SUPREME COURT OF THE STATE OF IDAHO

Brooksby v. Geico General Insurance

153 Idaho 546 (2012) · No. 38761 · Decided September 17, 2012

SUMMARY

The Idaho Supreme Court affirmed dismissal of Christina Brooksby's declaratory judgment action against GEICO General Insurance Company. The court held that, absent statutory or contractual authorization, an injured third party lacks standing to bring a direct action against the tortfeasor's liability insurer, and that Idaho's Uniform Declaratory Judgment Act does not independently create standing.

CASE DETAILS

COURT	Supreme Court of the State of Idaho
WRITING FOR THE COURT	W. Jones, Justice; Chief Justice Burdick; Justice Eismann; Justice J. Jones; Justice Horton
JURISDICTION	Idaho
DECIDED	September 17, 2012
DOCKET	38761
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from the district court's dismissal under Idaho Rule of Civil Procedure 12(b)(6) of an injured third party's declaratory judgment action against the tortfeasor's liability insurer for lack of standing.
STANDARD OF REVIEW	De novo review of a Rule 12(b)(6) dismissal. The court accepts alleged facts as true, draws reasonable inferences for the nonmoving party, and determines whether the complaint states a claim for relief.
PRECEDENTIAL VALUE	Published Idaho Supreme Court opinion; precedential.
PARTIES	Christina Brooksby v. Geico General Insurance Company

TOPICS

declaratory relief insurance · standing · motions to dismiss · insurance coverage · appellate procedure

PRACTICE AREAS

insurance law · civil procedure · appellate procedure · contracts · remedies

QUESTIONS PRESENTED

1. Whether an injured third party may directly sue a tortfeasor's liability insurer for declaratory relief concerning coverage absent statutory or contractual authorization.
2. Whether Idaho's Uniform Declaratory Judgment Act independently confers standing on an injured third party who has no contractual or legal relationship with the insurer.
3. Whether the district court properly dismissed Brooksby's complaint under Idaho Rule of Civil Procedure 12(b)(6) for lack of standing.

HOLDINGS

1. Under Idaho's no-direct-action rule, an injured third party may not sue or join the tortfeasor's liability insurer directly unless a statute or contract authorizes the action.
2. Seeking declaratory relief rather than money damages does not eliminate the requirement that the plaintiff have standing and an actual legal relationship or controversy with the defendant.
3. An insurer's ability to join, or obligation when feasible to join, an injured third party in an insurer-initiated coverage action does not give the injured third party standing to initiate a coverage dispute concerning a policy to which she is a stranger.
4. The complaint was properly dismissed under Idaho Rule of Civil Procedure 12(b)(6) because Brooksby lacked standing to seek a declaratory judgment against GEICO.

KEY QUOTATIONS

> *"absent a contractual or statutory provision authorizing the action, an insurance carrier cannot be sued directly and cannot be joined as a party defendant."* (153 Idaho 547)

> *"It applies only where such rights, statuses, or legal relations already exist."* (153 Idaho 549)

> *"Thus, the fact that an insurer may join an injured third party in an existing coverage dispute concerning a policy that the insurer issued does not imply that an injured third party may initiate a coverage dispute concerning a policy to which she is a stranger."* (153 Idaho 550)

FACTUAL BACKGROUND

In December 2007, Christina Brooksby was injured when a vehicle driven by her father, Craig Brooksby, crashed in Bonneville County. Craig Brooksby had an automobile insurance policy with GEICO, but GEICO denied Brooksby's claim under the policy's household exclusion. Although Brooksby filed a tort action against her father, she instead pursued a separate declaratory judgment action against GEICO to establish coverage and invalidate the exclusion.

PROCEDURAL HISTORY

Brooksby sued GEICO seeking a declaration that coverage existed under her father's automobile insurance policy and that the household exclusion was invalid under Idaho law. The district court granted GEICO's Rule 12(b)(6) motion, concluding that Brooksby lacked standing because Idaho's no-direct-action rule barred her from suing the insurer absent statutory or contractual authorization and the Uniform Declaratory Judgment Act did not independently confer standing. The Idaho Supreme Court affirmed and awarded GEICO costs on appeal.

DISPOSITION

affirmed

CASES CITED

- Hoffer v. City of Boise, 151 Idaho 400, 402, 257 P.3d 1226, 1228 (2011)
- Taylor v. McNichols, 149 Idaho 826, 832, 243 P.3d 642, 648 (2010)
- Losser v. Bradstreet, 145 Idaho 670, 672-73, 183 P.3d 758, 760-61 (2008)
- Graham v. State Farm Mut. Auto. Ins. Co., 138 Idaho 611, 613, 67 P.3d 90, 92 (2003)
- Pocatello Indus. Park Co. v. Steel W., Inc., 101 Idaho 783, 791, 621 P.2d 399, 407 (1980)
- Hartman v. United Heritage Prop. & Cas. Co., 141 Idaho 193, 198-99, 108 P.3d 340, 345-46 (2005)
- Stonewall Surplus Lines Ins. Co. v. Farmers Ins. Co. of Idaho, 132 Idaho 318, 322, 971 P.2d 1142, 1146 (1998)
- Downing v. Travelers Ins. Co., 107 Idaho 511, 514, 691 P.2d 375, 378 (1984)
- Abolafia v. Reeves, 152 Idaho 898, 277 P.3d 345, 349 (2012)
- Miles v. Idaho Power Co., 116 Idaho 635, 641, 778 P.2d 757, 763 (1989)
- Selkirk-Priest Basin Ass'n v. State ex rel. Batt, 128 Idaho 831, 834, 919 P.2d 1032, 1035 (1996)
- State v. Rhoades, 119 Idaho 594, 597, 809 P.2d 455, 458 (1991)
- Harris v. Cassia Cnty, 106 Idaho 513, 516, 681 P.2d 988, 991 (1984)
- Farmers Ins. Exch. v. Dist. Court for Fourth Judicial Dist., 862 P.2d 944, 948 (Colo. 1993)
- Knittle v. Progressive Cas. Ins. Co., 908 P.2d 724, 726 (Nev. 1996)
- Temperance Ins. Exch. v. Carver, 83 Idaho 487, 491, 365 P.2d 824, 826 (1961)
- Bagley v. Thomason, 149 Idaho 806, 807, 241 P.3d 979, 980 (2010)
- Schneider v. Howe, 142 Idaho 767, 772, 133 P.3d 1232, 1237 (2006)
- Van Valkenburgh v. Citizens for Term Limits, 135 Idaho 121, 124, 15 P.3d 1129, 1132 (2000)