APPELLATE COURT OF ILLINOIS, FIFTH DISTRICT

State Farm Mutual Automobile Insurance Co. v. Elmore

2019 IL App (5th) 180038 · No. 5-18-0038 · Decided June 22, 2020

SUMMARY

The Illinois Appellate Court, Fifth District, considered whether a State Farm automobile insurance policy's undefined "mechanical device" exclusion barred coverage for injuries sustained while the insured truck was used to unload grain through an auger. The court held that the exclusion was ambiguous and unenforceable as applied, reversed the circuit court's summary judgment for State Farm, and entered judgment for the defendants.

CASE DETAILS

COURT	Appellate Court of Illinois, Fifth District
WRITING FOR THE COURT	Justice Cates; Justice Chapman; Presiding Justice Overstreet
JURISDICTION	Illinois
DECIDED	June 22, 2020
DOCKET	5-18-0038
DISPOSITION	reversed
PROCEDURAL POSTURE	Kent Elmore appealed from an order granting State Farm's motion for summary judgment and denying his cross-motion for summary judgment in State Farm's declaratory judgment action concerning insurance coverage.
STANDARD OF REVIEW	De novo review applies to orders granting or denying summary judgment and to the construction of an insurance policy and determination of whether the policy complies with statutory requirements.
PRECEDENTIAL VALUE	Published Illinois appellate decision; precedential
PARTIES	Kent Elmore v. State Farm Mutual Automobile Insurance Company

TOPICS

insurance coverage · contract interpretation · declaratory judgment · standard of review · appellate procedure

PRACTICE AREAS

insurance law civil procedure appellate practice

QUESTIONS PRESENTED

1. Whether the policy's undefined mechanical-device exclusion was ambiguous as applied to an auger used to unload grain from the insured farm truck.
2. Whether the mechanical-device exclusion barred coverage for Kent Elmore's injuries under the State Farm policy.
3. Whether summary judgment should be entered for State Farm or Kent.

HOLDINGS

1. The mechanical-device exclusion was overly broad, vague, and ambiguous because the policy did not clearly identify which devices used in loading and unloading would trigger the exclusion.
2. The mechanical-device exclusion must be construed against State Farm and in favor of coverage.
3. The circuit court's summary judgment for State Farm was reversed, and summary judgment was entered for Kent Elmore.

KEY QUOTATIONS

> *"We find that the term "mechanical device" is ambiguous, as that term was undefined, overly broad, and vague. Therefore, the "mechanical device" exclusion must be construed against the insurer and in favor of coverage."* (¶ 28)

> *"Policy exclusions must be specific and clear in order to be enforced."* (¶ 30)

FACTUAL BACKGROUND

Kent Elmore was helping his father harvest corn and was unloading grain from his father's insured 2002 International 4900 grain truck into a transport truck. A grain auger, powered by a tractor's PTO shaft and positioned beneath the truck's dumping chute, moved the grain. After stepping onto the auger to obtain leverage while opening the truck's back gate, Kent's foot became entangled in the rotating blades, causing a traumatic above-the-knee amputation. The State Farm policy insured the grain truck and contained an exclusion for damages resulting from movement of property by a mechanical device not attached to the insured vehicle.

PROCEDURAL HISTORY

Kent was injured while unloading grain from an insured farm truck using an auger. After Kent filed a negligence action against the truck's owner, State Farm filed a declaratory judgment action asserting that the policy's mechanical-device exclusion barred coverage. The circuit court of Effingham County granted State Farm summary judgment, finding the exclusion unambiguous and enforceable. The appellate court reversed and entered summary judgment for Kent under Illinois Supreme Court Rule 366(a)(5).

DISPOSITION

reversed

REMAND INSTRUCTIONS

No remand was ordered; the appellate court itself entered summary judgment for the defendants.

CASES CITED

- Schultz v. Illinois Farmers Insurance Co., 237 Ill. 2d 391, 399-400 (2010)
- Progressive Universal Insurance Co. of Illinois v. Liberty Mutual Fire Insurance Co., 215 Ill. 2d 121, 128-129, 136 (2005)
- Crum & Forster Managers Corp. v. Resolution Trust Corp., 156 Ill. 2d 384, 391 (1993)
- Central Illinois Light Co. v. Home Insurance Co., 213 Ill. 2d 141, 153 (2004)
- Platt v. Gateway International Motorsports Corp., 351 Ill. App. 3d 326, 330 (2004)
- Cherry v. Elephant Insurance Co., 2018 IL App (5th) 170072, ¶ 12
- Pekin Insurance Co. v. Miller, 367 Ill. App. 3d 263, 267 (2006)
- Founders Insurance Co. v. Munoz, 237 Ill. 2d 424, 433, 440, 445 (2010)
- Glidden v. Farmers Automobile Insurance Ass'n, 57 Ill. 2d 330, 336 (1974)
- Continental Insurance Co. v. American Motorist Insurance Co., 542 S.E.2d 607 (Ga. Ct. App. 2000)
- Elk Run Coal Co. v. Canopius U.S. Insurance, Inc., 775 S.E.2d 65 (W. Va. 2015)
- Dauthier v. Pointe Coupee Wood Treating Inc., 560 So. 2d 556, 557-558 (La. Ct. App. 1990)
- Dora Township v. Indiana Insurance Co., 78 Ill. 2d 376, 378 (1980)
- Lindstrom v. Houzenga, 177 Ill. App. 3d 1, 2 (1988)
- Allen v. Kewanee Machinery & Conveyor Co., 23 Ill. App. 3d 158, 158 (1974)
- Joe Cotton Ford, Inc. v. Illinois Emcasco Insurance Co., 389 Ill. App. 3d 718, 723 (2009)
- Oakley Transport, Inc. v. Zurich Insurance Co., 271 Ill. App. 3d 716, 721 (1995)
- Mekertichian v. Mercedes-Benz U.S.A., L.L.C., 347 Ill. App. 3d 828, 836 (2004)