SUPREME COURT OF MISSISSIPPI

Home Insurance Company v. Mississippi Insurance Guaranty Association

Home Insurance · No. 2001-CA-01074-SCT · Decided May 23, 2001

SUMMARY

The Mississippi Supreme Court affirmed summary judgment for the Mississippi Insurance Guaranty Association, holding that Home Insurance Company lacked standing to assert a claim under the Mississippi Insurance Guaranty Association Law. The court concluded that Home's failure to settle within policy limits and failure to inform its insured of the settlement offer made Home liable for the entire judgment and barred subrogation.

CASE DETAILS

COURT	Supreme Court of Mississippi
WRITING FOR THE COURT	Waller, Presiding Justice; Pittman, C.J.; Smith, P.J.; Easley, J.; Carlson, J.; Graves, J.; Dickinson, J.; Cobb, J.; Diaz, J. (not participating)
JURISDICTION	Mississippi
DECIDED	May 23, 2001
DOCKET	2001-CA-01074-SCT
DISPOSITION	affirmed
PROCEDURAL POSTURE	Home Insurance Company appealed the Rankin County Circuit Court's grant of summary judgment to the Mississippi Insurance Guaranty Association in MIGA's declaratory-judgment action.
STANDARD OF REVIEW	The grant of summary judgment is reviewed de novo under Mississippi Rule of Civil Procedure 56.
PRECEDENTIAL VALUE	Published en banc opinion of the Supreme Court of Mississippi
PARTIES	Home Insurance Company v. Mississippi Insurance Guaranty Association

TOPICS

insurance coverage · subrogation · standing · summary judgment · declaratory judgment

PRACTICE AREAS

Insurance Civil procedure Appellate procedure Remedies

QUESTIONS PRESENTED

1. Whether Home Insurance Company had standing to assert a claim against MIGA under the Mississippi Insurance Guaranty Association Law.
2. Whether Home's purported assignment from Smith constituted a valid assignment of a covered claim or instead a subrogation claim.
3. Whether Home's failure to settle within its policy limits and failure to inform Smith of the settlement offer extended its policy limits to the full judgment amount.

HOLDINGS

1. Home lacked standing to assert a claim against MIGA because it was not an insured and did not have a covered claim under the Mississippi Insurance Guaranty Association Law.
2. The document labeled an assignment was a disguised subrogation attempt, and Home was not entitled to subrogation because it paid an amount for which it was itself legally obligated.
3. Home's refusal to settle within its policy limits, combined with its failure to inform Smith of the settlement offer, automatically extended Home's limits to the full amount of the judgment.

KEY QUOTATIONS

> *"Home's failure to settle within the policy limits when the offer was made, combined with its failure to inform its insured of such offer, automatically operated to extend Home's limits to the full amount of the judgment rendered."* (¶8)

FACTUAL BACKGROUND

Three oil-rig workers obtained a $2,050,000 judgment against G. B. "Boots" Smith Corp. Home Insurance was Smith's primary liability insurer with policy limits of $500,000, while Mission National Insurance Company was the excess carrier. After Home rejected an offer to settle within its policy limits and failed to inform Smith of the offer, Mission became insolvent before paying its portion of the judgment. Home paid the entire judgment, obtained an assignment from Smith, and sought $300,000 from MIGA under the Mississippi Insurance Guaranty Association Law.

PROCEDURAL HISTORY

MIGA filed an action seeking a declaration that it was not statutorily liable for judgments against G. B. "Boots" Smith Corp. Smith was later dismissed. The circuit court granted MIGA summary judgment, and Home Insurance appealed. The Mississippi Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Spencer v. Greenwood/Leflore Airport Auth., 834 So. 2d 707, 709 (Miss. 2003)
- Hartford Accident & Indem. Co. v. Foster, 528 So. 2d 255, 265 (Miss. 1988)
