SUPREME COURT OF MONTANA

Okuly v. USF&G Insurance Co.

318 Mont. 88, 2003 MT 291 (2003) · No. No. 01-786 · Decided October 21, 2003

SUMMARY

The Montana Supreme Court affirmed summary judgment for USF&G in an action seeking recovery of a stipulated wrongful-death and survival judgment under uninsured motorist coverage. The court held that the Workers' Compensation Act provided the exclusive remedy because the decedent was killed in the course and scope of employment by a co-employee, so the plaintiffs were not legally entitled to recover damages as required by Montana's uninsured motorist statute.

CASE DETAILS

COURT	Supreme Court of Montana
WRITING FOR THE COURT	Justice James C. Nelson; James C. Nelson; W. William Leaphart; Jim Regnier; Jim Rice
JURISDICTION	Montana
DECIDED	October 21, 2003
DOCKET	No. 01-786
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiffs appealed from the Eighth Judicial District Court's grant of USF&G's motion for summary judgment in an action seeking recovery of a stipulated wrongful-death and survival judgment under an uninsured-motorist policy.
STANDARD OF REVIEW	Summary judgment and related legal conclusions are reviewed de novo for correctness.
PRECEDENTIAL VALUE	Published Montana Supreme Court opinion; precedential.
PARTIES	Daniel Okuly, personally and as personal representative of the Estate of Mary Lyn Okuly and on behalf of Matthew Okuly and Shawn Okuly, minors, Dean Brown, Janell Brown v. USF&G Insurance Company, Prudential Property and Casualty Company

TOPICS

uninsured motorist · workers compensation · statutory interpretation · standard of review · appellate procedure

PRACTICE AREAS

insurance · workers compensation · appellate procedure

QUESTIONS PRESENTED

1. Whether the Workers' Compensation Act provided Okuly's exclusive remedy and therefore prevented recovery from USF&G of the stipulated $500,000 judgment under Montana's uninsured-motorist statute.

HOLDINGS

1. The Workers' Compensation Act was Okuly's exclusive remedy for the employment-related death, so he was not legally entitled to recover damages from the employer or co-employee and could not satisfy the statutory condition for uninsured-motorist benefits.

KEY QUOTATIONS

> *"For all employments covered under the Workers' Compensation Act or for which an election has been made for coverage . . . the provisions . . . are exclusive . . . . [A]n employer is not subject to any liability whatever for the death of or personal injury to an employee covered by the Workers' Compensation Act . . . . The Workers' Compensation Act binds the employee himself, and in case of death binds his personal representative and all persons having any right or claim to compensation for his injury or death . . . ."* (¶ 21)

> *"to provide protection for the automobile insurance policyholder against the risk of inadequate compensation for injuries or death caused by the negligence of financially irresponsible motorists."* (¶ 17)

FACTUAL BACKGROUND

Mary Lyn Okuly was employed by Gasomat and was killed during the course and scope of her employment when a vehicle driven by her Gasomat co-employee, Todd Adams, slid on black ice into an oncoming semi-tractor trailer. Gasomat was covered by workers' compensation insurance, and benefits were paid to Okuly and the couple's minor children. Okuly later sought to recover a stipulated $500,000 wrongful-death and survival judgment from USF&G under uninsured-motorist coverage.

PROCEDURAL HISTORY

Mary Lyn Okuly was killed in an employment-related automobile accident, and workers' compensation benefits were paid to her husband and children. After USF&G refused to defend the employer, the employer entered into a settlement and confession-of-judgment agreement resulting in a stipulated judgment. Okuly sued USF&G and Prudential to recover $500,000 under uninsured-motorist coverage. The District Court held that the Workers' Compensation Act provided the exclusive remedy and granted USF&G summary judgment; Prudential settled and was no longer a party to the appeal.

DISPOSITION

affirmed

CASES CITED

- Cole ex rel. Cole Revocable Trust v. Cole, 2003 MT 229, 317 Mont. 197, 75 P.3d 1280
- Gonzales v. Walchuk, 2002 MT 262, 312 Mont. 240, 59 P.3d 377
- Sullivan v. Doe, 159 Mont. 50, 495 P.2d 193 (1972)
- Hubbel v. Western Fire Ins. Co., 218 Mont. 21, 706 P.2d 111 (1985)
