SUPREME JUDICIAL COURT OF MASSACHUSETTS

Enterprise Rent-A-Car Co. of Boston, Inc. v. Arbella Mutual Insurance Co.

451 Mass. 264 (2008) · Decided April 23, 2008

SUMMARY

The Massachusetts Supreme Judicial Court held that a self-insured rental-car company qualifies as an insurer paying benefits under G. L. c. 90, § 34M, and may seek subrogation for PIP benefits paid to injured passengers from the at-fault operator's personal automobile insurer. The court also held that whether the statute permits such subrogation is a legal question for a court, while fault and liability remain issues for arbitration. The summary judgment dismissing the rental company's complaint was vacated, and the case was remanded.

CASE DETAILS

COURT	Supreme Judicial Court of Massachusetts
WRITING FOR THE COURT	Greaney, J.
JURISDICTION	Massachusetts
DECIDED	April 23, 2008
DISPOSITION	vacated
PROCEDURAL POSTURE	Enterprise appealed from an order granting Metropolitan's motion for summary judgment and from a separate and final judgment dismissing Enterprise's complaint against Metropolitan. The Supreme Judicial Court transferred the appeal on its own motion.
STANDARD OF REVIEW	De novo review of the legal interpretation of G. L. c. 90, § 34M, and review of the summary judgment ruling to determine whether the moving party was entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	Published opinion of the Massachusetts Supreme Judicial Court; precedential.
PARTIES	Enterprise Rent-A-Car Co. of Boston, Inc. v. Metropolitan Property and Casualty Insurance Company

TOPICS

subrogation · insurance · statutory interpretation · arbitration · summary judgment

PRACTICE AREAS

insurance | insurance subrogation | automobile insurance | civil procedure

QUESTIONS PRESENTED

1. Whether the question of Enterprise's legal entitlement to recover PIP-related expenses from Metropolitan under G. L. c. 90, § 34M, fifth paragraph, had to be submitted to arbitration rather than decided by a court.
2. Whether a self-insured rental-vehicle owner that paid compulsory PIP benefits could pursue statutory subrogation against the personal automobile insurer of the vehicle's operator.

HOLDINGS

1. The court, rather than an arbitrator, may decide whether Enterprise is legally entitled under G. L. c. 90, § 34M, fifth paragraph, to seek subrogation from Metropolitan. Arbitration under the statute applies to disputes concerning liability or fault for the underlying accident after the insurers fail to agree, not to the legal question whether the statute authorizes the asserted subrogation claim.
2. A self-insured rental-vehicle owner that pays compulsory PIP benefits qualifies as an insurer paying benefits under G. L. c. 90, § 34M, fifth paragraph, and may pursue subrogation against the personal automobile insurer of an operator whose fault would otherwise make the operator liable in tort.

KEY QUOTATIONS

> *"We conclude that Enterprise can maintain a subrogation claim against Metropolitan under G. L. c. 90, § 34M, fifth par."* (269)

> *"This determination involves a question of law under the statute, which is similar to a question concerning coverage or scope of insurance."* (267)

FACTUAL BACKGROUND

Enterprise owned and self-insured a rental automobile operated by Joseph Navis. After an accident involving another vehicle, three passengers in the Enterprise vehicle sustained personal injuries, and Enterprise paid them $16,171.60 in compulsory PIP benefits. Navis maintained a personal automobile insurance policy with Metropolitan, and the other vehicle's owner maintained a policy with Arbella. Enterprise sought to recover the PIP payments through statutory subrogation, assuming but not deciding that Navis or the other vehicle's owner was at fault.

PROCEDURAL HISTORY

Enterprise, a self-insured rental-vehicle owner, applied in the Superior Court for appointment of an arbitrator to determine its entitlement to subrogation for PIP benefits paid to passengers. Metropolitan moved for summary judgment, arguing that Enterprise could not recover from Metropolitan as the vehicle operator's personal insurer; the motion was allowed. Enterprise and Arbella stipulated to dismissal without prejudice, and the Superior Court entered a separate and final judgment under Mass. R. Civ. P. 54(b).

DISPOSITION

vacated

REMAND INSTRUCTIONS

The order allowing Metropolitan's motion for summary judgment and the separate and final judgment dismissing the complaint against Metropolitan were vacated. The case was remanded to the Superior Court for further proceedings on Enterprise's application for arbitration.

CASES CITED

- Spaneas v. Travelers Indem. Co., 423 Mass. 352, 354 (1996)
- Boehm v. Premier Ins. Co., 446 Mass. 689, 690 (2006)
- Gurley v. Commonwealth, 363 Mass. 595, 598 (1973)