SUPREME COURT OF MISSISSIPPI

Bullard v. Guardian Life Ins. of America

941 So. 2d 812 (Miss. 2006) · No. No. 2005-CA-00849-SCT · Decided November 2, 2006

SUMMARY

The Mississippi Supreme Court considered whether Terry Bullard's cross-claims against Guardian Life Insurance Company were barred by the three-year statute of limitations. The majority held that Bullard's claims accrued when the insureds sued him and he allegedly suffered actual damage, rather than when the policy was sold, and therefore reversed summary judgment for Guardian. A dissent argued that the claims accrued upon completion of the allegedly fraudulent insurance sale and were untimely, and that fraudulent concealment did not toll the limitations period.

CASE DETAILS

COURT	Supreme Court of Mississippi
WRITING FOR THE COURT	Randolph, Justice; Smith, C.J.; Waller, P.J.; Cobb, P.J.; Diaz, J.; Carlson, J.; Dickinson, J.; Randolph, J.; Graves, J.; Easley, J.
JURISDICTION	Mississippi
DECIDED	November 2, 2006
DOCKET	No. 2005-CA-00849-SCT
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Bullard appealed from the circuit court's grant of Guardian's motion for summary judgment on Bullard's cross-claim, which alleged that Guardian induced him to sell a life insurance policy through false and misleading sales materials. The circuit court held that the claims were barred by Mississippi's three-year statute of limitations.
STANDARD OF REVIEW	Summary judgment is reviewed de novo.
PRECEDENTIAL VALUE	Published opinion of the Supreme Court of Mississippi; precedential.
PARTIES	Terry L. Bullard v. The Guardian Life Insurance Company of America

TOPICS

life insurance litigation · statute of limitations · summary judgment · appellate procedure · fraud

PRACTICE AREAS

insurance | life insurance litigation | civil procedure | appellate procedure | statute of limitations

QUESTIONS PRESENTED

1. Whether Bullard's claims against Guardian were barred by Mississippi's three-year statute of limitations.
2. Whether fraudulent concealment tolled the statute of limitations.

HOLDINGS

1. Bullard's claims did not accrue when the insurance policy was sold in 1990 because he had not yet suffered damage and, on the asserted facts, had no enforceable cause of action. The claims accrued in 2000, when the Prathers filed suit against Bullard and Bullard allegedly suffered damage, making his 2002 cross-claim timely under Mississippi Code section 15-1-49(1).

KEY QUOTATIONS

> *"In the absence of damage, no litigable event arose."* (815)

> *"Bullard's cause of action against Guardian did not accrue or occur pursuant to Miss.Code Ann. Section 15-1-49(1) until the Prathers filed suit against him in 2000."* (815)

> *"Such a claim for prospective or possible damages is not recognized by this state."* (816)

FACTUAL BACKGROUND

In 1990, Bullard sold the Prathers a Guardian life insurance policy after receiving sales presentations, policy illustrations, and other marketing materials from Guardian. The Prathers later alleged that the policy had been misrepresented as requiring a single premium and that Guardian concealed the interest-sensitive nature of the payment plan and the possibility that premiums could increase. After the Prathers were notified that additional premiums were due, they sued Bullard and Guardian in 2000, allegedly causing Bullard reputational, emotional, and financial damages. Bullard then cross-claimed against Guardian, asserting that Guardian's misleading materials induced him to sell the policy.

PROCEDURAL HISTORY

The Prathers sued Bullard and Guardian concerning their 1990 purchase of a Guardian life insurance policy. Bullard filed a cross-claim against Guardian on February 5, 2002. After the Prathers' claims were settled and dismissed with prejudice, Guardian obtained summary judgment on Bullard's cross-claim based on the statute of limitations. The Mississippi Supreme Court reversed and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The case was remanded to the circuit court for further proceedings consistent with the opinion.

CASES CITED

- Stephens v. Equitable Life Assurance Co., 850 So. 2d 78, 81 (Miss. 2003)
- Cossitt v. Alfa Ins. Corp., 726 So. 2d 132, 136 (Miss. 1998)
- Wilbourn v. Stennett, Wilkinson & Ward, 687 So. 2d 1205, 1214 (Miss. 1996)
- City of Greenville v. Jones, 925 So. 2d 106, 109 (Miss. 2006)
- Montgomery v. Woolbright, 904 So. 2d 1027, 1029 (Miss. 2004)
- Forman v. Miss. Publishers Corp., 195 Miss. 90, 14 So. 2d 344, 346 (1943)
- PPG Architectural Finishes, Inc. v. Lowery, 909 So. 2d 47, 50 (Miss. 2005)
- Sweeney v. Preston, 642 So. 2d 332, 334 (Miss. 1994)
- Prescott v. Leaf River Forest Prods., Inc., 740 So. 2d 301 (Miss. 1999)
- Staheli v. Smith, 548 So. 2d 1299 (Miss. 1989)