

BEFORE THE INDUSTRIAL COMMISSION OF THE STATE OF IDAHO

KATRINA STUCKI,
Respondent/Claimant
v.
BLACKFOOT SCHOOL DISTRICT 55,
Employer,
and
IDAHO STATE INSURANCE FUND,
Surety/Petitioners.

IC 2024-031480

**ORDER DISMISSING PETITION FOR
DECLARATORY RULING**

**FILED JANUARY 30, 2026
IDAHO INDUSTRIAL
COMMISSION**

This matter is before the Idaho Industrial Commission (hereinafter “Commission”) upon Blackfoot School District 55 and Idaho State Insurance Fund’s (hereinafter “Employer/Surety” or “Petitioners”) August 29, 2025, Petition for Declaratory Ruling. On September 24, 2024, Katrina Stucki (hereinafter “Claimant” or “Respondent”), an elementary school teacher, was seriously injured while performing crossing guard duties after being struck by a vehicle driven by a third party, Tyler Simmons (hereinafter “third party”). Employer/Surety accepted Claimant’s worker’s compensation claim and paid medical and time-loss benefits. Employer/Surety petitioned the Commission for a declaratory ruling under JRP 15 on the extent of their subrogation interest under Idaho Code § 72-223 and case law precedent which bars negligent employers from exercising their subrogation rights. Claimant did not timely respond to Employer/Surety’s Petition for Declaratory Ruling.

On September 18, 2025, Claimant filed a civil action against the third party in Idaho’s Seventh Judicial District Court, Bingham County. *Katrina Stucki and Jason Stucki v. Tyler A. Simmons*, Case No. CV06-25-1630. On September 19, 2025, Claimant filed a Motion to Dismiss the Petition for Declaratory Ruling pending before the Commission. Claimant argues that Petitioners have not satisfied the requirements for a declaratory ruling. On September 25, 2025,

Petitioners filed a Response to Motion to Dismiss. On October 6, 2025, Claimant filed a reply.

ISSUES

1. Whether the Commission has jurisdiction over the issues presented in the Petition.
2. Whether Petitioners are barred from asserting Idaho Code § 72-223(3) subrogation rights against Claimant's third-party settlement per *Maravilla v. J.R. Simplot Company*, 161 Idaho 455, 387 P.3d 123 (2016).

ARGUMENTS OF THE PARTIES

Employer/Surety seeks a declaratory ruling on Idaho Code § 72-223 regarding their subrogated interest in Claimant's third-party recovery. Employer/Surety accepted the worker's compensation claim and paid Claimant worker's compensation benefits. Employer/Surety represented to the Commission that Claimant's counsel represented to Employer/Surety that Claimant had received a settlement offer from the third party and has refused to entertain the idea of reimbursing Employer/Surety. Employer/Surety disputes the theory that they were negligent and are therefore barred from recovering a subrogation interest in Claimant's third-party settlement. *Memorandum in Support of Petition for Declaratory Ruling*, ¶ 3.

Claimant argues in their Motion to Dismiss that under JRP 15(F)(4)(e) the Commission should not proceed because the same matter is pending in district court, and the Idaho Supreme Court's recent decision in *Tyler v. Masterpiece Floors, Inc.* reserves findings of fault concerning a pending worker's compensation claim for the District Court. *Tyler v. Masterpiece Floors, Inc.*, 575 P.3d 903, 914 (Idaho 2025). Claimant also argues that subrogation rights are barred by *Liberty Mutual Insurance Co. v. Adams*, 91 Idaho 151, 417 P.2d 417 (1966), which held that if an employer is negligent in the employee's injury, then employer and surety forfeit all rights to subrogation. Claimant's attorney requested that Defendants withdraw their subrogation claim and attempt no further claims of reimbursement. *Memorandum in Support of Petition for Declaratory Ruling*, Ex.

A, pg. 3. Therefore, the Commission should dismiss the Petition.

DISCUSSION

I. The Subrogation Issues Before the Commission are not Ripe.

Idaho Code § 72-223 grants an employer or its surety subrogation rights to the entire proceeds of a third-party recovery, less a proportionate share of attorney fees and costs, out of a recovery against a third party. *Izaguirre v. R & L Carriers Shared Servs., LLC*, 155 Idaho 229, 234, 308 P.3d 929, 934 (2013).

In Idaho there is “no question but that an injured employee may receive workmen's compensation benefits and thereafter bring a negligence action against a third-party tortfeasor who was a nonemployer.” *Schneider v. Farmers Merch., Inc.*, 106 Idaho 241, 243, 678 P.2d 33, 35 (1983). If an employee does bring such a suit “against a third party in addition to receiving workmen's compensation benefits, this Court has established a system of apportioning the employee's damages between the employer and third party.” *Id.* The mechanism for doing so is found in I.C. § 72-223. *Id.*; *Barnett v. Eagle Helicopters, Inc.*, 123 Idaho 361, 363, 848 P.2d 419, 421 (1993). I.C. § 72-223(3) provides:

(3) If compensation has been claimed and awarded, the employer having paid such compensation or having become liable therefor, shall be subrogated to the rights of the employee, to recover against such third party to the extent of the employer's compensation liability.

“Compensation” is broadly defined in Title 72 as “any or all of the income benefits and the medical and related benefits and medical services.” I.C. § 72-102(7).

Id.

It is agreed that Employer/Surety has made worker's compensation payments to the Claimant. When Employer/Surety filed their request for declaratory ruling, Employer/Surety believed that Claimant had recovered a settlement amount from the third-party tortfeasor. While the complaint had not been served by the time of the November 24, 2025, telephone conference, Claimant assured the Commission that Claimant remains within the timeframe to serve the complaint against the third party, and will do so. This third party recovery has not come to fruition

by settlement or by judicial ruling. At the time of the hearing before the Commission, Claimant had only initiated proceedings against the third party in district court.

We recognize that worker's compensation benefits have been paid, which supports Defendants' right to make a subrogation claim under Idaho Code § 72-223. However, the remaining elements for that analysis are unknown, including the actual recovery obtained from the third party, and the attorney fees and costs incurred in obtaining that recovery. Therefore, we find the issue of Employer/Surety's subrogation rights is not ripe for Commission review.

In reaching this conclusion, it is helpful to compare and contrast this case to *Darlington v. JMF Co., Inc.*, IC 2021-013500 (Order Granting Petition for Declaratory Ruling filed Apr. 19, 2024). In *Darlington*, the Commission determined that an actual controversy existed between Claimant and Defendant on the issue of subrogation rights as it concerned the Petitioner's right to recover their full subrogation amount from Respondent's settlement with a third-party tortfeasor. *Id.* at 35. Darlington was in a motor vehicle accident with the third-party tortfeasor. The worker's compensation case settled prior to the third-party claim. The employer/surety and Darlington communicated about the ledger of monies paid to Darlington and his personal injury claim status, but, Darlington felt surprised by the final ledger of monies he received after settling the third-party case. *Id.* at 11. Darlington's counsel ultimately confirmed that a settlement had been reached, which prompted the dispute between the parties in the worker's compensation case as to the total subrogation interest. *Id.* at 12. Since *Darlington* involved a dispute centered on subrogation rights following a personal injury case which was resolved, the Commission was able to rule on the subrogation rights of the parties.

In this case, while there is the potential for the course of events to follow that occurred in *Darlington*, it has not been proven to the Commission that a settlement or judicial determination has been reached with the third party in Claimant's personal injury case. While Idaho Code § 72-

223 does not describe the order in which the third party and worker's compensation determinations must be made, it does require sums certain. Without an adjudication or settlement between those parties, there is no way to calculate Employer/Surety's subrogation interest with any certainty.

II. The District Court Has Jurisdiction to Determine Whether Employer Was Negligent in this Case and the Commission Declines to Exercises its Discretion to Stay the Matter During the Pendency of the Third-Party Case.

Claimant's JRP 15(F)(4)(a), (e), and (f) jurisdiction and good cause arguments are founded on the principle that Employer/Surety could be barred from asserting their subrogation rights by *Maravilla v. J.R. Simplot Company*, 161 Idaho 455, 462 P.3d 123 (2016), and *Liberty Mut. Ins. Co. v. Adams*, 91 Idaho 151, 417 P.2d 417 (1966). *Claimant's Motion to Dismiss* and *Claimant's Reply to Defendant's Opposition to Motion to Dismiss*. Claimant may claim Employer was negligent in the district court proceedings. Claimant did not commit to a legal strategy for the third-party case during the November 24, 2025, telephone conference; those strategic choices are Claimant's to make. Claimant's Exhibit A and Employer/Surety's Exhibit 1 validate Employer/Surety's concern that Claimant may take a position adverse to their interests in the third-party litigation.

The decision to grant or deny a stay is discretionary; discretionary decisions are reviewed for an abuse of discretion. *Warren v. Williams & Parsons PC CPAS*, 157 Idaho 528 (2014) (*citing Ball v. Daw Forest Prods. Co.*, 136 Idaho 155 (2001)), *Serrano v. Four Seasons Framing*, 157 Idaho 309 (2014), *McGivney v. Aerocet, Inc.*, 165 Idaho 227 (2019).

In *Tyler*, *supra*, the Court addressed several legal issues revolving around the Idaho Code § 72-209(3) "willful and unprovoked" exception to the employer's exclusive liability rule, including the res judicata and collateral estoppel effect of district court and Commission determinations. The Court held that "...the district court erred by ceding its subject matter jurisdiction over Tyler's civil tort action to the Commission and staying enforcement of the

[district court's] default judgement." *Tyler*, 575 P.3d at 7-15. While outlining the jurisdictional boundaries between the Commission and the district court, the Court reasoned that the district court is the appropriate forum to litigate exceptions to the exclusive remedy rule. *Tyler*, 575 P.3d at 15.

The holding in *Tyler, supra*, did not change the Commission's jurisdiction over Idaho Code § 72-223. Whether an employer/surety is "entitled to subrogation pursuant to [Idaho Code] § 72-223(3) is a question arising under the worker's compensation law which is within the exclusive jurisdiction of the Industrial Commission." *Darlington, supra, Idaho State Ins. Fund by and Through Forney v. Turner*, 130 Idaho 190, 191, 938 P.2d 1228, 1229 (1997); *see also Van Tine v. Idaho State Ins. Fund*, 126 Idaho 688, 690, 889 P.2d 717, 719 (1994). As a practical matter, *Tyler, supra*, does adjust the order of operations when elements needed for the Commission to resolve the subrogation issues are pending in another forum. However, the Commission does not find it necessary to stay proceedings during the pendency of the district court case. Therefore, the Commission dismisses the Petition for Declaratory Ruling pursuant to JRP 15(F)(4)(a), (e) and (f), and declines to stay proceedings.

III. Proposed Exhibit 1 is Excluded.

The parties debated the admission of a document entitled "Exhibit 1." *Defendants' Supplementation of Record in Opposition to Motion to [Dismiss]*, November 25, 2025. The exhibit is a letter from Claimant's counsel to Employer/Surety regarding her legal theory against Employer/Surety. In it, Claimant requests to be updated on Employer/Surety's position. This impacts Claimant's strategy in the district court proceedings against the third party, particularly whether Employer/Surety is drawn into the proceedings.

The Commission determines the rules and regulations on discovery and production of exhibits. Specifically, Idaho Code § 72-508 provides in relevant part:

[T]he commission shall have authority to promulgate and adopt reasonable rules and regulations for effecting the purposes of this act. Notwithstanding the provisions of chapter 52, title 67, Idaho Code, the commission shall have authority to promulgate and adopt reasonable rules and regulations involving judicial matters. In administrative matters and all other matters, the commission shall be bound by the provisions of chapter 52, title 67, Idaho Code. Rules and regulations as promulgated and adopted, if not inconsistent with law, shall be binding in the administration of this law.

Whether to exclude or admit evidence in the “more relaxed” worker's compensation context is precisely the kind of the decision subject to the Commission's discretion. *Warren v. Williams & Parsons PC CPAS*, 157 Idaho 528, 536, 337 P.3d 1257, 1265 (2014) (citing *Hagler v. Micron Tech., Inc.*, 118 Idaho 596, 598, 798 P.2d 55, 57 (1990)). As the request for declaratory ruling is dismissed, the Commission hereby EXCLUDES the proposed document, as moot.

ORDER

Based on the foregoing, the Commission hereby ORDERS as follows:

1. The Petition for Declaratory Ruling is DISMISSED pursuant to JRP 15(F)(4)(a), (e), and (f).
2. The Request to Stay Proceedings is DECLINED.
3. The Proposed Exhibit 1 is EXCLUDED, as moot.
4. Pursuant to Idaho Code § 72-718, this order is final and conclusive as to all matters adjudicated.

DATED this 30th day of January, 2026.



INDUSTRIAL COMMISSION

Claire Sharp

Claire Sharp, Chair

Aaron White

Aaron White, Commissioner

Attest:

Mary McMenomy
Commission Secretary

CERTIFICATE OF SERVICE

I hereby certify that on 30th day of January, 2026 a true and correct copy of the foregoing **ORDER DISMISSING PETITION FOR DECLARATORY RULING** was served by regular United States mail or email upon each of the following:

JOEL BECK, COUNSEL FOR CLAIMANT
RUCHTI & BECK LAW OFFICES
598 N. CAPITAL AVENUE
IDAHO FALLS, ID 83402
JOEL@IDAHOLAWTEAM.COM

PAUL AUGUSTINE, COUNSEL FOR DEFENDANTS
AUGUSTINE LAW OFFICES, PLLC.
P.O. BOX 1521
BOISE, ID 83701
PJA@AUGUSTINELAW.COM