

JONES, SKELTON & HOCHULI ATTORNEYS SAVE CARRIER \$1 MILLION

February 5, 2015 | Case Summaries, News



Grovers v. Allied Insurance and AMCO Insurance – Jones, Skelton & Hochuli

partners [Mike Hensley](#) and [Jeff Collins](#) prevailed by summary judgment in a declaratory judgment/coverage litigation involving the choice of law (Minnesota or Arizona) and the stacking of Uninsured or Underinsured motorist coverage (UM/UIM) under Minnesota law (the law the Court held applied to the case). The net effect of this victory was to save the carrier over a million dollars in additional UM/UIM benefits. A summary of the case is as follows.

Plaintiffs' traveled to Arizona, from Minnesota, and were involved in a car/motorcycle collision. Mr. Plaintiff was driving the motorcycle with Mrs. Plaintiff as his passenger. As they went through an intersection, a car turned in front of them causing the accident. Both Plaintiffs suffered severe injuries with the combined medical expenses exceeding a million dollars. The at fault driver had minimum limits insurance.

Plaintiffs motorcycle insurer paid out \$100,000 in UIM coverage for each Mr. and Mrs. Plaintiff. Plaintiffs sought to "stack" additional UM/UIM coverage from policies they had on other cars and motorhomes they owned on to what they had already received from the motorcycle insurer. The JSH client insurance companies denied they owed any UM/UIM coverage, contending that Minnesota law applied and that under Minnesota law they did not owe UM/UIM coverage on top of what was already covered. Plaintiffs then sued the carriers who insured their motorhome and auto seeking \$250,000 for Mr. and Mrs. Plaintiff, under each of the two policies, for a total of \$1 million. They asked the Court to declare that Arizona law applied and that Arizona law allowed them to stack the multiple UM/UIM coverages under policies insuring a variety of vehicles.

One of the major issues to be decided by the Court was the choice of law. Did Minnesota or Arizona law apply? Plaintiffs argued that staying in their motorhome for multiple months made them Arizona residents so Arizona law should apply. The JSH lawyers argued the Plaintiffs were not residents of Arizona and that the choice of law analysis dictated that Minnesota law should apply in the "stacking" analysis. The Court agreed with JSH's client's position based upon the relevant facts in the context of the controlling Arizona case of *Beckler v. State Farm*.

Additionally, the JSH lawyers argued that applying Minnesota law, which limited stacking of UM/UIM coverage for multiple vehicles, meant their clients did not owe the \$1 million in additional UM/UIM coverage. The Court denied Plaintiffs Motion for Summary Judgment and granted JSH's client's Cross-Motion for Summary Judgment finding the Plaintiffs were not entitled to "stack" the UM/UIM coverage from their other vehicles on top of the UIM coverage they already recovered under the policy insuring the motorcycle. The end result? A victory that saved JSH's clients a million dollars in additional UM/UIM payments.

[Mike Hensley](#) focuses his practice on general civil litigation and all types of insurance defense litigation, including life, health, disability, and ERISA claims litigation, bad faith defense, professional liability defense, employment law, employee benefits law, and government and public entities.

[Jeff Collins](#) dedicates his practice to representing insurance carriers in coverage-related issues.