

SUPREME COURT OF MONTANA

Barnard v. Liberty Northwest Insurance Corp.

345 Mont. 81, 2008 MT 254 (2008) · No. DA 06-0741 · Decided July 22, 2008

SUMMARY

The Montana Supreme Court affirmed the Workers’ Compensation Court’s order granting Rodney Barnard a lump-sum conversion of his permanent total disability benefits. The Court held that Montana Code Annotated § 39-71-741(1)(c) (2003) limits partial lump-sum conversions to \$20,000 but does not impose that limit on conversion of the entire permanent total disability benefit. The Court also upheld the finding that the lump sum would be used for necessities of life and was in Barnard’s best interest.

CASE DETAILS

COURT	Supreme Court of Montana
WRITING FOR THE COURT	Justice John Warner; John Warner; Patricia Cotter; Brian Morris; Karla M. Gray; Jim Rice
JURISDICTION	Montana
DECIDED	July 22, 2008
DOCKET	DA 06-0741
DISPOSITION	affirmed
PROCEDURAL POSTURE	Liberty Northwest Insurance Corp. appealed a Workers’ Compensation Court order granting Rodney Barnard’s petition to convert the entire amount of his future permanent total disability benefits to a lump sum.
STANDARD OF REVIEW	The court reviews Workers’ Compensation Court factual findings for substantial credible evidence and conclusions of law for correctness.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Liberty Northwest Insurance Corp. v. Rodney A. Barnard

TOPICS

- workers compensation
- insurance
- statutory interpretation
- appellate procedure
- standard of review

PRACTICE AREAS

- workers compensation
- insurance
- statutory interpretation

QUESTIONS PRESENTED

1. Whether § 39-71-741(1)(c), MCA (2003), limits lump-sum conversions of permanent total disability benefits to \$20,000 even when the conversion covers the entire benefit.
2. Whether the Workers' Compensation Court erred in finding that Barnard established entitlement to a lump-sum payment because it would be used for necessities of life and was in his best interest.

HOLDINGS

1. Section 39-71-741(1)(c), MCA (2003), limits the total of partial lump-sum conversions to \$20,000 but does not limit a lump-sum payment covering the whole of a permanent total disability benefit to that amount.
2. The Workers' Compensation Court did not err in granting Barnard a lump-sum conversion because substantial credible evidence supported its findings that the payment would be used for necessities of life and was in Barnard's best interest.

KEY QUOTATIONS

"When the statute is read in its entirety, it limits lump sum conversions to \$20,000 only if the requested conversion to a lump sum constitutes a part of the permanent total disability benefit." (85)

"The plain language of the statute, coupled with a respectful consideration of the longstanding interpretation by DLI, means that § 39-71-741(1)(c), MCA, limits only the total of partial lump sum payments to \$20,000." (86)

"The WCC properly exercised its wide discretion when it found that Barnard would use a lump sum payment for the necessities of life and concluded that it was in his best interest to convert his benefits to a lump sum." (87)

FACTUAL BACKGROUND

Barnard was injured at work on June 22, 2004, and Liberty accepted workers' compensation liability and agreed to convert his benefits to permanent total disability benefits. Barnard sought a lump-sum payment of the present value of all his future benefits, which was approximately \$80,893.43 as of March 2006. He and his wife lived on limited fixed and employment income, occupied an inaccessible and uninsured mobile home, used aging vehicles, maintained a difficult driveway, and operated a cattle business. The Workers' Compensation Court found that the requested funds would be used for necessities of life and were in Barnard's best interest.

PROCEDURAL HISTORY

Barnard petitioned the Montana Workers' Compensation Court for a lump-sum conversion of his permanent total disability benefits. After a trial, the WCC found that the requested payment would be used for necessities of life and granted the petition. Liberty timely appealed, and the Montana Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Hiatt v. Missoula County Public Schools, 2003 MT 213, 317 Mont. 95, 75 P.3d 341
- Buckman v. Montana Deaconess Hospital, 224 Mont. 318, 730 P.2d 380 (1986)
- Fliehler v. Uninsured Employers Fund, 2002 MT 125, 310 Mont. 99, 48 P.3d 746
- Rausch v. State Compensation Insurance Fund, 2002 MT 203, 311 Mont. 210, 54 P.3d 25
- Glendive Medical Center, Inc. v. Montana Department of Public Health & Human Services, 2002 MT 131, 310 Mont. 156, 49 P.3d 560
- Martin v. The Hartford, 2004 MT 57, 320 Mont. 206, 86 P.3d 569
- Sullivan v. Aetna Life & Casualty, 271 Mont. 12, 894 P.2d 278 (1995)

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