

SUPREME COURT OF IOWA

Ray Gosch d/b/a Ray Gosch Trucking v. Dick Juelfs

701 N.W.2d 90 (Iowa 2005) · No. No. 03-1745 · Decided July 22, 2005

SUMMARY

The Iowa Supreme Court held that a business owner could not recover consequential damages for lost income attributed to the death of a key employee in a vehicle collision. It further held that interest on the truck-tractor property damage was recoverable from the collision date because the property damage was complete at that time.

CASE DETAILS

COURT	Supreme Court of Iowa
WRITING FOR THE COURT	Carter
JURISDICTION	Iowa
DECIDED	July 22, 2005
DOCKET	No. 03-1745
DISPOSITION	other
PROCEDURAL POSTURE	Gosch appealed a judgment awarding him damages for destruction of his truck-tractor after the district court refused to submit his consequential-damages claim to the jury and awarded prejudgment interest only from the filing of the action. The court of appeals affirmed, and the Supreme Court of Iowa granted review.
STANDARD OF REVIEW	Correction of errors at law. The court is bound by supported trial-court fact-findings when substantial evidence exists, but is not bound by the trial court's application of legal principles.
PRECEDENTIAL VALUE	Published Iowa Supreme Court opinion; precedential
PARTIES	Ray Gosch d/b/a Ray Gosch Trucking v. Dick Juelfs

TOPICS

- consequential damages
- damages
- remedies
- appellate procedure
- standard of review

PRACTICE AREAS

- torts
- damages
- appellate procedure

QUESTIONS PRESENTED

1. Whether an employer may recover consequential business-income damages for the loss or death of a key employee caused by a tortious injury.
2. Whether prejudgment interest on a definite property-damage award that was complete on the collision date is recoverable from that date rather than from the filing of the action.

HOLDINGS

1. An employer may not recover damages for lost business income resulting from the absence or death of an injured employee; the district court properly refused to submit Gosch's consequential-damages claim to the jury.
2. When the trier of fact fixes a definite amount for a damage item shown to have been complete at a particular time, prejudgment interest is recoverable on that item from the time the damage was complete. Gosch was therefore entitled to interest on the \$9,980 property-damage award from July 7, 1999, under Iowa Code section 535.2(1)(b).

KEY QUOTATIONS

“Interest is allowable on unliquidated claims wherever it appears that the damage was complete at a particular time. . . .” (701 N.W.2d at 92)

“When, as here, a definite amount of recovery has been fixed by the trier of fact for a damage item shown to be complete at a particular time, interest should be allowed as to that item from the time that the damage was shown to be complete.” (701 N.W.2d at 93)

FACTUAL BACKGROUND

On July 7, 1999, a vehicle driven by Dick Juelfs collided with a truck-tractor owned by Ray Gosch and driven by Gosch's employee, Merlyn Berens, who was killed. A jury found Juelfs's fault caused the collision and awarded Gosch \$9,980 for destruction of the truck-tractor. Gosch also claimed lost business income because he could not replace Berens during the peak rock-hauling season, and sought interest on the property damage from the collision date.

PROCEDURAL HISTORY

A jury found Juelfs at fault for the collision and awarded Gosch \$9,980 for damage to his truck-tractor. The district court declined to submit Gosch's claim for business losses resulting from the death of a key employee and awarded interest from the date the action was filed. The court of appeals affirmed; the Supreme Court of Iowa affirmed the denial of consequential damages, vacated the interest ruling, and modified the judgment to award interest from the collision date.

DISPOSITION

other

REMAND INSTRUCTIONS

The judgment was affirmed as modified to award interest on the property-damage award from July 7, 1999, at the rate provided in Iowa Code section 535.2(1)(b). The opinion states that the court of appeals decision was affirmed in part and vacated in part.

CASES CITED

- State ex rel. Miller v. Internal Energy Management Corp., 324 N.W.2d 707, 710 (Iowa 1982)
- Midwest Recovery Services v. Wolfe, 463 N.W.2d 73, 74 (Iowa 1990)
- Anderson Plasterers v. Meinecke, 543 N.W.2d 612, 613-14 (Iowa 1996)
- Schimmelpfennig v. Eagle National Assurance Corp., 641 N.W.2d 814, 816 (Iowa 2002)
- Midwest Management Corp. v. Stephens, 353 N.W.2d 76, 83 (Iowa 1984)
- Mrowka v. Crouse Cartage Co., 296 N.W.2d 782, 783-85 (Iowa 1980)
- Weaver Construction Co. v. Farmers National Bank, 253 Iowa 1280, 1292, 115 N.W.2d 804, 811 (1962)
- General Mills v. Prall, 244 Iowa 218, 221, 56 N.W.2d 596, 598 (1953)
- Bridenstine v. Iowa City Electric Railway, 181 Iowa 1124, 1135-36, 165 N.W. 435, 439 (1917)
- Collins v. Gleason Coal Co., 140 Iowa 114, 124, 118 N.W. 36, 37 (1908)
- Abel v. Dodge, 261 Iowa 1, 11, 152 N.W.2d 823, 829 (1967)
- Lawson v. Fordyce, 237 Iowa 28, 68, 21 N.W.2d 69, 89-90 (1945)