

# Florida Supreme Court Thwarts Attempt to Circumvent “Exclusive Remedy” Provision

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Most states limit a worker’s remedies for work-related injuries to a workers’ compensation claim against the employer. Such "exclusive remedy" provisions codify a longstanding compromise whereby employers trade liability, regardless of fault, for protection from large tort awards, and employees surrender a cause of action in return for swift but limited financial benefits. Plaintiffs’ attorneys and like-minded reformers seeking to challenge exclusive remedy provisions have made some progress in recent years. For instance, in August 2014, a judge in Miami-Dade County, Florida ruled that Florida’s workers’ compensation statutes were "unconstitutional" on their face because they no longer provided adequate benefits to injured workers in exchange for them giving up their constitutional rights to pursue civil litigation. In *Padgett v. State of Florida*, which is currently on appeal, the trial judge declared that statutory changes in Florida had eroded benefits for injured workers to the point that it was no longer a "grand bargain" for the injured workers. In *Morales v. Zenith Ins. Co.*, however, the Florida Supreme Court recently rejected an attempt to evade the exclusive remedy provisions of Florida’s workers’ compensation law, holding that the challenged provisions barred the estate of a worker killed on the job from collecting a \$9.5 million wrongful death judgment against the deceased worker’s former boss and insurer. Santana Morales was crushed to death by a palm tree while working as a landscaper for Lawns Nursery and Irrigation Designs, Inc. The employer maintained a "Workers’ Compensation and Employers Liability Insurance Policy" with Zenith Insurance Co., which provided two types of coverage: (1) workers’ compensation insurance under Part I and (2) employer liability insurance under Part II. Soon after Morales’s death, his surviving spouse entered into a workers’ compensation settlement agreement with Zenith. As required by Florida’s workers compensation laws, this settlement agreement included a release that barred the estate from pursuing any other tort claims against either the employer or the employer’s insurer. Nonetheless, the Morales estate had also filed a separate wrongful death action against Lawns Nursery and eventually obtained a \$9.25 million judgment. When Zenith refused to pay the default judgment, the estate sued Zenith for a breach of the employer’s employment liability policy.

The district court ultimately dismissed the wrongful death suit, ruling that the workers' compensation exclusion barred the estate from filing a civil negligence action. On appeal, the estate argued that the exclusive remedy did not apply to its wrongful death suit because the estate had already received a default judgment, and the second civil case was brought not under the original theory of negligence, but rather to enforce the default judgment. The Eleventh Circuit Court of Appeals, certified the issue to the Florida Supreme Court, which concluded that, **since both the exclusive remedy and the settlement release should have precluded the estate from filing a civil negligence action in the first place, it was not entitled to collect the judgment.** In so holding, the court reinforced the longstanding concept that workers' compensation benefits are the "exclusive remedy" for work-related injuries in Florida.

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