

SUMMARY STATEMENT

McFarland v. Liberty

Docket No. 45781

This case involves the interpretation of a homeowner's insurance policy. The appellants in this case, Ryan and Kathryn McFarland, own real property that features: a main cabin; a detached garage with an upstairs "bonus room"; and a pump house. After a burst radiator damaged the garage structure, the McFarlands disagreed with their insurer about the amount of coverage their policy provided. The McFarlands contended that the garage was covered as part of the dwelling under Coverage A ("Dwelling Coverage"). The respondent, Liberty Mutual Insurance Group, Inc. ("Liberty"), believed the garage structure fell under Coverage B ("Other Structures Coverage"), which provided a substantially smaller amount of coverage.

In July 2017, the McFarlands filed a complaint in Ada County district court alleging, among other claims, breach of contract. The parties filed cross motions for summary judgment. Ruling that the policy unambiguously provided coverage for the garage under the Other Structures Coverage, the district court granted Liberty's motion for summary judgment and denied the McFarlands'. The McFarlands timely appealed. The Idaho Supreme Court determined that the policy was ambiguous and thus must be construed in favor of the McFarlands. As a result, the Court reversed the award of summary judgment and remanded the case.