

**BOISE, MONDAY, APRIL 19, 2021 AT 8:50 A.M.**

**IN THE SUPREME COURT OF THE STATE OF IDAHO**

**PROGRESSIVE NORTHWEST )  
INSURANCE COMPANY, foreign )  
corporation doing business in the State of )  
Idaho, )**

**Plaintiff-Respondent, )**

**v. )**

**DEAN MICHAEL LAUTENSCHLAGER )  
and LAURA LEE LAUTENSCHLAGER, )  
husband and wife, and the marital )  
community comprised thereof, )**

**Defendants-Appellants. )**

**Docket No. 48018**

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Appeal from the District Court of the Second Judicial District, State of Idaho,  
Nez Perce County. Jay P. Gaskill, District Judge.

Crary, Clark & Domanico, PS, Spokane, for Appellants.

Kirkpatrick & Startzel, PS, Spokane for Respondent.

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This case concerns the extent to which an insurer may reduce underinsured motorist coverage following an accident in which the policyholder was both injured by an underinsured driver and partially responsible for the collision.

Dean and Laura Lautenschlager purchased a motorcycle insurance policy from Progressive Northwest Insurance Company (“Progressive”) purporting to offer \$500,000 in combined single limit coverage. The Lautenschlagers were subsequently injured in a collision between their motorcycle, driven by Dean, and a van driven by an underinsured motorist. Both Dean and Laura individually recovered \$15,000 per-person policy limits from the underinsured motorist. In addition, Laura recovered a \$375,000 settlement from Progressive on Dean’s behalf for Dean’s partial responsibility for the accident. Progressive subsequently initiated this action in Nez Perce County district court, seeking a declaration that Progressive was only responsible for an additional \$95,000 in underinsured motorist benefits under the policy following the settlements. The district court granted summary judgment in Progressive’s favor, concluding that the offset provisions in the Lautenschlagers’ policy did not violate Idaho public policy and that

the remaining coverage from Progressive was limited to \$95,000 after the offsets were taken into account.

The Lautenschlagers appeal the district court's grant of summary judgment, arguing that the offset provisions of their insurance policy are void on public policy grounds and that the policy is ambiguous with respect to the limitations on coverage.