

SUPREME COURT OF TEXAS

Christi Bay Temple v. GuideOne Specialty Mutual Insurance Co.

330 S.W.3d 251 (Tex. 2010) · No. No. 09-0683 · Decided December 3, 2010

SUMMARY

The Supreme Court of Texas considered whether a church lacked capacity to sue its insurer because a similarly named nonprofit corporation had forfeited its charter. The court held that the insurer failed to prove that the church operated as that corporation or otherwise lacked capacity to sue. It reversed the court of appeals' judgment and remanded the case to the trial court.

CASE DETAILS

COURT	Supreme Court of Texas
WRITING FOR THE COURT	Per Curiam
JURISDICTION	Texas
DECIDED	December 3, 2010
DOCKET	No. 09-0683
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The church petitioned for review after the trial court abated and later dismissed its breach-of-contract action for want of prosecution based on an asserted lack of capacity to sue. The court of appeals affirmed, and the Supreme Court of Texas granted review.
STANDARD OF REVIEW	Abuse of discretion
PRECEDENTIAL VALUE	published
PARTIES	Christi Bay Temple v. GuideOne Specialty Mutual Insurance Co., et al.

TOPICS

- civil procedure
- motions to dismiss
- appellate procedure
- insurance
- breach of contract

PRACTICE AREAS

- civil procedure
- insurance
- contracts
- appellate procedure

QUESTIONS PRESENTED

1. Whether Christi Bay Temple had capacity to sue its insurance carrier as an unincorporated religious association.
2. Whether the trial court properly abated and dismissed the church's breach-of-contract action for want of prosecution based on the alleged lack of capacity.

HOLDINGS

1. An unincorporated association organized for nonbusiness purposes generally has legal capacity to sue or be sued in its assumed name under Texas Rule of Civil Procedure 28.
2. The party challenging capacity bears the burden of proof, and GuideOne failed to meet that burden; therefore, the lower courts erred in dismissing the church's claims for want of prosecution.

KEY QUOTATIONS

“This fact alone, however, fails to raise even a suspicion that the church lacked capacity to prosecute this case.” (253)

“Because there is no evidence that the church lacked capacity, the courts below erred in dismissing its claims for want of prosecution.” (253)

FACTUAL BACKGROUND

Christi Bay Temple operated as an unincorporated religious association affiliated with the Pentecostal Church of God. Its trustees acquired the insured property in 1976, and the property sustained water damage in 2001 while insured by GuideOne. After GuideOne accepted coverage but the church disputed the adjustment, the church sued for additional damages. GuideOne relied on a similarly named nonprofit corporation chartered in 1980 and later forfeited, but presented no evidence connecting that corporation to the church, the property, or the insurance claim.

PROCEDURAL HISTORY

GuideOne amended its answer shortly before trial to assert that Christi Bay Temple lacked capacity because a similarly named nonprofit corporation had forfeited its charter. The trial court granted the plea in abatement and later dismissed the action for want of prosecution after the church failed to cure the alleged capacity defect. The court of appeals affirmed, but the Supreme Court of Texas reversed and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

The cause was remanded to the trial court for further proceedings.

CASES CITED

- Nootsie, Ltd. v. Williamson Cnty. Appraisal Dist., 925 S.W.2d 659, 661 (Tex. 1996)

- Austin Nursing Ctr., Inc. v. Lovato, 171 S.W.3d 845, 848 (Tex. 2005)
- Flowers v. Steelcraft Corp., 406 S.W.2d 199, 199 (Tex. 1966)
- Kroger Tex. Ltd. P'ship v. Suberu, 216 S.W.3d 788, 793 (Tex. 2006)

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