SUPREME COURT OF MISSISSIPPI

Meyers v. Mississippi Ins. Guar. Ass'n

883 So. 2d 10 (Miss. 2004) · No. No. 2002-CA-00362-SCT · Decided June 19, 2003

SUMMARY

The Supreme Court of Mississippi held that a general commercial liability policy's automobile exclusion barred coverage for injuries arising from an automobile accident, even though the insureds were alleged to have negligently hired, supervised, or managed the driver. The court affirmed summary judgment for the Mississippi Insurance Guaranty Association, which stood in the shoes of the insolvent insurer, and declined to reach the indemnity and bad-faith issues. A dissent argued that the alleged independent acts of negligence could constitute covered concurrent causes.

CASE DETAILS

COURT	Supreme Court of Mississippi
WRITING FOR THE COURT	Graves, Justice; Pittman, C.J.; Smith, P.J.; Waller, J.; Cobb, J.; Carlson, J.; McRae, P.J.; Easley, J.; Diaz, J.
JURISDICTION	Mississippi
DECIDED	June 19, 2003
DOCKET	No. 2002-CA-00362-SCT
DISPOSITION	affirmed
PROCEDURAL POSTURE	Meyers appealed the Circuit Court of Jackson County's grant of summary judgment to MIGA in an action seeking coverage, defense, indemnity, and bad-faith damages under a general commercial liability policy containing an automobile-use exclusion.
STANDARD OF REVIEW	The court reviewed insurance-policy construction and application and the grant of summary judgment de novo. Summary judgment is proper when no genuine issue of material fact exists and the moving party is entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	Published, precedential Mississippi Supreme Court decision; decided en banc.
PARTIES	Daniel Meyers v. Mississippi Insurance Guaranty Association

TOPICS

insurance coverage · casualty insurance litigation · duty to defend · duty to indemnify · insurance bad faith

PRACTICE AREAS

insurance law · insurance coverage · civil procedure

QUESTIONS PRESENTED

1. Whether the automobile exclusion in the general commercial liability policy barred coverage for claims alleging negligent hiring, management, supervision, training, and safety practices that allegedly contributed to an automobile accident.
2. Whether MIGA was obligated to defend and indemnify the insured for assigned indemnity claims.
3. Whether MIGA or the insolvent GCL insurer could be liable for bad faith in failing to defend, indemnify, or pay the claims.

HOLDINGS

1. A general commercial liability policy's automobile-use exclusion bars coverage for bodily-injury claims arising from the use of an automobile even when the plaintiff pleads negligent hiring, negligent supervision, failure to train, negligent management, or other theories of negligence preceding the accident.
2. MIGA, standing in the shoes of the insolvent GCL insurer, had no duty to defend or indemnify the insured because the automobile exclusion eliminated coverage for the claims.
3. The court did not reach the remaining indemnity and bad-faith issues because the automobile exclusion independently defeated coverage.

KEY QUOTATIONS

> *"The controlling case law in Mississippi is clear: claims of negligent entrustment, negligent supervision, and failure to train will not be recognized as independent acts of negligence sufficient to allow coverage under insurance policies, whether homeowners or GCL policies, with an auto-exclusion where the damages arise out of the use of an automobile."* (at 16)

> *"In the present case, although Meyers did not plead negligent entrustment or supervision, the injury for which damages are sought arose out of and would not have occurred but for the use of the truck."* (at 17)

> *"MIGA, standing in the shoes of the GCL carrier, has no duty to pay the judgment, or otherwise defend or indemnify in this case due to the auto-exclusion."* (at 18)

FACTUAL BACKGROUND

Daniel Meyers became quadriplegic after a tractor-trailer improperly turned into his lane and collided with his vehicle. He alleged that the trucking companies' negligent hiring, management, training, supervision, safety procedures, and related conduct contributed to the accident. The companies' automobile insurers paid their policy limits, while their general commercial liability insurers declined to defend; the GCL policies excluded bodily injury arising out of the ownership, maintenance, use, or entrustment of an automobile. After one GCL insurer became insolvent, MIGA assumed responsibility for covered claims.

PROCEDURAL HISTORY

Meyers was injured in an automobile accident and obtained agreed judgments against the trucking companies after their automobile insurers paid policy limits. The companies assigned claims against their general commercial liability insurers to Meyers. After Credit General became insolvent, MIGA assumed responsibility for covered claims and moved for summary judgment. The circuit court held that the automobile exclusion barred coverage and granted judgment for MIGA; the Mississippi Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Jones v. S. Marine & Aviation Underwriters, Inc., 888 F.2d 358, 361 (5th Cir. 1989)
- Am. States Ins. Co. v. Natchez Steam Laundry, 131 F.3d 551 (5th Cir. 1998)
- Radmann v. Truck Ins. Exchange, 660 So. 2d 975, 977 (Miss. 1995)
- Miller v. Meeks, 762 So. 2d 302, 304-05 (Miss. 2000)
- Dennis v. Searle, 457 So. 2d 941, 944 (Miss. 1984)
- Titan Indem. Co. v. Estes, 825 So. 2d 651, 656 (Miss. 2002)
- Warren ex rel. Warren v. United States Fidelity & Guaranty Co., 797 So. 2d 1043 (Miss. Ct. App. 2001)
- Love ex rel. Smith v. McDonough, 758 F. Supp. 397, 399, 402 (S.D. Miss.), aff'd mem., 947 F.2d 1486 (5th Cir. 1991)
- N. Ins. Co. of New York v. Ekstrom, 784 P.2d 320 (Colo. 1989)
- Travelers Indem. Co. v. Citgo Petroleum Corp., 166 F.3d 761, 770-71 (5th Cir. 1999)
- Marquis v. State Farm Fire & Cas. Co., 265 Kan. 317, 961 P.2d 1213, 1226 (1998)
- Alfa Mut. Ins. Co. v. Jones, 555 So. 2d 77 (Ala. 1989)
- Jones v. Horace Mann Ins. Co., 937 P.2d 1360 (Alaska 1997)
- LeJeune v. Allstate Insurance Co., 365 So. 2d 471, 479 (La. 1978)
- Centermark Properties, Inc. v. Home Indemnity Co., 897 S.W.2d 98, 101, 103 (Mo. Ct. App. 1995)
- Smith v. USAA Cas. Ins. Co., 532 So. 2d 1171, 1174 (La. Ct. App. 1988)
- Worcester Mut. Ins. Co. v. Marnell, 398 Mass. 240, 496 N.E.2d 158 (1985)