SUPREME COURT OF SOUTH DAKOTA

Vollmer v. Akerson

2004 SD 111 (2004) · No. No. 23134 · Decided October 6, 2004

SUMMARY

The Supreme Court of South Dakota held that an employment contract did not require a dentist to purchase tail liability insurance when his one-year employment term naturally expired. The court concluded that the contract unambiguously required tail coverage only upon a defined termination event and affirmed summary judgment awarding the withheld amount to the employee.

CASE DETAILS

COURT	Supreme Court of South Dakota
WRITING FOR THE COURT	Meierhenry, Justice; Gilbertson, Chief Justice; Sabers, Justice; Konenkamp, Justice; Zinter, Justice
JURISDICTION	South Dakota
DECIDED	October 6, 2004
DOCKET	No. 23134
DISPOSITION	affirmed
PROCEDURAL POSTURE	Vollmer sued to recover money withheld from his final paycheck for the purchase of tail insurance coverage. The trial court granted Vollmer's motion for summary judgment and awarded him $11,353.00. The employer appealed.
STANDARD OF REVIEW	Summary judgment is reviewed to determine whether genuine issues of material fact exist and whether legal issues were correctly decided. Contract interpretation is a question of law reviewed de novo.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	H.A. Akerson, Bernard Balaban, Denis Muhlstein, dba Siouxland Oral & Maxillofacial Surgery Associates v. Paul A. Vollmer

TOPICS

employment contracts · contract interpretation · insurance · summary judgment · standard of review

PRACTICE AREAS

contract law · employment law · insurance law · civil procedure · appellate procedure

QUESTIONS PRESENTED

1. Whether the employment contract required Vollmer to purchase tail insurance coverage when the one-year employment term naturally expired.
2. Whether the contract was ambiguous such that extrinsic evidence and a jury determination were required, thereby precluding summary judgment.

HOLDINGS

1. The contract did not require Vollmer to purchase tail insurance coverage upon the natural expiration of the one-year employment term. The tail-coverage obligation applied only when the agreement was cut short or otherwise terminated through one of the defined termination events.
2. The contract was unambiguous and clear, and the employer's contrary interpretation did not create an ambiguity. Because the parties' intent was ascertainable from the four corners of the agreement, extrinsic evidence was unnecessary and summary judgment was proper.

KEY QUOTATIONS

> *"A contract is interpreted "according to the natural and obvious import of the language, without resorting to subtle and forced construction for the purpose of either limiting or extending their operation.""* (¶ 6)

> *"Here, the contract is unambiguous and clear. There is no ambiguity and one was not created merely because Associates offer a different interpretation of the contract."* (¶ 10)

FACTUAL BACKGROUND

Siouxland Oral & Maxillofacial Surgery Associates employed Paul Vollmer under a one-year contract running from December 1, 2001, through November 30, 2002. The contract required Vollmer to purchase tail liability coverage if either party terminated the employment agreement, and it separately referred to the natural expiration of the one-year term. Vollmer declined to continue the employment arrangement after the term expired, but the Associates purchased tail coverage and deducted its $11,353.00 cost from his final paycheck.

PROCEDURAL HISTORY

After the employer withheld $11,353.00 from Vollmer's final paycheck to pay for tail insurance, Vollmer brought an action for recovery. The trial court interpreted the employment contract as not requiring tail coverage upon the natural expiration of the one-year term, granted summary judgment to Vollmer, and awarded him the withheld amount. The Supreme Court of South Dakota affirmed.

DISPOSITION

affirmed

CASES CITED

- Prunty Const., Inc. v. City of Canistota, 2004 SD 78, ¶5, 682 NW2d 749, 752
- Foster v. Foster, 2003 SD 151, ¶11, 673 NW2d 667, 671
- Citibank (S.D.), N.A. v. Hauff, 2003 SD 99, ¶12, 668 NW2d 528, 533
- North River Ins. Co. v. Golden Rule Const. Inc., 296 NW2d 910, 912 (SD 1980)
- Delzer Const. Co. v. South Dakota State Bd. of Transp., 275 NW2d 352, 355 (SD 1979)
- Ducheneaux v. Miller, 488 NW2d 902, 909 (SD 1992)
- Pesicka v. Pesicka, 2000 SD 137, ¶10, 618 NW2d 725, 727
- Roden v. Gen. Cas. Co. of Wisconsin, 2003 SD 130, ¶10, 671 NW2d 622, 625
- Icehouse, Inc. v. Geissler, 2001 SD 134, ¶13, 636 NW2d 459, 463
- Arad v. Caduceus Self Ins. Fund, Inc., 585 So2d 1000, 1001 (Fla 4th DCA 1991)
- American Casualty Co. v. Rahn, 854 FSupp 492, 501 (WDMich 1994)
- U.S. Fire Ins. Co. v. Fleekop, 682 So2d 620, 623 (FlaDistCtApp 1996)

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