SUPREME COURT OF OHIO

Hillyer v. State Farm Fire & Casualty Co.

Hillyer v. State Farm Fire & Cas. Co., 97 Ohio St. 3d 411 (Ohio 2002) · No. Nos. 2001-1474, 2001-1867, 2001-1786, 2001-1955, and 2001-1977 · Decided December 13, 2002

SUMMARY

The Ohio Supreme Court consolidated appeals concerning whether residence-employee provisions in homeowner’s or tenant’s insurance policies transformed those policies into motor vehicle liability policies subject to former R.C. 3937.18’s uninsured/underinsured motorist coverage requirements. The court held that such limited liability coverage was incidental to the policies’ primary coverage and did not trigger the statutory requirements. It affirmed the judgments in Hillyer, Panozzo, and Burnett, and reversed and remanded in Lemm.

CASE DETAILS

COURT	Supreme Court of Ohio
WRITING FOR THE COURT	Lundberg Stratton, J.; Moyer, C.J.; Douglas, J.; Resnick, J.; F.E. Sweeney, J.; Pfeifer, J.; Cook, J.; Stratton, J.
JURISDICTION	Ohio
DECIDED	December 13, 2002
DOCKET	Nos. 2001-1474, 2001-1867, 2001-1786, 2001-1955, and 2001-1977
DISPOSITION	other
PROCEDURAL POSTURE	Consolidated appeals and certified-conflict proceedings concerning whether homeowner's or tenant's insurance policies containing residence-employee exceptions constituted motor vehicle liability policies subject to former Ohio Revised Code § 3937.18's mandatory uninsured- and underinsured-motorist coverage requirements.
STANDARD OF REVIEW	Summary judgment is reviewed under the applicable civil summary-judgment standard; interpretation of insurance policies and determination whether a policy is a motor vehicle liability policy under former R.C. 3937.18 are legal questions reviewed de novo.
PRECEDENTIAL VALUE	Published precedential opinion of the Supreme Court of Ohio
PARTIES	Martin Hillyer, Ernest and Alice M. Lemm, James Panozzo, Dorothy D. Burnett v. State Farm Fire & Casualty Co., The Hartford, Allstate Insurance Co., AMEX Assurance Co.

TOPICS

uninsured motorist | insurance coverage | declaratory relief insurance | statutory interpretation

PRACTICE AREAS

insurance coverage | uninsured motorist | declaratory relief insurance | statutory interpretation

QUESTIONS PRESENTED

1. Whether a residence-employee exception in a homeowner's or tenant's insurance policy transforms the policy into a motor vehicle liability policy subject to former R.C. 3937.18(A).
2. Whether the insurers were required to provide uninsured- or underinsured-motorist coverage under those policies as a matter of law.
3. Whether the judgments of the courts of appeals in the four consolidated matters should be affirmed or reversed.

HOLDINGS

1. A residence-employee clause in an insurance policy that provides liability coverage incidental to home ownership does not convert the policy into a motor vehicle liability policy subject to former R.C. 3937.18(A).

KEY QUOTATIONS

> *"For the reasons that follow, we hold that a residence-employee clause in an insurance policy that provides coverage incidental to home ownership does not convert the policy into a motor vehicle policy subject to the mandates of former R.C. 3937.18."* (¶ 13)

> *"the defining characteristic of coverage is the person injured [the residence employee], not the fact that a motor vehicle was involved."* (¶ 24)

> *"We find that the limited liability coverage that may arise under the residence-employee exception in a homeowner's insurance policy is insufficient to transform the policy into a motor vehicle policy for purposes of former R.C. 3937.18(A)."* (¶ 26)

FACTUAL BACKGROUND

The insureds sought uninsured- or underinsured-motorist coverage under homeowner's or tenant's insurance policies after suffering or experiencing losses arising from automobile accidents. Each policy provided personal-liability coverage but generally excluded liability arising from the ownership, maintenance, use, loading, or unloading of motor vehicles. Each policy contained a residence-employee exception covering bodily injury to a residence employee arising out of and in the course of employment.

PROCEDURAL HISTORY

In Hillyer, Panozzo, and Burnett, the trial courts granted summary judgment to the insurers and the courts of appeals affirmed. In Lemm, the trial court granted summary judgment to the insureds, and the court of appeals affirmed the declaration that UIM coverage existed as a matter of law. The Supreme Court of Ohio accepted the cases based on certified conflicts and discretionary appeals, affirmed the judgments in Hillyer, Panozzo, and Burnett, and reversed and remanded Lemm.

DISPOSITION

other

REMAND INSTRUCTIONS

The judgment in Lemm was reversed and remanded for proceedings consistent with the opinion. The judgments in Hillyer, Panozzo, and Burnett were affirmed.

CASES CITED

- Davidson v. Motorists Mut. Ins. Co., 91 Ohio St. 3d 262, 744 N.E.2d 713 (2001)
- Selander v. Erie Ins. Group, 85 Ohio St. 3d 541, 709 N.E.2d 1161 (1999)
- Delli Bovi v. Pacific Indemn. Co., 85 Ohio St. 3d 343, 708 N.E.2d 693 (1999)
- Lemm v. The Hartford, Franklin App. No. 01AP-251, 2001 WL 1167585 (Oct. 4, 2001)
- Panozzo v. Allstate Ins. Co., Cuyahoga App. No. 79083, 2001 WL 1075772 (Sept. 13, 2001)
- Wodrich v. Farmers Ins. of Columbus, Inc., Greene App. No. 98CA103, 1999 WL 317448 (May 21, 1999)
- Davis v. Shelby Ins. Co., 144 Ohio App. 3d 468, 760 N.E.2d 855 (2001)
- Burnett v. AMEX Assur. Co., Cuyahoga No. 79082, 2001 WL 1110335 (Sept. 13, 2001)