SUPREME COURT OF RHODE ISLAND

Wilfredo Nunez et al. v. Merrimack Mutual Fire Insurance Co.

88 A.3d 1146 (R.I. 2014) · No. No. 2013-129-Appeal (PC 07-2434) · Decided April 17, 2014

SUMMARY

The Rhode Island Supreme Court affirmed summary judgment for Merrimack Mutual Fire Insurance Company in a homeowners' insurance coverage dispute. The court held that the policy unambiguously excluded losses caused by rust or other corrosion and that the plaintiffs presented no evidence showing that the oil-feed-line damage resulted from a sudden and accidental tearing apart, cracking, burning, or bulging of a covered heating system.

CASE DETAILS

COURT	Supreme Court of Rhode Island
WRITING FOR THE COURT	Chief Justice Paul A. Suttell; Chief Justice Suttell; Justice Goldberg; Justice Flaherty; Justice Robinson; Justice Indeglia
JURISDICTION	Rhode Island
DECIDED	April 17, 2014
DOCKET	No. 2013-129-Appeal (PC 07-2434)
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiffs appealed from summary judgment entered for Merrimack in their breach-of-contract action arising from denial of a homeowners' insurance claim.
STANDARD OF REVIEW	The grant of summary judgment is reviewed de novo under the same standards and rules used by the hearing justice. Evidence is viewed in the light most favorable to the nonmoving party, and summary judgment is proper when no genuine issue of material fact exists and the moving party is entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	Published opinion; precedential
PARTIES	Wilfredo Nunez, Janette Campos v. Merrimack Mutual Fire Insurance Company

TOPICS

insurance coverage · casualty insurance litigation · contract interpretation · standard of review · appellate procedure

PRACTICE AREAS

property insurance · insurance coverage · contract litigation · appellate procedure

QUESTIONS PRESENTED

1. Whether the homeowners' policy's corrosion exclusion unambiguously barred coverage for property damage caused by a slowly corroding oil feed line.
2. Whether the policy's coverage for sudden and accidental tearing apart, cracking, burning, or bulging of a steam or hot-water heating system applied to the plaintiffs' loss.
3. Whether summary judgment was proper when the undisputed evidence showed that the damage was caused by gradual corrosion and plaintiffs presented no contrary evidence.

HOLDINGS

1. The policy unambiguously excluded loss caused by rust or other corrosion, and the plaintiffs' property damage caused by gradual corrosion of the oil feed line was therefore not covered.
2. The sudden-and-accidental heating-system provision did not apply because plaintiffs presented no evidence that the loss resulted from tearing apart, cracking, burning, or bulging of a steam or hot-water heating system.
3. Summary judgment for Merrimack was proper because the undisputed evidence established that the damage was caused by corrosion excluded under the policy, leaving no genuine issue of material fact.

KEY QUOTATIONS

> *"It is clear to us that the literal language, specifically, "[w]e do not insure, however, for loss * * * [c]aused by * * * [s]mog, rust or other corrosion," clearly and unambiguously states that the policy does not cover against losses caused by corrosion."* (-5-)

> *"Because the undisputed evidence indicates that the damage to the plaintiffs' property was caused by corrosion—damage not covered by their insurance policy—there remain no genuine issues of material fact and Merrimack is entitled to judgment as a matter of law."* (-6-)

FACTUAL BACKGROUND

Before purchasing a home in Woonsocket, the plaintiffs discovered corrosion in the basement oil-heating system, and the seller arranged for replacement of the boiler and oil tank. The buried oil feed line was not replaced. After the line was found to be severely corroded and leaking fuel oil slowly, the plaintiffs submitted a homeowners' insurance claim, which Merrimack denied under policy exclusions for corrosion and pollutant release. The plaintiffs offered no evidence contradicting the insurer's evidence that the loss resulted from gradual corrosion.

PROCEDURAL HISTORY

Nunez and Campos filed a breach-of-contract complaint in Providence County Superior Court after Merrimack denied their claim for damage associated with an oil-feed-line leak. The Superior Court granted Merrimack's motion for summary judgment, denied plaintiffs' cross-motion, and entered final judgment dismissing the claims with prejudice. The Rhode Island Supreme Court summarily decided the appeal after ordering the parties to show cause why no further briefing or argument was necessary, and affirmed.

DISPOSITION

affirmed

REMAND INSTRUCTIONS

The record was ordered returned to the Superior Court.

CASES CITED

- Miller v. Saunders, 80 A.3d 44, 47-48 (R.I. 2013)
- Carreiro v. Tobin, 66 A.3d 820, 822 (R.I. 2013)
- The Law Firm of Thomas A. Tarro, III v. Checrallah, 60 A.3d 598, 601 (R.I. 2013)
- Textron, Inc. v. Aetna Casualty and Surety Co., 754 A.2d 742 (R.I. 2000)
- Koziol v. Peerless Insurance Co., 41 A.3d 647, 650 (R.I. 2012)
- Malo v. Aetna Casualty and Surety Co., 459 A.2d 954, 956 (R.I. 1983)
- Lynch v. Spirit Rent-A-Car, Inc., 965 A.2d 417, 425 (R.I. 2009)
- Bliss Mine Road Condominium Association v. Nationwide Property and Casualty Insurance Co., 11 A.3d 1078, 1083 (R.I. 2010)

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