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**STATE OF MINNESOTA
IN COURT OF APPEALS
A18-1299**

Integrity Insurance Company,
Appellant,

vs,

First Dakota Indemnity Company, et al.,
Respondents.

**Filed May 13, 2019
Affirmed
Cochran, Judge**

Hennepin County District Court
File No. 27-CV-17-14756

Richard S. Stempel, Gregory A. Maus, Stempel & Associates, PLC, Hopkins, Minnesota
(for appellant)

Mark G. Pryor, Erica A. Weber, Brown & Carlson, P.A., Minneapolis, Minnesota (for
respondents)

Considered and decided by Reyes, Presiding Judge; Hooten, Judge; and Cochran,
Judge.

UNPUBLISHED OPINION

COCHRAN, Judge

Appellant Integrity Insurance Company challenges the district court's order
dismissing its complaint, arguing that the district court erred in concluding that appellant

lacks standing to bring the claim. Because our precedent establishes that appellant lacks standing to bring its claim, we affirm.

FACTS

Respondents First Dakota Indemnity Company and Risk Administration Services, Inc. (collectively, Dakota) provide workers' compensation insurance for White Gloves Cleaning. An employee of White Gloves was involved in two motor-vehicle accidents while in an employer-owned vehicle. After each accident, the employee filed a workers' compensation claim with Dakota. Dakota denied both workers' compensation claims. After being denied by Dakota, the employee did not file a petition for workers' compensation with the Workers' Compensation Division of the Office of Administrative Hearings. Instead, the employee filed no-fault insurance claims with appellant Integrity Insurance Co. for each accident. Integrity insured White Gloves's vehicles. Integrity paid the employee's claims but maintained that Dakota wrongfully denied the workers' compensation claims. Integrity then filed suit against Dakota in district court for reimbursement of the money that it paid out under its no-fault coverage.

The district court dismissed Integrity's claims, concluding that it did not have subject-matter jurisdiction to hear the matter because Integrity did not have standing to bring a claim for reimbursement where no workers' compensation claim was filed by the employee with the Workers' Compensation Division.

This appeal follows.

DECISION

This case involves a question of standing, which is a jurisdictional doctrine that we review de novo. *In re Custody of D.T.R.*, 796 N.W.2d 509, 512 (Minn. 2011). Integrity argues that the Minnesota No-Fault Automobile Insurance Act (NFA) provides it a right to reimbursement and standing to bring its claim. The district court relied on our decision in *Colonial Ins. Co. of Cal. v. Minn. Assigned Risk Plan*, 457 N.W.2d 209 (Minn. App. 1990), review denied (Minn. July 31, 1990), to conclude that Integrity lacked standing to bring its claim for reimbursement. Integrity argues that *Colonial* was wrongly decided.

Under the NFA, workers' compensation benefits are primary, meaning that they must be paid out first, and a no-fault insurer may seek reimbursement if it makes payments that "are paid or payable under a workers' compensation law." Minn. Stat. § 65B.61, subd. 1 (2018). Dakota argues that Integrity only has a right to reimbursement under the NFA after the employee has succeeded in bringing a claim for workers' compensation under the Minnesota Workers' Compensation Act (WCA) or the workers' compensation insurer has agreed to pay the claim; otherwise the claim is not "paid or payable under a workers' compensation law" as required by the NFA. Dakota concedes that Integrity would have a right to intervene in a compensation-claim proceeding before the Workers' Compensation Division if the employee had brought one. But Dakota argues that Integrity lacks standing to independently sue Dakota in district court because, under the WCA, a workers' compensation claim must be filed with the Workers' Compensation Division by the employee and a determination made on the claim.

In *Colonial*, we recognized that the NFA provides that “workers’ compensation benefits ‘paid or payable’ are primary to the no-fault coverage.” 457 N.W.2d at 210 (quoting Minn. Stat. § 65B.61, subd. 1 (1986)). But we concluded that no-fault insurers do not have standing to bring an action for reimbursement against a workers’ compensation insurer in district court when the workers’ compensation insurer has denied coverage and the employee has not brought a claim under the WCA. *Id.* at 210-11. We noted that the NFA and the WCA must be construed in reference to each other and that the Minnesota Supreme Court “has held that a no-fault carrier has no independent right to be reimbursed by a workers’ compensation carrier.” *Id.* at 210 (citing *Freeman v. Armour Food Co.*, 380 N.W.2d 816, 820 (Minn. 1986)). We further stated that under the WCA, “only the injured employee can bring a claim” and “[t]he claim must be brought in the Workers’ Compensation Division, not in district court.” *Id.* We concluded that a no-fault insurer does not have standing to initiate an independent claim for reimbursement in district court under the NFA because the WCA provides the exclusive means for proving such a claim. *Id.* at 210-11 (citing *Freeman*, 380 N.W.2d at 820). We recognized that our decision put *Colonial* “in a Catch-22 paradox” but concluded that the district court correctly dismissed the claim.

Colonial is binding precedent, and under the doctrine of stare decisis, “[w]e will only overrule our precedent if provided with a compelling reason to do so. The reasons for departing from former decisions must greatly outweigh reasons for adhering to them.” *Ariola v. City of Stillwater*, 889 N.W.2d 340, 356 (Minn. App. 2017) (quotation and citation omitted), *review denied* (Minn. Apr. 18, 2017). The doctrine of stare decisis encourages

us to “adhere to former decisions in order that there might be stability in the law.” *Oanes v. Allstate Ins. Co.*, 617 N.W.2d 401, 406 (Minn. 2000). We may determine that the doctrine does not apply where “the reasons underlying the particular rule no longer exist or the rule no longer conforms to changed conditions of society.” *Doe v. Lutheran High Sch. of Greater Minneapolis*, 702 N.W.2d 322, 330 (Minn. App. 2005), *review denied* (Minn. Oct. 26, 2005). The Minnesota Supreme Court has noted that the “doctrine of stare decisis has special force in the area of statutory interpretation because the Legislature is free to alter what [the courts] have done.” *Schuette v. City of Hutchinson*, 843 N.W.2d 233, 238 (Minn. 2014).

Integrity provides several reasons for this court to overrule *Colonial* but none are compelling or persuasive. We therefore decline to overrule *Colonial* and affirm the district court’s order.

Affirmed.