UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MISSOURI, EASTERN DIVISION

Julie Probus-Schad v. Auto-Owners Insurance Company

Probus-Schad · No. 4:25-cv-01136 · Decided March 31, 2026

SUMMARY

The United States District Court for the Eastern District of Missouri grants Auto-Owners Insurance Company's motion for summary judgment in a dispute over underinsured motorist coverage. The court holds that the policy unambiguously requires the at-fault driver's liability limits to be less than the insured's $100,000 UIM limit, and therefore the driver's equal $100,000 limit did not trigger coverage. The court also rejects the plaintiff's vexatious-refusal claim and enters judgment for Auto-Owners.

CASE DETAILS

COURT	United States District Court for the Eastern District of Missouri, Eastern Division
WRITING FOR THE COURT	Catherine D. Perry
JURISDICTION	United States District Court for the Eastern District of Missouri
DECIDED	March 31, 2026
DOCKET	4:25-cv-01136
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff brought claims for underinsured motorist coverage and vexatious refusal to pay. Defendant moved for summary judgment, and the court granted the motion.
STANDARD OF REVIEW	Summary judgment is appropriate when there is no genuine dispute of material fact and the moving party is entitled to judgment as a matter of law. Because the parties stipulated to the relevant facts, the remaining issue was interpretation of the insurance policy, which is a question of law.
PRECEDENTIAL VALUE	Nonprecedential district-court memorandum and order
PARTIES	Julie Probus-Schad v. Auto-Owners Insurance Company

TOPICS

uninsured motorist · insurance coverage · contract interpretation · summary judgment · civil procedure

PRACTICE AREAS

insurance law | civil litigation | contract law

QUESTIONS PRESENTED

1. Whether the Auto-Owners policy's definition of an underinsured automobile was ambiguous or otherwise provided UIM coverage when the at-fault driver's bodily-injury liability limit equaled the policy's $100,000 UIM limit.
2. Whether the policy's declarations page and set-off provisions created an ambiguity by making it impossible for the insured to recover the full stated UIM limit.
3. Whether Auto-Owners was entitled to summary judgment on the UIM coverage and vexatious-refusal claims.

HOLDINGS

1. The policy unambiguously defined an underinsured automobile as one with liability limits less than the UIM limits stated in the declarations. Because the at-fault driver's liability limit was exactly $100,000, the vehicle did not qualify as an underinsured automobile and UIM coverage was not triggered.
2. The policy was not ambiguous merely because its declarations page stated a $100,000 UIM limit and its definition and limitation provisions restricted when and how that coverage could be paid.
3. Auto-Owners was entitled to summary judgment because the policy did not provide UIM coverage under the stipulated facts, and the absence of coverage defeated both the UIM coverage claim and the vexatious-refusal claim.

KEY QUOTATIONS

> *"Because Probus-Schad is not entitled to UIM coverage under the Policy's unambiguous UIM provisions, I will grant summary judgment in favor of Auto-Owners."*

> *"The same reasoning applies here. The Policy never expressly promises UIM coverage when the underinsured motorist has liability coverage equal to the UIM limit, and it is not rendered ambiguous by the definition of "underinsured automobile," which "restricts UIM coverage to applying only when the underinsured motorist has less liability coverage than the UIM limit.""* (513 S.W.3d at 375)

> *"In the absence of ambiguity, the Policy must be enforced according to its terms."*

FACTUAL BACKGROUND

On March 23, 2024, Julie Probus-Schad was injured as a passenger when another vehicle rear-ended the vehicle in which she was riding in St. Louis, Missouri. She alleged damages exceeding $150,000 and recovered the at-fault driver's full $100,000 bodily-injury liability limit. Her Auto-Owners policy provided $100,000 in UIM coverage, but Auto-Owners denied coverage because the at-fault driver's liability limit equaled, rather than was less than, the UIM limit.

PROCEDURAL HISTORY

After Auto-Owners declined to provide UIM coverage, Probus-Schad filed this diversity action. The parties stipulated to the relevant insurance limits and accident facts. Auto-Owners moved for summary judgment, arguing that the at-fault vehicle did not qualify as an underinsured automobile under the policy; the court granted the motion and directed entry of a separate judgment.

DISPOSITION

other

CASES CITED

- Meyer v. McKenzie Elec. Coop., Inc., 947 F.3d 506 (8th Cir. 2020)
- Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574 (1986)
- First Nat’l Bank of Ariz. v. Cities Serv. Co., 391 U.S. 253 (1968)
- Council Tower Ass’n v. Axis Specialty Ins. Co., 630 F.3d 725 (8th Cir. 2011)
- Seeck v. Geico Gen. Ins. Co., 212 S.W.3d 129 (Mo. 2007) (en banc)
- Gasperini v. Ctr. for Humanities, Inc., 518 U.S. 415 (1996)
- Int’l Env’t Mgmt., Inc. v. United Corp. Servs., Inc., 858 F.3d 1121 (8th Cir. 2017)
- Rodriguez v. Gen. Accident Ins. Co. of Am., 808 S.W.2d 379 (Mo. 1991) (en banc)
- Peters v. Emps. Mut. Cas. Co., 853 S.W.2d 300 (Mo. 1993) (en banc)
- Swadley v. Shelter Mut. Ins. Co., 513 S.W.3d 355 (Mo. 2017) (en banc)
- Todd v. Mo. United Sch. Ins. Council, 223 S.W.3d 156 (Mo. 2007) (en banc)
- Owners Ins. Co. v. Craig, 514 S.W.3d 614 (Mo. 2017) (en banc)
- Ritchie v. Allied Prop. & Cas. Ins. Co., 307 S.W.3d 132 (Mo. 2009) (en banc)
- Owners Ins. Co. v. Hughes, 712 F.3d 392 (8th Cir. 2013)
- Burger v. Allied Prop. & Cas. Ins. Co., 822 F.3d 445 (8th Cir. 2016)