Construction Workers Injured While Working for Uninsured Contractors May Have Additional Legal Remedies



Gorayeb & Associates, P.C.

NEW YORK, NEW YORK, NY, UNITED STATES, October 23, 2026 /EINPresswire.com/ -- New charges against Long Island contractors and a new state fraud program put uninsured employers in the spotlight, along with what their injured workers can still recover.

New York's budget for the 2027 fiscal year creates a $7 million grant program, paid for through employer assessments, to staff dedicated workers' compensation fraud units in district attorney offices, Governor Kathy Hochul's office announced May 28. On September 2, Nassau County prosecutors charged four contractors seeking home improvement licenses with failing to secure workers' compensation coverage, and on September 10 Suffolk County prosecutors announced felony charges against a Patchogue asbestos removal company accused of reporting a $50,000 payroll when investigators found $354,112. Gorayeb & Associates, P.C., the New York construction accident firm known as The People's Lawyers, is issuing this advisory because workers hurt on the job for an uninsured contractor too often conclude they have no case.

Section 11 of the Workers' Compensation Law gives that worker a choice. He may claim benefits, or he may sue his employer in court for damages. In that lawsuit the employer is barred from arguing that the worker was careless, that a coworker caused the injury, or that the worker accepted the risks of the job.

Under Section 56, when a subcontractor on hazardous work fails to carry coverage, the contractor who hired it becomes liable for the injured worker's compensation. Claims left unpaid fall to the Uninsured Employers Fund, which the Workers' Compensation Board finances in part with penalties collected from employers who skipped coverage.

Penalties run up to $2,000 for every 10 days an employer goes without coverage, the Board can

order the business shut down immediately, and for an employer with more than five workers the failure is a felony carrying fines of $5,000 to $50,000. A company's president, secretary, and treasurer are personally liable.

"A man comes in with a broken back and apologizes for wasting my time, because his boss never bought insurance," said Christopher J. Gorayeb, founding partner of Gorayeb & Associates. "He thinks the missing policy ends his case. Then we pull the building permit and find the owner, the general contractor, and their insurance."

On construction sites, Labor Law Section 240 holds property owners and general contractors liable for gravity related injuries when proper safety devices were not provided, and Section 241(6) requires them to comply with specific Industrial Code safety rules. Neither duty depends on which subcontractor signed the paycheck or whether that subcontractor was insured.

"Take a picture of the permit in the window and the sign on the fence with the general contractor's name," Gorayeb said. "Keep every pay stub, every text from the foreman, every envelope of cash. Then call us, even if the boss promises he will take care of you himself."

About Gorayeb & Associates, P.C.
Founded in 1986 by Christopher J. Gorayeb, Gorayeb & Associates, P.C. is a New York personal injury law firm concentrating in construction accident and occupational injury litigation. The firm has recovered more than $2 billion for more than 12,000 injured workers and their families. Known to the communities it serves as The People's Lawyers, the firm provides bilingual representation in English and Spanish throughout New York City and New York State. More information is available at https://www.gorayeb.com/en/.

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