

SUMMARY STATEMENT

Progressive Northwest Insurance Co. v. Lautenschlager

Docket No. 48018

This case concerned the scope of coverage available to two policyholders of a single limit auto insurance policy where both policyholders were injured in the same accident with an underinsured motorist and one policyholder (the passenger) had a claim against the other for his partial responsibility for the collision.

Progressive Northwest Insurance Company (“Progressive”) insured Dean and Laura Lautenschlager with a combined single limit policy of \$500,000, which provided liability coverage, in addition to underinsured and uninsured motorist 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 the policy limits of \$15,000 per-person from the underinsured motorist. In addition, Laura recovered a \$375,000 settlement from Progressive due to Dean’s partial responsibility for the collision. Progressive then instituted this action seeking a declaration that Progressive was only responsible for an additional \$95,000 in underinsured motorist benefits under the policy following the various 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. That is to say, \$500,000 less the \$375,000 already paid by Progressive and the \$30,000 paid by the van driver’s insurer left a remaining \$95,000 in coverage under the policy. The Lautenschlagers appealed the district court’s grant of summary judgment, arguing that the offset provisions of their insurance policy were void on public policy grounds and that the policy was ambiguous with respect to the amount of coverage offered.

The Idaho Supreme Court affirmed the district court’s order granting summary judgment in Progressive’s favor on the grounds that the policy unambiguously provided a maximum of \$500,000 in coverage for all claims related to one accident. The Court declined to address the Lautenschlagers’ public policy arguments with respect to the two offsets in their policy, reasoning that application of the \$500,000 policy limit prevented the Lautenschlagers from recovering more than \$95,000 even if the offsets in their policy were void. Accordingly, the Court did not affirm the district court’s summary judgment order on that ground.

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