

Underinsured Motorist Coverage Benefits Denied to Employee Operating Employer 'Furnished' Vehicle

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The Michigan Court of Appeals recently held that a personal automobile insurance policy may not provide underinsured motorist coverage for an accident when an employee is operating a vehicle "furnished" by an employer.

In *Micallef v AAA Auto Club Group of America* (unpublished), the plaintiff, a resident engineer of Continental Teves, was rear ended, sustaining injuries while driving a prototype 2013 Ford Fusion to a Ford engineering campus.

The plaintiff accepted a \$20,000 settlement from the negligent tortfeasor's insurer and sought underinsured motorist benefits from the plaintiff's personal automobile insurer. The defendant insurer denied the plaintiff's request for underinsured motorist benefits, citing, in pertinent part, the following exclusion in their policy:

This [underinsured motorist] coverage does not apply to bodily injury sustained by an insured person ... :

... while occupying a motor vehicle furnished by an insured person's employer and operated in the course of that insured person's employment unless the motor vehicle is your car

The parties did not dispute that the plaintiff was driving a vehicle that he did not own, that he was a Continental Teves employee, and that he was working at the time of the accident. Further, the plaintiff did not dispute that the prototype vehicle was not explicitly covered by his insurance policy with the defendant insurer. The plaintiff only disputed whether Continental Teves "furnished" the vehicle to him within the meaning of the policy.

The policy did not define the term "furnished." While the plaintiff argued the term "furnish" is ambiguous because his employer did not own the prototype vehicle, and could not be said to have "furnished" the prototype vehicle, the appellate court held that it must interpret an undefined term in accordance with its commonly used meaning.

UNDERINSURED MOTORIST COVERAGE BENEFITS DENIED TO EMPLOYEE OPERATING EMPLOYER
'FURNISHED' VEHICLE Cont.

The plaintiff cited *Merriam-Webster Dictionary*, defining “furnish” as “to provide with what is needed.” Turning to *Random House Webster’s College Dictionary* (1997), the appellate court defined “furnish” as simply “to provide or supply” and further reasoned that even using the plaintiff’s proffered definition of furnish, it was clear that the prototype vehicle was “what [was] needed” to complete the requested task.

Based on the above-listed definitions, the appellate court held that the plaintiff did not prove that the policy term “furnish” was ambiguous, and, therefore, summary disposition in favor of the insurer was upheld.

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