

SUMMARY STATEMENT

United Heritage v. Zech

Docket No. 48457

This appeal arose out of an insurance coverage dispute for fire damage to a rental home. After receiving reminder notices and a bill, the Zechs failed to pay their renewal premium for their rental home by its due date. Fourteen days after the renewal premium was due, the Zechs mailed a check to United Heritage containing the late renewal premium. Six days later, but before United Heritage reviewed the late payment, a fire occurred at the rental home. Up to this point, United Heritage had not made any promises or representations about continuous coverage or reinstatement. Two days after the fire, United Heritage returned the late payment, denied coverage for the loss, and denied reinstatement of the policy. When the coverage dispute did not resolve, United Heritage filed a complaint requesting a declaratory judgment that coverage did not exist at the time of the fire. At summary judgment, the district court granted United Heritage's requested relief. The Zechs timely appealed.

The Idaho Supreme Court affirmed. First, the Court determined that the insurance policy unambiguously expired by its own terms prior to the fire. Contrary to the Zechs' argument, the "notice of cancellation" requirement under Idaho Code section 41-2401(1)(j) did not extend coverage through the date of the fire. Second, the Court determined that United Heritage did not, as a matter of law, voluntarily relinquish (i.e., waive) its right to treat the policy as lapsed. Third, the Court concluded that the Zechs could not estop United Heritage from denying reinstatement after the policy expired. The Zechs did not have a "right" to reinstatement by way of statute, policy language, or promises or representations by United Heritage. Because of this, the Zechs' late payment was merely an offer for reinstatement that United Heritage was free to reject.

Finally, the Court determined United Heritage was the prevailing party; denied attorney fees to the Zechs; and granted United Heritage costs as a matter of right.

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