
GOVERNOR SIGNS WORKERS' COMPENSATION REFORM BILL AND COURT HOLDS THAT IT APPLIES PROSPECTIVELY

As the summer 1996 issue of the Insurance Newsletter went to press, there were two significant developments relating to the New York workers' compensation reform plan which is the subject of the article beginning on page 1. First, Governor Pataki signed the measure into law on September 10, 1996. Second, on September 18, 1996, in a case of first impression, Justice Joseph Harris of the Supreme Court, Albany County (a trial level court) ruled that the law's restrictions on third-party lawsuits against employers apply only prospectively to accidents occurring after the effective date. Since the law will not apply retroactively, pending third-party claims will be preserved.

The decision in *Gleason v. Holman Contract Warehouse, Inc.*, Index No. 5174-93 did not speak directly to the issue of whether defendants can bring third-party claims in pending lawsuits where the accident date preceded the effective date of the law. This is one of many unresolved questions that will undoubtedly be addressed by the courts. We will follow the judicial treatment of the new law closely in future issues.

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