

COLORADO COURT OF APPEALS

Merrell v. Republic Western Insurance Co.

931 P.2d 577 (Colo. App. 1997) · Decided January 3, 1997

SUMMARY

The Colorado Court of Appeals affirmed summary judgment for Republic Western Insurance Company in a dispute over medical-payments coverage. The court held that the policy’s reference to bodily injury caused by the insured’s “operations” covered only activities actively engaged in by the insured for its business, not the renter’s use of equipment after the rental. Because the plaintiff was injured while using rented equipment for his own purpose, he was not entitled to medical-payments benefits.

CASE DETAILS

COURT	Colorado Court of Appeals
WRITING FOR THE COURT	Davidson; Ney; Casebolt
JURISDICTION	Colorado
DECIDED	January 3, 1997
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiff appealed from a summary judgment entered for the insurer on his breach-of-contract claim seeking medical-payments benefits under an insurance policy.
STANDARD OF REVIEW	Summary judgment is proper when, under the law and the admitted facts, the opposing party cannot prevail and the moving party is entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	Published appellate opinion
PARTIES	Bruce W. Merrell v. Republic Western Insurance Company

TOPICS

- insurance coverage
- contract interpretation
- summary judgment
- breach of contract
- civil procedure

PRACTICE AREAS

- insurance law
- contract law
- civil procedure

QUESTIONS PRESENTED

1. Whether the term "your operations" in the medical-payments provision included a renter's use of equipment rented from the insured.
2. Whether Republic was entitled to summary judgment because Merrell's injury was not caused by All Seasons' operations.

HOLDINGS

1. The phrase "your operations" means the process or series of acts actively engaged in by the insured, All Seasons, on behalf of its business; it does not include activities undertaken by a renter using equipment for the renter's own purpose.
2. Merrell was not entitled to medical-payments benefits because his injury was not caused by All Seasons' operations, and summary judgment for Republic was proper.

KEY QUOTATIONS

"Specifically, we hold that "your operations" as used in the medical payments provision means the process or series of acts actively engaged in by the insured, All Seasons, on behalf of its business." (579)

"Thus, the trial court's entry of summary judgment in Republic's favor on the breach of contract claim was correct." (579)

FACTUAL BACKGROUND

All Seasons operated a business renting machinery and equipment and purchased a policy from Republic providing, among other coverages, medical-payments coverage. Merrell rented a drywall jack from All Seasons and was injured at a construction site while using it to lift drywall. The accident did not occur on or next to premises owned or rented by All Seasons. The policy provided medical-payments coverage for bodily injury caused by an accident occurring on or next to covered premises or because of the insured's operations.

PROCEDURAL HISTORY

Merrell was injured while using a drywall jack rented from All Seasons Rental Equipment and Supply, Inc. He sued All Seasons for negligence and Republic Western Insurance Company for breach of the medical-payments provision of All Seasons' policy. The trial court granted Republic summary judgment, concluding that the injury did not occur because of All Seasons' operations. The Colorado Court of Appeals affirmed.

DISPOSITION

affirmed

CASES CITED

- Heller v. Fire Insurance Exchange, 800 P.2d 1006 (Colo. 1990)
- Wota v. Blue Cross & Blue Shield, 831 P.2d 1307 (Colo. 1992)
- Farmers Alliance Mutual Insurance Co. v. Reeves, 775 P.2d 84, 86 (Colo. App. 1989)

- Haylock v. Jerusalem Temple Ancient Arabic Order, 578 So. 2d 999, 1001 (La. Ct. App. 1991)
- Worsham Construction Co. v. Reliance Insurance Co., 687 P.2d 988 (Colo. App. 1984)
- Kaiser Foundation Health Plan v. Sharp, 741 P.2d 714 (Colo. 1987)

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