UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA

Ray Escandon v. Cincinnati Insurance Company, et al.

Escandon · No. CV-24-00355-TUC-JCH · Decided December 18, 2025

SUMMARY

The United States District Court for the District of Arizona denied Cincinnati Insurance Company's motion for partial summary judgment in an uninsured motorist coverage dispute. The court held that A.R.S. § 23-1023 does not bar the plaintiff's uninsured motorist claim and that Arizona law permits potential double recovery of workers' compensation-covered medical expenses where the policy lacks an applicable offset provision. The court also denied the defendant's request for attorney fees.

CASE DETAILS

COURT	United States District Court for the District of Arizona
WRITING FOR THE COURT	John C. Hinderaker
JURISDICTION	United States District Court for the District of Arizona
DECIDED	December 18, 2025
DOCKET	CV-24-00355-TUC-JCH
DISPOSITION	other
PROCEDURAL POSTURE	Defendant Cincinnati Insurance Company moved for partial summary judgment seeking to bar Plaintiff from recovering medical expenses allegedly already paid under workers' compensation insurance. The district court denied the motion and denied Defendant's request for attorney fees.
STANDARD OF REVIEW	Summary judgment is appropriate when there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law. The court views justifiable factual inferences in favor of the nonmovant. Because Arizona law governed the diversity dispute, the court applied Arizona Supreme Court precedent and predicted state-law rules where necessary.
PRECEDENTIAL VALUE	Nonprecedential federal district court order; persuasive only.

TOPICS

uninsured motorist · insurance coverage · summary judgment · statutory interpretation · damages

PRACTICE AREAS

insurance | uninsured motorist coverage | workers' compensation | civil procedure | summary judgment

QUESTIONS PRESENTED

1. Whether A.R.S. § 23-1023 bars an injured employee from asserting an uninsured-motorist claim for medical expenses associated with a previously accepted workers' compensation injury.
2. Whether Arizona's rule against double recovery bars recovery under uninsured-motorist coverage for medical expenses previously paid by a workers' compensation insurer.
3. Whether the Cincinnati uninsured-motorist policy contains an applicable offset or exclusion provision requiring reduction of Escandon's uninsured-motorist recovery by the workers' compensation payments.
4. Whether the limited record established as a matter of law that the claimed medical expenses resulted from the prior industrial injury rather than the later motor-vehicle accident.
5. Whether Cincinnati was entitled to attorney fees under A.R.S. §§ 12-341.01 or 12-349(A).

HOLDINGS

1. A.R.S. § 23-1023 does not bar Escandon's uninsured-motorist claim because the statutory references to an action against an "other person" or "another person" refer to a third-party tortfeasor, not an uninsured-motorist insurer.
2. Arizona law does not independently bar a potential double recovery where the plaintiff seeks recovery under uninsured-motorist coverage and workers' compensation coverage, absent an applicable contractual offset provision.
3. The uninsured-motorist policy provisions identified by Cincinnati did not, as a matter of law, require offsetting Escandon's uninsured-motorist coverage by the workers' compensation payments.
4. Cincinnati was not entitled to attorney fees on the present motion. Its request under A.R.S. § 12-341.01 was denied without prejudice as premature, and its request under A.R.S. § 12-349(A) was denied on the merits.

KEY QUOTATIONS

> *"Accordingly, "another person" or "other person" as used in § 23-1023(A) and (B) refer to a third-party tortfeasor, and a claim against a UM insurer is not a claim against a third-party tortfeasor."* (at 7)

> *"Accordingly, insurers may eliminate double recovery under their UM policy contractually through viable offset provisions."* (at 9)

> *"Otherwise, where a plaintiff seeks coverage for an injury from both UM and WC insurers, Arizona law permits double recovery."* (at 9)

> *"IT IS ORDERED denying Defendants' Motion for Partial Summary Judgment and request for attorney fees (Doc. 23)."* (at 12)

FACTUAL BACKGROUND

Ray Escandon had a prior industrial back injury and reinjured his back while working on March 1, 2021. On June 11, 2021, while working and driving a vehicle insured by Cincinnati, Escandon was rear-ended by an unidentified driver. Escandon's workers' compensation insurer later accepted his industrial-injury claim and fully paid medical expenses that Escandon also sought as damages under his uninsured-motorist claim. Escandon alleged that the motor-vehicle accident aggravated his prior industrial injury.

PROCEDURAL HISTORY

Escandon filed an uninsured-motorist claim in Arizona state court on June 10, 2024. Cincinnati removed the action to the District of Arizona under 28 U.S.C. § 1446(a), then moved for partial summary judgment. After briefing, oral argument, and supplemental briefing concerning A.R.S. § 23-1023, the court denied the motion.

DISPOSITION

other

CASES CITED

- Celotex Corp. v. Catrett, 477 U.S. 317, 322-23 (1986)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248, 250, 255 (1986)
- Albano v. Shea Homes Ltd. P'ship, 634 F.3d 524, 530 (9th Cir. 2011)
- Air-Sea Forwarders, Inc. v. Air Asia Co., 880 F.2d 176, 186 (9th Cir. 1989)
- Sunstate Equip. Corp. v. Indus. Comm'n, 662 P.2d 152, 153-55 (Ariz. Ct. App. 1983)
- State Farm Mut. Auto. Ins. Co. v. Karasek, 523 P.2d 1324, 1326 (Ariz. Ct. App. 1974)
- Allied Mut. Ins. Co. v. Larriva, 507 P.2d 997, 998-99 (Ariz. Ct. App. 1973)
- Schultz v. Farmers Ins. Grp. of Cos., 805 P.2d 381, 384-85 (Ariz. 1991)
- Cundiff v. State Farm Mut. Auto. Ins. Co., 174 P.3d 270, 272-74 (Ariz. 2008)
- Centerpoint Mech. Lien Claims, LLC v. Commonwealth Land Title Ins. Co., 569 P.3d 796, 806 (Ariz. 2025)
- Bridgestone/Firestone N. Am. Tire, L.L.C. v. Naranjo, 79 P.3d 1206, 1209 (Ariz. Ct. App. 2003)
- Sahadi v. Mid-Century Ins. Co., 646 P.2d 307, 309 (Ariz. Ct. App. 1982)
- Spain v. Valley Forge Ins. Co., 731 P.2d 84, 86-87 & n.2 (Ariz. 1986)
- Miller v. Am. Standard Ins. Co., 759 F. Supp. 2d 1144, 1145, 1149 (D. Ariz. 2010)
- Taylor v. Travelers Indem. Co. of Am., 9 P.3d 1049, 1054 (Ariz. 2000)
- Terry v. Auto-Owners Ins. Co., 908 P.2d 60, 63-64 (Ariz. Ct. App. 1995)
- Grammatico v. Indus. Comm'n, 117 P.3d 786, 790 (Ariz. 2005)
- McDowell v. Davis, 448 P.2d 869, 872 (Ariz. 1968)
- Brand v. J. H. Rose Trucking Co., 427 P.2d 519, 523 (Ariz. 1967)
- Perez v. Circle K Convenience Stores, Inc., 564 P.3d 623, 630 (Ariz. 2025)
- Lou Grubb Chevrolet, Inc. v. Indus. Comm'n, 846 P.2d 836, 840-42 (Ariz. Ct. App. 1992)
- Ariz. Prop. & Cas. Ins. Guar. Fund v. Herder, 751 P.2d 519, 524-25 (Ariz. 1988)

- Henke v. Hosp. Dev. of W. Phoenix, Inc., No. CV-24-0259-PR, 2025 WL 2970333, at *4 (Ariz. Oct. 22, 2025)
- Sampson v. Surgery Ctr. of Peoria, LLC, 491 P.3d 1115, 1118 (Ariz. 2021)
