else that might be compelled to share some of the damages. This type of litigation has begun to mark New York as a state with a legal climate that is unfriendly to business.

Another result has been extreme difficulty in obtaining liability insurance for certain businesses, especially contractors and certain property owners. Where insurance is available, frequently exclusions apply that could leave clients exposed to uninsured claims. Some of these contractual exclusions are difficult to identify, so busy contractors (and those they do business with) may not be aware that they lack specified coverage. These exclusions may mean they have breached their construction contracts, as well as being exposed to financial ruin.

PIANY believes that the absolute liability imposed upon owners and general contractors by these sections is antiquated, dating to a time when no substantive safety standards existed. In fact, the major Labor Law provisions involved in this problem pre-date the state's Workers' Compensation Law. Their continuing co-existence with workers' compensation significantly undermines the intent of the workers' compensation system to provide the sole remedy for job-related injuries.