

SUPREME COURT OF MONTANA

Newlon v. Teck American, Inc.

381 Mont. 378, 2015 MT 317 (2015) · No. DA 15-0013 · Decided November 10, 2015

SUMMARY

The Montana Supreme Court affirmed a Workers' Compensation Court judgment requiring Teck American, Inc. to continue providing medical benefits for Nick Newlon's knee and back injuries. The court held that the parties formed an enforceable settlement contract promising lifetime medical coverage and that Teck could not invoke the 60-month limitation in § 39-71-704(1)(d), MCA (1991), to avoid that contractual obligation.

CASE DETAILS

COURT	Supreme Court of Montana
WRITING FOR THE COURT	Justice Michael E. Wheat; Michael E. Wheat; Mike McGrath; Laurie McKinnon; Patricia Cotter; Jim Rice
JURISDICTION	Montana
DECIDED	November 10, 2015
DOCKET	DA 15-0013
DISPOSITION	affirmed
PROCEDURAL POSTURE	Teck American appealed the Montana Workers' Compensation Court's judgment requiring it to continue paying medical benefits for Newlon's knee and back injuries.
STANDARD OF REVIEW	The court reviewed the Workers' Compensation Court's conclusions of law de novo and its factual findings for substantial credible evidence.
PRECEDENTIAL VALUE	Published Montana Supreme Court opinion; precedential.
PARTIES	Teck American, Inc. v. Nick Newlon

TOPICS

contract formation

breach of contract

workers compensation

statutory interpretation

appellate procedure

PRACTICE AREAS

Workers' compensation

Contracts

Employment law

Appellate procedure

QUESTIONS PRESENTED

1. Whether Teck and Newlon formed an enforceable contract under which Newlon received a lump-sum payment and lifetime medical benefits in exchange for closing several workers' compensation claims.
2. Whether Teck could invoke the 60-month rule in section 39-71-704(1)(d), MCA (1991), to avoid its contractual promise to provide lifetime medical benefits.

HOLDINGS

1. Teck and Newlon formed a valid and enforceable contract granting Newlon lifetime medical coverage for his knee and back injuries.
2. The 60-month rule did not permit Teck to deny Newlon's medical benefits because Teck contracted to provide lifetime coverage and no applicable statute prohibited that promise.
3. The court would not consider Teck's argument concerning the second element of equitable estoppel because Teck raised that theory for the first time on appeal.

KEY QUOTATIONS

"On review of the relevant Workers' Compensation statutes, we find no provision preventing an employer from contracting around the statute, or specifically, preventing an employer from promising more than is provided in the statute." (§ 16)

"We find that the tenet of freedom to contract allows a party to a settlement agreement to make a promise that is durable even beyond the limits of the 60-month rule found in § 39-71-704(1)(d), MCA (1991)." (§ 18)

FACTUAL BACKGROUND

Nick Newlon worked for Teck for more than twenty years and sustained multiple work-related injuries, including serious left-knee injuries. In 1996, Newlon agreed to close thirteen of fifteen workers' compensation claims in exchange for \$25,000 and lifetime medical coverage for his left knee and back. Teck paid his knee-related medical benefits through September 2010, but later asserted that the 60-month rule in section 39-71-704(1)(d), MCA (1991), barred further benefits.

PROCEDURAL HISTORY

Newlon petitioned the Montana Workers' Compensation Court for an order requiring Teck to continue providing medical coverage for his left knee injury. The Workers' Compensation Court found that the parties had formed an enforceable settlement contract, that Teck was equitably estopped from relying on the 60-month limitation in section 39-71-704(1)(d), MCA (1991), and that Newlon's claim was not barred by limitations or repose. The Montana Supreme Court affirmed, although it resolved the dispute primarily under contract law rather than equitable estoppel.

DISPOSITION

affirmed

CASES CITED

- Thompson v. State, 2007 MT 185, ¶ 14, 338 Mont. 511, 167 P.3d 867
- Gamble v. Sears, 2007 MT 131, ¶ 20, 337 Mont. 354, 160 P.3d 537
- In re T.E., 2002 MT 195, ¶ 20, 311 Mont. 148, 54 P.3d 38
- Winter v. State Farm Mut. Auto. Ins. Co., 2014 MT 168, ¶ 26, 375 Mont. 351, 328 P.3d 665
- Arrowhead Sch. Dist. No. 75 v. Klyap, 2003 MT 294, ¶ 20, 318 Mont. 103, 79 P.3d 250
- Wiard v. Liberty Northwest Ins. Corp., 2003 MT 295, ¶¶ 20-21, 39, 318 Mont. 132, 79 P.3d 281
- Earls v. Chase Bank of Texas, N.A., 2002 MT 249, ¶ 12, 312 Mont. 147, 59 P.3d 364
- Ophus v. Fritz, 2000 MT 251, ¶ 23, 301 Mont. 447, 11 P.3d 1192

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