

SUMMARY STATEMENT

BrunoBuilt, Inc. v. Auto-Owners Insurance Company
Docket No. 49587-2022

The Idaho Supreme Court reversed the district court's order dismissing BrunoBuilt, Inc.'s claims against Auto-Owners Insurance Company and remanded for further proceedings. This case involved the alleged negligence of an insurance agent for failing to renew an insurance policy.

BrunoBuilt contracted with William and Amy Dempsey to build a home on real property in the Boise Foothills. With the assistance of a local insurance agent, Randy L. Richardson, and his agency, Richardson Insurance Services, Inc. (collectively "Richardson"), BrunoBuilt purchased a Tailored Protection Policy ("TPP") from Auto-Owners. After contracting with the Dempseys, BrunoBuilt added the Dempsey project to its TPP in 2015. The policy purported to exclude coverage for damage caused by landslides. In 2016, Richardson renewed BrunoBuilt's policy but did not include the Dempsey project in the renewal. The parties dispute why the property was not included in the renewal.

Shortly after the renewal, the Dempsey property was damaged by a landslide. BrunoBuilt sued Richardson and Auto-Owners, asserting two claims. The only claim at issue in this appeal is BrunoBuilt's claim that Richardson negligently failed to include the Dempsey project in the 2016 TPP renewal. BrunoBuilt alleged that Auto-Owners was vicariously liable for Richardson's negligence. The district court dismissed BrunoBuilt's claim on two bases: (1) that Richardson was not acting as Auto-Owners' agent and (2) that, even if Richardson was Auto-Owners' agent, the 2016 policy excluded coverage for damage caused landslides. BrunoBuilt appealed.

The Idaho Supreme Court concluded that the district court erred in dismissing BrunoBuilt's claims. The Court held that the district court erred in dismissing the claim on the basis that Richardson was not acting as Auto-Owners' agent for purposes of the 2016 renewal because that issue was not raised by Auto-Owners and therefore BrunoBuilt did not have an opportunity to respond to the argument. Next, the Court held that the district court erred in dismissing the claim on the basis that the 2016 TPP did not provide coverage. The Court concluded that 2015 TPP did not exclude coverage for human-caused landslides. However, the 2016 TPP excluded coverage for all landslides, including those that were human caused. Under Idaho law, BrunoBuilt's 2015 coverage continued until either Auto-Owners provided notice of the reduction in coverage or until BrunoBuilt obtained replacement coverage. The Court held that genuine issues of material fact existed concerning the applicability of the 2015 policy. The Court also concluded that the district court misapplied the burden of proof because Auto-Owners had the burden of establishing the policy excluded coverage for landslides.

This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.