

SUMMARY STATEMENT

Christmann v. State Farm Mutual Automobile Insurance Co.

Docket No. 49299

This appeal arose from a dispute regarding underinsured motorist coverage. Appellant Kelly Lynn Christmann was injured in a three-car collision caused by an underinsured driver. She filed a lawsuit against her insurer, State Farm Mutual Automobile Insurance Company (“State Farm”), to obtain the underinsured motorist benefits provided under her contract of insurance. Christmann claimed that State Farm failed to pay an amount justly due under her policy. State Farm argued that Christmann waived her rights to additional benefits by failing to comply with the contractual obligations of her insurance policy, which required her to sue the underinsured motorist. State Farm claimed this prejudiced its own subrogation rights against the underinsured motorist.

The district court awarded summary judgment to State Farm, determining that Christmann violated her policy and prejudiced State Farm. State Farm later disclosed a release that demonstrated it had earlier settled its claim against the underinsured motorist with prejudice, thereby waiving its right to seek further damages. When Christmann moved for reconsideration and Rule 60(b)(3) relief in light of the release, the district court granted State Farm’s motion to strike the release and denied any relief.

On appeal, the Idaho Supreme Court ruled that the district court abused its discretion by striking the release. The Court also reversed the summary judgment award, determining it was unfounded because State Farm had already waived its subrogation rights when it settled its claims against the underinsured motorist. Thus, State Farm could not be prejudiced by Christmann’s conduct.

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