SUPREME JUDICIAL COURT OF MAINE

Curtis v. Allstate Insurance Company

2002 ME 9 (Supreme Judicial Court of Maine 2002) · Decided January 17, 2002

SUMMARY

The Maine Supreme Judicial Court affirmed summary judgment for Allstate in an action arising from underinsured motorist coverage after a motor-vehicle accident. The court held that Allstate did not breach the insurance contract or violate Maine's Unfair Claims Settlement Practices Act or late-pay statute by delaying payment of disputed benefits while the underlying insurer's liability limits remained unresolved. The court also rejected the plaintiffs' fraud, unfair trade practices, emotional distress, and punitive damages claims.

CASE DETAILS

COURT	Supreme Judicial Court of Maine
WRITING FOR THE COURT	Alexander, J.; Saufley, C.J.; Clifford, J.; Rudman, J.; Dana, J.; Calkins, J.
JURISDICTION	Maine
DECIDED	January 17, 2002
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from a summary judgment for Allstate on the plaintiffs' amended five-count third-party complaint arising from underinsured motorist coverage and related statutory and tort claims.
STANDARD OF REVIEW	Summary judgment is reviewed de novo for errors of law, viewing the evidence in the light most favorable to the nonprevailing party. Summary judgment is proper when the evidence supporting the party with the burden of proof is insufficient and the opposing party is entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	Published Maine Supreme Judicial Court opinion; precedential.
PARTIES	Tammy Curtis, Estate of Loretta Rumney v. Allstate Insurance Company

TOPICS

insurance coverage · uninsured motorist · summary judgment · consumer protection · appellate procedure

PRACTICE AREAS

insurance law · civil procedure · consumer protection · appellate procedure

QUESTIONS PRESENTED

1. Whether Allstate breached the UM insurance contract by refusing to pay the disputed portion of the policy limits before the tortfeasor's liability coverage had been exhausted by settlement or judgment.
2. Whether Allstate knowingly misrepresented policy provisions or otherwise violated the Maine Unfair Claims Settlement Practices Act by disputing or delaying payment of the remaining UM benefits.
3. Whether Allstate violated Maine's late-pay statute by not paying the disputed benefits within thirty days.
4. Whether litigation concerning the disputed UM benefits constituted threatening to appeal from an arbitration award under the Unfair Claims Settlement Practices Act.
5. Whether the plaintiffs produced sufficient evidence to support their fraud, unfair trade practices, intentional infliction of emotional distress, and punitive-damages claims.
6. Whether summary judgment was premature because discovery had not been completed.

HOLDINGS

1. Allstate did not breach the insurance policy by withholding the disputed UM benefits before the tortfeasor's liability limits had been exhausted by settlement or judgment, or otherwise made subject to the policy's subrogation and cooperation arrangement.
2. A mere dispute between an insurer and insured over the meaning of policy language does not establish a knowing misrepresentation; the plaintiff must show that the insurer knew the policy said and meant one thing but represented something else.
3. Allstate did not violate the UCSPA by failing to pay the remaining benefits immediately after Saucier because the pending Dairyland settlement provided a reasonable basis to contest the amount then payable; Allstate paid within a reasonable time after learning that the settlement had failed.
4. The plaintiffs could not establish a violation based on an alleged threat to appeal an arbitration award because no arbitration award existed.
5. A legitimate controversy between the parties tolled Maine's thirty-day payment period, so Allstate did not violate the late-pay statute.
6. Because the plaintiffs failed to establish that Allstate misrepresented the policy, their fraud claim failed, and the derivative intentional-infliction-of-emotional-distress and punitive-damages claims also failed.
7. The UTPA claim failed because the plaintiffs presented no evidence that signing the releases caused a loss of money or property.
8. The Superior Court did not err in considering Allstate's summary-judgment motion before discovery was complete because the plaintiffs did not invoke the procedure for refusing or continuing summary judgment under Maine Rule of Civil Procedure 56(f).

KEY QUOTATIONS

> *"This holding does not invalidate a contract provision, such as the one at issue here, providing that payment of damages is triggered upon the exhaustion of the tortfeasor's policy liability limits by settlement or judgment."* (at 766)

> *"Instead, to survive summary judgment the plaintiff must generate an issue of fact that the insurer knew the policy said and meant one thing but told the insured something else."* (at 767)

> *"The failure to establish a loss of money or property as a result of Allstate's actions, an essential element of the claim, is fatal to the UTPA claim."* (at 770)

FACTUAL BACKGROUND

Tammy Curtis was injured and Loretta Rumney was killed in a June 1997 automobile collision. The tortfeasor carried $20,000-per-person/$40,000-per-accident liability coverage with Dairyland, while Curtis and Rumney had $100,000-per-person underinsured motorist coverage with Allstate. Allstate paid each plaintiff $80,000 as the undisputed portion of the UM benefits, but disputed the remaining amounts until the underlying Dairyland settlement efforts failed; Allstate then paid an additional $20,000 to each plaintiff in exchange for assignments and cooperation concerning the Dairyland claims. The plaintiffs nevertheless asserted claims for breach of contract, statutory insurance violations, fraud, unfair trade practices, intentional infliction of emotional distress, and punitive damages.

PROCEDURAL HISTORY

After a motor-vehicle accident, the plaintiffs pursued underinsured motorist benefits from Allstate and participated in an interpleader proceeding concerning the tortfeasor's liability-policy limits. The Superior Court initially granted Allstate summary judgment on the coverage dispute; an initial appeal was dismissed for lack of a final judgment. Following severance of the third-party action, settlement efforts, and the Supreme Judicial Court's decision in Saucier v. Allstate Insurance Co., the plaintiffs' remaining third-party claims proceeded to summary judgment. The Superior Court entered judgment for Allstate, and the Supreme Judicial Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Dumont v. Fleet Bank of Maine, 2000 ME 197, 760 A.2d 1049
- Gove v. Carter, 2001 ME 126, 775 A.2d 368
- Dairyland Ins. Co. v. Christensen, 1999 ME 160, 740 A.2d 43
- Saucier v. Allstate Ins. Co., 1999 ME 197, 742 A.2d 482
- Greenvall v. Maine Mut. Fire Ins. Co., 1998 ME 204, 715 A.2d 949
- Greenvall v. Maine Mut. Fire Ins. Co., 2001 ME 180, 788 A.2d 165
- Bazinet v. Concord Gen. Mut. Ins. Co., 513 A.2d 279 (Me. 1986)
- Depositors Trust Co. v. Farm Family Life Ins. Co., 445 A.2d 1014 (Me. 1982)

- Francis v. Stinson, 2000 ME 173, 760 A.2d 209
- Stull v. First Am. Title Ins. Co., 2000 ME 21, 745 A.2d 975
- Colford v. Chubb Life Ins. Co., 687 A.2d 609 (Me. 1996)
- Tungate v. MacLean-Stevens Studios, Inc., 1998 ME 162, 714 A.2d 792
- Cline v. Maine Coast Nordic, 1999 ME 72, 728 A.2d 686
- Procise v. Electric Mut. Liab. Ins. Co., 494 A.2d 1375 (Me. 1985)
