SUPREME COURT OF WYOMING

Continental Western Insurance Co. v. Black

361 P.3d 841 (Wyo. 2015) · Decided November 16, 2015

SUMMARY

The Wyoming Supreme Court affirmed summary judgment requiring Continental Western Insurance Company to provide coverage under omnibus clauses for claims arising from James Black's trailer accident. The court held that, under the parties' agreement, Keizer remained the owner of the trailer and Black used it with Keizer's permission, so Black qualified as an insured.

CASE DETAILS

COURT	Supreme Court of Wyoming
WRITING FOR THE COURT	Hill, Justice; Burke; Davis; Fox; Hill; Kautz
JURISDICTION	Wyoming
DECIDED	November 16, 2015
DISPOSITION	affirmed
PROCEDURAL POSTURE	Continental Western Insurance Company brought a declaratory judgment action seeking a ruling that its commercial and umbrella policies issued to Keizer Trailer Sales did not cover claims arising from James Black's trailer accident. The district court denied CWIC's motion for summary judgment and entered summary judgment for the defendants. CWIC appealed.
STANDARD OF REVIEW	Summary judgment in a declaratory judgment action is reviewed de novo, using the same materials and standards as the district court. Contract interpretation and the determination of whether a contract is capable of only one meaning are also reviewed without deference. 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 Wyoming Supreme Court opinion; precedential.
PARTIES	Continental Western Insurance Co. v. James Black, JJ Bugs, Ltd., Andrew Gustafson, Charles Adsit, Joe Patterson, Mia Patterson

TOPICS

insurance coverage · declaratory relief insurance · contract interpretation · contracts · insurance

PRACTICE AREAS

insurance law · contract law · declaratory judgment · summary judgment

QUESTIONS PRESENTED

1. Whether Keizer remained the owner of the trailer for purposes of the omnibus clauses despite the parties' purchase agreement and promissory note.
2. Whether Black was using the trailer with Keizer's permission.
3. Whether the transaction was a conditional sale under Iowa law.
4. Whether Iowa's owner-consent statute supplied the meaning of 'own' in the insurance policies.

HOLDINGS

1. Keizer remained the owner of the trailer because the Purchase Agreement expressly stated that Keizer would remain owner until the trailers were paid for in full, and the purchase price had not been fully paid when the accident occurred.
2. Black was using the trailer with Keizer's permission because Keizer retained ownership and Black's possession and use therefore rested on permission rather than on ownership.
3. The transaction was not a conditional sale under Iowa law; it was neither a completed sale nor a conditional sale.
4. Iowa's owner-consent statute did not supply the definition of 'own' in the policies because the statute did not govern insurance contracts, did not conflict with the policies, and did not apply to trailers.

KEY QUOTATIONS

> *"The transaction between Keizer and Mr. Black was neither a completed sale nor a conditional sale. Keizer therefore retained ownership of the trailers, and Mr. Black's use of the trailers was with Keizer's permission, making coverage available under the omnibus clauses of Keizer's CWIC policies."* (¶ 138)

FACTUAL BACKGROUND

Keizer Trailer Sales sold James Black three refrigerated trailers under an agreement stating that the transaction was a lease to purchase and that Keizer would remain the owner until the trailers were paid for in full. Black took possession, but the trailers remained titled and registered in Keizer's name, and Keizer continued to pay for license plates and insurance coverage. Before the purchase price was fully paid, Black was operating one of the trailers when it was involved in an accident that resulted in personal injuries and a death. CWIC sought to deny coverage under omnibus clauses extending coverage to anyone using a covered auto owned by Keizer with Keizer's permission.

PROCEDURAL HISTORY

After Black was involved in an accident while operating a trailer purchased from Keizer, wrongful-death and negligence claims were filed against Black and his business. CWIC sought a declaration that Black was not insured under the policies. The district court found no disputed material facts, concluded that Keizer retained ownership and that Black used the trailer with Keizer's permission, and entered summary judgment for the defendants. The Wyoming Supreme Court affirmed.

DISPOSITION

affirmed

CASES CITED

- Cheyenne Newspapers, Inc. v. Bldg. Code Bd. of Appeals of City of Cheyenne, 2010 WY 2, ¶ 8, 222 P.3d 158, 161 (Wyo. 2010)
- State ex rel. Arnold v. Ommen, 2009 WY 24, ¶ 23, 201 P.3d 1127, 1134 (Wyo. 2009)
- Voss v. Goodman, 203 P.3d 415, 419 (Wyo. 2009)
- City of Casper v. Holloway, 2015 WY 93, ¶¶ 27-28, 354 P.3d 65, 73 (Wyo. 2015)
- Leeks Canyon Ranch, LLC v. Callahan River Ranch, LLC, 2014 WY 62, ¶ 12, 327 P.3d 732, 737 (Wyo. 2014)
- Claman v. Popp, 2012 WY 92, ¶ 23, 279 P.3d 1003, 1012 (Wyo. 2012)
- Walsh v. Nelson, 622 N.W.2d 499, 503 (Iowa 2001)
- Fausel v. JRJ Enters., Inc., 603 N.W.2d 612, 618 (Iowa 1999)
- Hamilton v. Wosepka, 261 Iowa 299, 154 N.W.2d 164, 171-72 (1967)
- Pillsbury Co., Inc. v. Wells Dairy, Inc., 752 N.W.2d 430, 436 (Iowa 2008)
- Amish Connection, Co. v. State Farm Fire & Cas. Co., 861 N.W.2d 230, 236 (Iowa 2015)
- Le Mars Mut. Ins. Co. v. Joffer, 574 N.W.2d 303, 307 (Iowa 1998)
- Boelman v. Grinnell Mut. Reinsurance Co., 826 N.W.2d 494, 501-02 (Iowa 2013)
- American Family Mut. Ins. Co. v. Corrigan, 697 N.W.2d 108, 114 (Iowa 2005)
- Cairns v. Grinnell Mut. Reins. Co., 398 N.W.2d 821, 824 (Iowa 1987)
- Thomas v. Progressive Cas. Ins. Co., 749 N.W.2d 678, 682 (Iowa 2008)
- Bituminous Cas. Corp. v. Sand Livestock Sys., Inc., 728 N.W.2d 216, 222 (Iowa 2007)
- State Farm Auto. Ins. Co. v. Malcolm, 259 N.W.2d 833, 835-36 (Iowa 1977)
- Farm Bureau Life Ins. Co. v. Chubb Custom Ins. Co., 780 N.W.2d 785, 742 (Iowa 2010)
- Farm Bureau Life Ins. Co. v. Holmes Murphy & Assoc., 831 N.W.2d 129, 134 (Iowa 2013)
- A.Y. McDonald v. Insurance Co. of North America, 475 N.W.2d 607, 619 (Iowa 1991)
- Industrial Credit Co. v. Hargadon Equipment Co., 254 Iowa 757, 119 N.W.2d 238, 241-42 (1963)
- State Farm Mut. Auto. Ins. Co. v. Liverett, 475 F.2d 188, 189 (5th Cir. 1973)
- Benton v. State Farm Mut. Auto. Ins. Co., 306 F.2d 179, 181 (6th Cir. 1962)
- Beganovic v. Muxfeldt, 775 N.W.2d 313, 318, 320 (Iowa 2009)
- Tri-State Ins. Co. v. De Gooyer, 379 N.W.2d 16, 17 (Iowa 1985)
- Matthess v. State Farm Mut. Auto. Ins. Co., 548 N.W.2d 562, 564 (Iowa 1996)
- Zimmer v. Vander Waal, 780 N.W.2d 730, 734-35 (Iowa 2010)

- Stahly Cartage Co. v. Universal Mut. Cas. Co., 11 Ill. App. 2d 365, 138 N.E.2d 248, 244 (1956)