SUPREME COURT OF MISSISSIPPI

Union National Life Ins. Co. v. Crosby

870 So. 2d 1175 (Miss. 2004) · No. No. 2002-IA-01751-SCT · Decided February 12, 2004

SUMMARY

The Supreme Court of Mississippi held that the plaintiffs’ claims arising from the sale, administration, and alleged breach of insurance policies sounded primarily in tort and contract rather than equity. Because the claims were appropriate for circuit court and a chancery-court proceeding could infringe the defendants’ constitutional right to a jury trial, the court reversed and remanded with instructions to transfer the case to circuit court.

CASE DETAILS

COURT	Supreme Court of Mississippi
WRITING FOR THE COURT	Waller, Presiding Justice; Pittman, C.J.; Waller, P.J.; Carlson, J.; Smith, P.J.; Cobb, J.; Graves, J.; Dickinson, J.; Easley, J.; Diaz, J.
JURISDICTION	Mississippi
DECIDED	February 12, 2004
DOCKET	No. 2002-IA-01751-SCT
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The defendants sought interlocutory review of the chancery court's denial of their motion to transfer a multifaceted insurance-related action to circuit court. The Mississippi Supreme Court granted permission for the interlocutory appeal under Mississippi Rule of Appellate Procedure 5.
STANDARD OF REVIEW	The Court reviewed de novo the ruling on the motion to transfer between chancery and circuit court because jurisdiction presents a question of law.
PRECEDENTIAL VALUE	published precedential opinion
PARTIES	Union National Life Insurance Company, United Insurance Company of America, Union National Fire Insurance Company, Roland Stewart, Eugene Thomas ("Pete") Furline, Charles Stewart v. Jacqueline Crosby, Pearlie Hendricks, David Hendricks, Jr., Calvin Lawrence, Johnnie M. Owens, Kandice Owens, Minnie Owens, Mary Turner, Shannon S. Wallace

TOPICS

interlocutory appeal · appellate procedure · civil procedure · contracts · insurance · torts

PRACTICE AREAS

civil procedure · appellate procedure · insurance · contracts · torts · consumer protection · remedies

QUESTIONS PRESENTED

1. Whether the plaintiffs' claims, despite being pleaded in part as equitable claims and seeking equitable remedies, were predominantly legal claims sounding in tort and contract that belonged in circuit court.
2. Whether the request for an accounting supported chancery-court jurisdiction or was merely a discovery device available in circuit court.
3. Whether the equitable claims for unjust enrichment and constructive trust required adjudication in chancery court.
4. Whether the defendants' constitutional right to a jury trial supported transfer to circuit court.

HOLDINGS

1. A complaint arising from the sale, administration, and alleged breach of insurance contracts, and asserting tort, contract, statutory, and related equitable theories for damages, sounds in tort and contract and should be heard in circuit court rather than chancery court.
2. A request for an accounting does not establish chancery jurisdiction when the requested information can be obtained through discovery in circuit court.
3. Even though unjust enrichment and constructive trust are equitable theories, they belong in circuit court when recovery depends on establishing that the underlying contract is void or was breached.
4. The defendants' constitutional right to a jury trial outweighed the plaintiffs' asserted preference for chancery-court jurisdiction where the claims were legal in substance.

KEY QUOTATIONS

> *"A realistic and pragmatic review of the complaint leads us to the conclusion that this is a lawsuit that should be in circuit court, not chancery court."* (1182)

> *"Since Crosby's complaint sounds in tort and contract, we find that the chancellor erred in denying Union National's motion to transfer to circuit court."* (1182)

FACTUAL BACKGROUND

Jacqueline Crosby and more than 350 other plaintiffs purchased fire, life, and/or accident and health insurance policies from the defendant insurance companies through their agents. They alleged deceptive sales practices, fraud, unconscionable conduct, overcharging, wrongful lapse of policies, misappropriation of premiums, and other misconduct relating to the training of agents and the marketing, sale, and administration of the policies.

The complaint sought actual and punitive damages as well as constructive-trust, accounting, and injunctive relief.

PROCEDURAL HISTORY

More than 350 plaintiffs filed suit in the Chancery Court of Covington County against insurance companies and agents, asserting tort, contract, statutory consumer-protection, and equitable claims arising from the sale and administration of insurance policies. The chancellor denied the defendants' motion to transfer the case to circuit court. The Supreme Court of Mississippi reversed and remanded with instructions to transfer the case to the Circuit Court of Covington County.

DISPOSITION

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reversed_and_remanded
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REMAND INSTRUCTIONS

Reverse the chancery court's order and remand with instructions to transfer the case to the Circuit Court of Covington County.

CASES CITED

- Briggs & Stratton Corp. v. Smith, 854 So. 2d 1045, 1048-49 (Miss. 2003)
- United States Fidelity & Guaranty Co. v. Estate of Francis, 825 So. 2d 38, 43-44 (Miss. 2002)
- Saliba v. Saliba, 753 So. 2d 1095, 1098 (Miss. 2000)
- Entergy Mississippi, Inc. v. Burdette Gin Co., 726 So. 2d 1202, 1204-05 (Miss. 1998)
- Southern Leisure Homes, Inc. v. Hardin, 742 So. 2d 1088, 1089-90 (Miss. 1999)
- City of Ridgeland v. Fowler, 846 So. 2d 210, 214 (Miss. 2003)
- American Bankers' Insurance Co. of Fla. v. Wells, 819 So. 2d 1196, 1207 (Miss. 2001)
- Cenac v. Murry, 609 So. 2d 1257, 1272 (Miss. 1992)
- Tyson v. Moore, 613 So. 2d 817, 823 (Miss. 1992)
- Fuqua v. Joudon, 158 So. 795 (Miss. 1935)
- Milam v. Paxton, 160 Miss. 562, 570, 134 So. 171 (1931)
- Mason v. Southern Mortgage Co., 828 So. 2d 735, 739 (Miss. 2002)
- Milliken & Michaels, Inc. v. Fred Netterville Lumber Co., 676 So. 2d 266, 269 (Miss. 1996)
- Bessler Movable Stairway Co. v. Bank of Leakesville, 140 Miss. 537, 106 So. 445 (1925)
- McNeil v. Hester, 753 So. 2d 1057, 1064 (Miss. 2000)
- Allgood v. Allgood, 473 So. 2d 416 (Miss. 1985)
- Russell v. Douglas, 243 Miss. 497, 138 So. 2d 730 (1962)
- Saulsberry v. Saulsberry, 223 Miss. 684, 690, 78 So. 2d 758, 760 (1955)
- Alvarez v. Coleman, 642 So. 2d 361, 367 (Miss. 1994)
- Planters Bank & Trust Co. v. Sklar, 555 So. 2d 1024, 1034 (Miss. 1990)

- Sojourner v. Sojourner, 247 Miss. 342, 153 So. 2d 803, 807 (1963)
- Busick v. St. John, 856 So. 2d 304, 307 (Miss. 2003)
- Parkerson v. Smith, 817 So. 2d 529 (Miss. 2002)
- West v. Combs, 642 So. 2d 917, 921 (Miss. 1994)
- Walker v. Brown, 501 So. 2d 358, 361 (Miss. 1987)
- City of Mound Bayou v. Johnson, 562 So. 2d 1212, 1227 (Miss. 1990)
- Bus Lines, Inc. v. Association of Street Electric Railway, 205 Miss. 354, 374, 38 So. 2d 765, 768 (1949)
- Louisville & Nashville Railroad Co. v. Hasty, 360 So. 2d 925, 927 (Miss. 1978)
- McLean v. Green, 352 So. 2d 1312, 1314 (Miss. 1977)
- Mississippi Farm Bureau Casualty Insurance Co. v. Britt, 826 So. 2d 1261, 1265-66 (Miss. 2002)
- McDonald's Corp. v. Robinson Industries, Inc., 592 So. 2d 927, 934 (Miss. 1991)
- In re Estate of Davidson v. Davidson, 667 So. 2d 616, 620 (Miss. 1995)
- Miller v. Henry, 139 Miss. 651, 665, 103 So. 203, 204 (1925)