SUPREME COURT OF MINNESOTA

Schroeder v. Western National Mutual Insurance Co.

865 N.W.2d 66 (Minn. 2015) · Decided June 17, 2015

SUMMARY

The Minnesota Supreme Court held that an injured person primarily responsible for household care and maintenance may recover the reasonable value of those services under Minnesota's no-fault insurance statute without replacing the services or incurring related expenses. The court rejected the insurer's arguments that recovery required an independent showing of economic detriment or actual replacement of household services. The court affirmed the arbitration award in favor of Carmen Schroeder.

CASE DETAILS

COURT	Supreme Court of Minnesota
WRITING FOR THE COURT	Anderson, Justice
JURISDICTION	Minnesota
DECIDED	June 17, 2015
DISPOSITION	affirmed
PROCEDURAL POSTURE	Western National appealed from an arbitration award granting Schroeder replacement service loss benefits. The district court denied Western National's motion to vacate the award, and the Minnesota Court of Appeals affirmed. The Minnesota Supreme Court granted review and affirmed.
STANDARD OF REVIEW	Statutory interpretation is reviewed de novo. Although arbitrators generally decide questions of law and fact, in automobile-reparation cases they decide factual issues while courts interpret the law.
PRECEDENTIAL VALUE	Published precedential opinion of the Supreme Court of Minnesota
PARTIES	Western National Mutual Insurance Co. v. Carmen Schroeder

TOPICS

insurance coverage · statutory interpretation · plain meaning rule · insurance · remedies

PRACTICE AREAS

insurance coverage | statutory interpretation | no-fault automobile insurance | arbitration review

QUESTIONS PRESENTED

1. Whether an injured person who is primarily responsible for household care and maintenance may recover the reasonable value of those services under Minn. Stat. § 65B.44, subd. 5, without replacing the services or incurring expenses for replacement services.
2. Whether recovery of replacement service loss benefits requires an independent showing of economic detriment beyond satisfying the statutory requirements for replacement services loss.
3. Whether the policy arguments advanced by the insurer and amici could alter the statute's plain meaning.

HOLDINGS

1. An injured person who has primary responsibility for care and maintenance of the household need not replace household services or incur replacement-service expenses to recover the reasonable value of those services under the second clause of Minn. Stat. § 65B.44, subd. 5.
2. An injured person who satisfies one of the six statutory categories of loss under the No-Fault Act necessarily has suffered both loss and economic detriment; no separate showing of economic detriment is required.
3. Policy arguments cannot override the plain and unambiguous language of the statute; any policy revision is for the Legislature, not the judiciary.

KEY QUOTATIONS

> *"We conclude that an injured person who has primary responsibility for care and maintenance of the household need not replace household services as a condition to recovering the reasonable value of such services."* (at 67)

> *"An injured person who satisfies the requirements of one of the six categories has suffered both loss and economic detriment; no other showing is necessary."* (at 69)

> *"We therefore decline to consider these policy arguments."* (at 70)

FACTUAL BACKGROUND

Carmen Schroeder suffered a significant spinal injury in a motor vehicle accident and was totally disabled for several months. She normally had primary responsibility for maintaining her home but could not perform household duties such as vacuuming, laundry, and yard work during her disability. She lived alone, did not purchase replacement services, and received no volunteered assistance. Her no-fault insurer denied her claim for the reasonable value of the household services she could not perform.

PROCEDURAL HISTORY

After Western National refused to pay Schroeder's claim for household replacement service loss benefits, the dispute proceeded to arbitration. The arbitrator awarded Schroeder $3,400, plus interest and costs. The district court denied the insurer's motion to vacate, and the court of appeals affirmed, holding that replacement household services were not required under Minn. Stat. § 65B.44, subd. 5. The supreme court affirmed.

DISPOSITION

affirmed

CASES CITED

- Rindahl v. National Farmers Union Insurance Cos., 373 N.W.2d 294 (Minn. 1985)
- Nadeau v. Austin Mutual Insurance Co., 350 N.W.2d 368, 373 (Minn. 1984)
- West Bend Mutual Insurance Co. v. Allstate Insurance Co., 776 N.W.2d 693, 698 (Minn. 2009)
- Auto-Owners Insurance Co. v. Forstrom, 684 N.W.2d 494, 497 (Minn. 2004)
- Johnson v. American Family Mutual Insurance Co., 426 N.W.2d 419, 421 (Minn. 1988)
- Burkstrand v. Burkstrand, 632 N.W.2d 206, 210 (Minn. 2001)
- Axelberg v. Commissioner of Public Safety, 848 N.W.2d 206, 213 (Minn. 2014)