SUPREME COURT OF GEORGIA

Travelers Home & Marine Insurance Company v. Castellanos

297 Ga. 174 (2015) · No. S14G1878 · Decided June 1, 2015

SUMMARY

The Georgia Supreme Court held that an insured seeking uninsured motorist benefits bears the burden of showing that the tortfeasor was an uninsured motorist, including that the liability insurer legally denied coverage. In a non-cooperation context, the insured must produce evidence that the liability insurer reasonably requested cooperation and that the tortfeasor wilfully and intentionally failed to cooperate; prejudice from the tortfeasor's complete absence from trial may be presumed. Because Castellanos presented no evidence of the liability insurer's efforts to secure Santiago's cooperation or Santiago's wilful refusal, the court reversed the Court of Appeals and upheld summary judgment for Travelers.

CASE DETAILS

COURT	Supreme Court of Georgia
WRITING FOR THE COURT	Hunstein, Justice
JURISDICTION	Georgia
DECIDED	June 1, 2015
DOCKET	S14G1878
DISPOSITION	reversed
PROCEDURAL POSTURE	Castellanos sued Travelers for bad-faith refusal to pay uninsured-motorist benefits. On cross-motions for summary judgment, the trial court granted summary judgment to Travelers. The Court of Appeals reversed, and the Supreme Court of Georgia granted certiorari to address the burden of proof.
STANDARD OF REVIEW	Summary judgment is reviewed to determine whether the record shows no genuine issue of material fact and whether the moving party is entitled to judgment as a matter of law. On Travelers' motion, Castellanos was required to produce specific evidence creating a triable issue on each element necessary to establish UM coverage.
PRECEDENTIAL VALUE	Published, precedential opinion of the Supreme Court of Georgia
PARTIES	Travelers Home and Marine Insurance Company v. Luis Castellanos

TOPICS

uninsured motorist · insurance coverage · insurance bad faith · summary judgment · civil procedure

PRACTICE AREAS

insurance · uninsured motorist · insurance bad faith · civil procedure · summary judgment

QUESTIONS PRESENTED

1. Which party bears the burden on summary judgment to establish that the tortfeasor was an uninsured motorist under the UM policy when the liability insurer denied coverage for noncooperation?
2. What evidence must an insured produce to show that the liability insurer's denial of coverage for noncooperation was legally sustainable?
3. May prejudice to the liability insurer be presumed when the tortfeasor was completely absent from trial?

HOLDINGS

1. The insured bears the burden of proving the existence of UM coverage and that the tortfeasor was an uninsured motorist under the policy. When the claimed uninsured status rests on a liability insurer's denial of coverage, the insured must produce evidence that the denial was legally sustainable.
2. To show that a liability insurer legally denied coverage because of the insured's noncooperation, the UM claimant must produce evidence that the insurer reasonably requested cooperation, the insured willfully and intentionally failed to cooperate, and the failure prejudiced the insurer's defense.
3. In the uninsured-motorist context, a claimant may rely on a presumption that the tortfeasor's complete absence from trial prejudiced the tortfeasor's liability insurer, subject to rebuttal by the UM carrier.

FACTUAL BACKGROUND

Castellanos was injured in a 2009 automobile accident and obtained a judgment for compensatory and punitive damages against Jose Santiago. Santiago's liability insurer, United Automobile Insurance Company, had defended him but later denied coverage, citing Santiago's failure to cooperate and failure to attend trial. Castellanos then sought payment from his uninsured-motorist carrier, Travelers, whose policy covered damages caused by an uninsured motor vehicle, and sued Travelers for bad-faith refusal to pay after Travelers did not respond to his written demand. The record contained no evidence of United's efforts to contact Santiago or of Santiago's willful refusal to cooperate, although Santiago was absent from trial.

PROCEDURAL HISTORY

After Castellanos obtained a tort judgment against Jose Santiago and Santiago's liability insurer denied coverage based on noncooperation, Castellanos sought payment under his Travelers uninsured-motorist policy. The trial court held that Castellanos had failed to present evidence of a legally sustainable denial of Santiago's liability coverage and granted Travelers summary judgment. The Court of Appeals reversed, but the Supreme Court of Georgia reversed the Court of Appeals and reinstated the trial court's judgment.

DISPOSITION

reversed

CASES CITED

- Castellanos v. Travelers Home & Marine Ins. Co., 328 Ga. App. 674 (1) (760 SE2d 226) (2014)
- Southern General Ins. Co. v. Thomas, 197 Ga. App. 196, 197 (397 SE2d 624) (1990)
- Vaughan v. ACCC Ins. Co., 314 Ga. App. 741, 742-743 (2) (725 SE2d 855) (2012)
- Cotton States Mut. Ins. Co. v. Proudfoot, 123 Ga. App. 397 (3) (181 SE2d 305) (1971)
- H.Y. Ayers & Sons, Inc. v. St. Louis Fire & Marine Ins. Co., 120 Ga. App. 800 (3) (172 SE2d 355) (1969)
- Cowart v. Widener, 287 Ga. 622, 623 (1) (a) (697 SE2d 779) (2010)
- Smith v. Commercial Union Assur. Co., 246 Ga. 50, 51 (268 SE2d 632) (1980)