SUPREME COURT OF ALABAMA

Generali U.S. Branch v. The Boyd School, Inc.

887 So. 2d 212 (Ala. 2004) · No. No. 1021393 · Decided February 13, 2004

SUMMARY

The Alabama Supreme Court affirmed summary judgment for The Boyd School, holding that a transportation-of-pupils exclusion in the School's liability policy did not apply because the underlying injury involved a child who was not being transported as a student. The court further held that the parking exception to the automobile exclusion provided coverage because the accident occurred while an employee was moving his vehicle from a parking space on the School's premises. Generali was therefore obligated to defend and indemnify the School for the underlying claims.

CASE DETAILS

COURT	Supreme Court of Alabama
WRITING FOR THE COURT	Woodall, Justice; Houston, Justice; See, Justice; Lyons, Justice; Johnstone, Justice
JURISDICTION	Alabama
DECIDED	February 13, 2004
DOCKET	No. 1021393
DISPOSITION	affirmed
PROCEDURAL POSTURE	Generali appealed from a summary judgment declaring that its comprehensive general liability policy covered claims arising from an automobile accident and obligating Generali to defend and indemnify the School.
STANDARD OF REVIEW	Summary judgment; the court reviewed the undisputed policy and accident facts and determined whether coverage existed as a matter of law.
PRECEDENTIAL VALUE	Published opinion; precedential
PARTIES	Generali U.S. Branch v. The Boyd School, Inc.

TOPICS

insurance coverage · duty to defend · duty to indemnify · declaratory relief insurance · appellate procedure

PRACTICE AREAS

insurance contracts appellate procedure

QUESTIONS PRESENTED

1. Whether the policy's transportation-of-pupils exclusion precluded coverage for claims arising from Torey's bodily injuries.
2. If the transportation-of-pupils exclusion did not apply, whether the parking exception to the automobile exclusion provided coverage for the claims.

HOLDINGS

1. The transportation-of-pupils exclusion did not apply because the underlying claim arose from alleged breaches of duties owed to Joe's niece, not from injuries to or duties owed to the students who were riding in the automobile.
2. The parking exception provided coverage because Joe's automobile was not shown to have been loaned to the School, and Torey was injured while Joe was moving the automobile from a parking space in a designated parking area on School premises.

KEY QUOTATIONS

> *"Exceptions to coverage in a policy of insurance must be interpreted as narrowly as possible in order to provide maximum coverage of the insured."* (215)

> *"where nothing more than an employee's use of his own vehicle in furtherance of his employer's business has been shown, a loan of the vehicle to the employer has not been established."* (217)

FACTUAL BACKGROUND

The Boyd School operated a residential group home, and Joe Ingram, a School employee and houseparent, used his personal automobile to deliver a resident's wallet to the resident's workplace. Two School residents rode with Joe, and his young niece, Torey, came outside despite being told to return inside; Joe then struck Torey while moving the automobile from a parking space on School premises. Torey suffered serious injuries, and her parents sued the School alleging negligence or wantonness within the scope of Joe's employment. Generali denied coverage under automobile-related exclusions in the School's comprehensive general liability policy.

PROCEDURAL HISTORY

The School was sued by Amy and John Ingram for injuries suffered by their daughter, Torey, in an accident involving an automobile operated by School employee Joe Ingram. The School then sought a declaration that Generali owed a duty to defend and indemnify it. The trial court granted the School's summary-judgment motion, denied Generali's motion, and entered conflicting orders concerning Generali's motion to amend its pleadings; the Supreme Court of Alabama affirmed based on its resolution of the substantive coverage issues.

DISPOSITION

affirmed

CASES CITED

- Twin City Fire Ins. Co. v. Alfa Mut. Ins. Co., 817 So. 2d 687, 695 (Ala. 2001)
- Beatty v. Charlotte-Mecklenburg Bd. of Educ., 99 N.C. App. 753, 394 S.E.2d 242 (1990)
- Whittington v. Sowela Technical Inst., 438 So. 2d 236 (La. Ct. App. 1983)
- United States Fidelity & Guaranty Co. v. Perry, 361 So. 2d 594, 597 (Ala. Civ. App. 1978)
- Trinity Universal Ins. Co. v. Cincinnati Ins. Co., 513 F.2d 915 (6th Cir. 1975)
- Faribault Canning Co. v. Northwestern Nat'l Cas. Co., 298 F.2d 58 (7th Cir. 1961)
- American Econ. Ins. Co. v. Thompson, 643 So. 2d 1350, 1355-56 (Ala. 1994)
- Lee-Lipstreu v. Chubb Group, 329 F.3d 898, 902 (6th Cir. 2003)
- Sears, Roebuck & Co. v. Acceptance Ins. Co., 342 Ill. App. 3d 167, 275 Ill. Dec. 965, 793 N.E.2d 736 (2003)