

SUMMARY STATEMENT

Cedillo v. Farmers Ins. Co. of Idaho, Docket No. 41683

The Idaho Supreme Court affirmed the Ada County district court's confirmation of an arbitrator's award to Peggy Cedillo and the district court's award of attorney fees to Cedillo. This appeal arose from an arbitration regarding Cedillo's underinsured motorist insurance policy with Farmers Insurance Company of Idaho ("Farmers") and injuries Cedillo suffered in a motorcycle accident. The arbitrator's final award included a damage award for Cedillo's injuries and additional prejudgment interest Farmers owed on those damages. After the arbitrator issued his final award, Farmers provided the arbitrator evidence that Farmers had already paid Cedillo the total amount of damages. The arbitrator adjusted the award by subtracting Farmers' payment from the prejudgment interest Farmers owed Cedillo. The district court confirmed the arbitrator's award.

On appeal, Farmers argued the district court should have modified the award because the arbitrator miscalculated prejudgment interest by applying Farmers' payment to the prejudgment interest instead of the principal amount. The Idaho Supreme Court held that the district court properly confirmed the award because the arbitrator made a legal decision about where to apply a payment and that decision was not a miscalculation. The Court also denied Farmers' challenges to the district court's attorney fees award, holding that Cedillo's contract with her attorney was legal, that the contract provided for fee recovery, and that the total amount of attorney fees was proper. The Court awarded attorney fees and costs on appeal to Cedillo.