UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

State Farm Mutual Automobile Insurance Company, Farmers Insurance Exchange v. Roger Ammann

828 F.2d 4 (9th Cir. 1987) · No. No. 86-6275 · Decided September 14, 1987

SUMMARY

The Ninth Circuit reversed and remanded summary judgment in a civil RICO action brought by State Farm and Farmers concerning false insurance claims. The court held that the district court applied the wrong three-year limitations period because the Supreme Court had established a uniform four-year period, and directed reconsideration under the applicable accrual rule.

CASE DETAILS

COURT	United States Court of Appeals for the Ninth Circuit
WRITING FOR THE COURT	Edward R. Pregerson; Anthony M. Kennedy; M.D. Crocker, Senior District Judge, sitting by designation
JURISDICTION	Federal
DECIDED	September 14, 1987
DOCKET	No. 86-6275
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Plaintiffs appealed from the district court's grant of summary judgment for the defendant in a civil RICO action seeking treble damages for submission of allegedly false insurance claims.
STANDARD OF REVIEW	De novo review of the grant of summary judgment and the applicable statute-of-limitations rule.
PRECEDENTIAL VALUE	Published Ninth Circuit opinion
PARTIES	State Farm Mutual Automobile Insurance Company, Farmers Insurance Exchange v. Roger Ammann

TOPICS

statute of limitations · summary judgment · insurance · commercial litigation · civil procedure

PRACTICE AREAS

civil RICO | insurance litigation | statute of limitations | summary judgment | civil procedure

QUESTIONS PRESENTED

1. Whether the district court applied the correct limitations period to the plaintiffs' civil RICO claims.
2. When the civil RICO limitations period begins to run for each injury.

HOLDINGS

1. Civil RICO claims are governed by a uniform four-year statute of limitations, not the three-year period applied by the district court.
2. As to each injury, the civil RICO limitations period begins when the plaintiff knows or has reason to know of the injury that forms the basis of the action.

KEY QUOTATIONS

> *"Although the Court did not rule on when the civil RICO limitations period begins, it did establish a uniform four-year limitations period."* (828 F.2d at 5)

> *"as to each injury civil RICO limitations period "begins to run when the plaintiff knows or has reason to know of the injury which is the basis of the action""* (828 F.2d at 5)

FACTUAL BACKGROUND

Ammann pleaded guilty on December 21, 1984, to mail fraud for submitting false claims to State Farm, Farmers, and other insurance companies. On October 4, 1985, State Farm and Farmers filed a civil RICO action seeking treble damages based on those false claims. Ammann contended that the claims were time-barred because the insurers knew of the fraud as early as 1976.

PROCEDURAL HISTORY

Roger Ammann pleaded guilty to mail fraud arising from false insurance claims. State Farm and Farmers later filed a civil RICO complaint seeking treble damages. The district court granted Ammann summary judgment solely on statute-of-limitations grounds, applying a three-year limitations period; the Ninth Circuit reversed and remanded because the Supreme Court had subsequently established a uniform four-year civil RICO limitations period.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The district court was instructed to reconsider and dispose of the motion for summary judgment under the four-year civil RICO limitations period and the accrual rule stated in Compton v. Ide.

CASES CITED

- Compton v. Ide, 732 F.2d 1429, 1433 (9th Cir. 1984)
- Agency Holding Corp. v. Malley-Duff & Associates, 107 S. Ct. 2759, 97 L. Ed. 2d 121 (1987)
- Hennegan v. Pacifico Creative Service, Inc., 787 F.2d 1299, 1301-02 (9th Cir.), cert. denied, 107 S. Ct. 279, 93 L. Ed. 2d 254 (1986)
- Gibson v. United States, 781 F.2d 1334, 1340 (9th Cir.), cert. denied, 107 S. Ct. 928, 93 L. Ed. 2d 979 (1987)