

LITIGATION

INFORMATION MEMO

FEBRUARY 26, 2026

Major Changes to Third-Party Practice: An Overview of New York's AVOID Act

Overview

On Dec. 19, 2025, New York Governor Kathy Hochul signed into law a major amendment to New York's Civil Practice Law and Rules (CPLR) § 1007, marking a major shift in third party practice in New York State courts. The new legislation – titled the Avoiding Vexatious Overuse of Impleading to Delay (AVOID) Act – imposes stringent new deadlines on defendants and third party defendants seeking to implead (or bring in) additional parties. The Act's stated purpose is to curb late, strategic third party filings that can prolong litigation and hinder efficient case resolution.

On Feb. 13, 2026, Governor Hochul signed into law a set of Chapter Amendments (S08809) to the AVOID Act – negotiated revisions that were anticipated when the original bill passed in December. With these amendments now officially enacted, the new impleader deadlines will apply to all actions commenced on or after April 18, 2026.

Here's what you need to know:

What Is Impleader?

Under New York law, impleader (or third party practice) allows a defendant (the third party plaintiff) to bring a new party into the lawsuit on the grounds that the third party defendant may be liable to the defendant for all or part of the plaintiff's claim. This often involves claims for indemnification, contribution or breach of a duty owed to the defendant.

Impleader promotes efficiency by enabling all related liability disputes to be resolved within a single action, reducing the risk of inconsistent outcomes and avoiding duplicative litigation. Prior to the AVOID Act, New York's procedural rules did not set explicit deadlines for filing third party complaints; instead, courts exercised broad discretion in determining whether a late impleader would unduly delay the main action or prejudice other parties. See CPLR § 1010.

Key Provisions of the AVOID Act:

1. New 90-Day Deadline for Third-Party Actions

- Defendants must file third-party summons and complaints within ninety (90) days of serving their answer.
- Any third-party action filed outside this 90-day window requires a court order.
- After the Note of Issue is filed, no third-party action may be commenced unless the party demonstrates "good cause" or that allowing the filing would be "in the interest of justice."

2. Mandatory Severance or Dismissal of Late-Filed Actions

- Courts are required to sever or dismiss any third-party action filed in violation of the statutory deadlines.
- The Act further prohibits courts from consolidating actions that were severed because they were untimely, ensuring that late-filed, third-party claims cannot be reintegrated into the main action.

3. Limited Exceptions for Employer-Related Third-Party Claims

- The Act provides a narrow exception for third-party claims against a plaintiff's employer. A defendant or third-party defendant may file a third-party claim against the plaintiff's employer outside the standard deadlines, and without a court order, if:
 - The claim seeks indemnification or contribution for a "grave injury" under Workers' Compensation Law §11, or
 - The employer's identity was not known until after the normal deadlines expired.
- In such cases, the third-party summons and complaint must be filed within ninety (90) days of discovering the employer's identity or within ninety (90) days of when the defendant knew or reasonably should have known that the plaintiff sustained a grave injury, whichever is later.

Practical Implications

The practical implications of the AVOID Act for day-to-day litigation and claims handling will be far-reaching for defendants, insurers, risk managers and defense counsel. In effect, the Act accelerates the entire third-party practice timeline and requires far earlier decision-making than has ever been required under New York law.

- **Accelerated investigation and tender strategy.** With impleader decisions now required at the outset, defendants will need to investigate liability, evaluate contractual indemnity provisions and issue tenders much earlier, often before depositions or meaningful discovery. Insurers and corporate defendants will need to adjust internal workflows so that coverage determinations and litigation strategies can be completed within the Act's deadlines.
- **Broader and earlier impleader to preserve rights.** Because missing a deadline may forfeit third-party rights, defendants may feel compelled to implead early and broadly – potentially including multiple subcontractors, vendors or other entities – simply to preserve third-party contribution or indemnity claims. This can increase the number of parties, expand initial motion practice and complicate early discovery, even in cases that previously may have proceeded with fewer defendants.
- **Greater costs and risks if deadlines are missed.** If a defendant fails to implead within the AVOID Act's 90-day deadline, or if a third-party action is severed, the defendant's indemnity or contribution claims may need to be pursued in a separate lawsuit after resolving the main action. This scenario increases litigation costs, delays potential recovery, creates inconsistent-outcome risks and may reduce settlement leverage for defendants.
- **Likely litigation over interpretation of the Act's provisions.** We can also expect litigation over how courts should interpret key provisions of the Act. For example, parties will likely dispute what qualifies as "good cause" or satisfies the "interest of justice" standard for permitting late third-party actions. In addition, disagreements are expected regarding when a defendant knew, or reasonably should have known, that a plaintiff sustained a grave injury.

If you have any questions regarding this information memo, please contact [Jacqueline Zahn](#), any attorney in Bond's [litigation practice](#) or the attorney at the firm with whom you regularly communicate.