STATE OF MICHIGAN

COURT OF APPEALS

FARMERS PETROLEUM COOPERATIVE, INC.,

Plaintiff-Appellee,

v

MUTUAL SERVICE CASUALTY INSURANCE COMPANY,

Defendant-Appellant.

UNPUBLISHED
July 22, 1997

No. 191490
Eaton Circuit Court
LC No. 95-000059-CK

Before: Saad, P.J., and Neff and Jansen, JJ.

PER CURIAM.

Defendant appeals by right from a declaratory judgment holding that it was required under a commercial comprehensive general liability (CGL) policy to provide coverage to plaintiff for a loss that occurred at a private residence in August, 1994. At that time, agents of plaintiff who were installing a propane tank on the property apparently struck a fuel line, causing a large amount of fuel oil to leak into the ground. Plaintiff sought coverage from defendant for the cleanup costs. The trial court granted summary disposition for defendant on two grounds. Although we disagree with one of those grounds, we nonetheless affirm because the court reached the correct result.

I

Plaintiff first obtained CGL coverage from defendant in 1986, and this coverage was renewed annually up to and including the date of the oil spill (1994). Defendant issued the current version of the policy in 1991. The prior version of the policy, in effect from 1988 until the 1991 renewal, would have provided coverage for the instant claim. The trial court correctly held that defendant is bound to that coverage because it failed to provide adequate notice to plaintiff when the policy was changed in 1991, that coverage would no longer be provided for such a claim. Where a renewal policy is issued, without calling to the attention of the insured a reduction in coverage, the insurer is bound to the greater coverage in the earlier policy. *Koski v Allstate Ins Co*, 213 Mich App 166, 170; 539 NW2d 561 (1995) (lv granted, 1997). Here, the 1988 policy excluded coverage for any loss, cost or expense arising from a "governmental direction or request" to clean up pollutants. The request here was made

by a private party. Under the rule of reasonable expectation, a policyholder would have reasonably expected the instant claim to have been covered under the prior policy. See *Fire Ins Exchange v Diehl*, 450 Mich 678, 687; 545 NW2d 602 (1996). Nothing in the notice form that followed the amendments in 1991 called attention to a withdrawal of coverage where a *private individual* makes a request for the clean up of pollutants. The instruction to read the policy was insufficient to constitute such notice. See *Koski, supra* at 171-172. Thus, the trial court properly granted summary disposition to plaintiff.

II

Although not determinative to the outcome, we disagree with the trial court's conclusion that the express terms of the 1991 insurance contract were ambiguous with regard to coverage. The trial court erred by finding the policy ambiguous based on reading exclusion f(2)(b) in connection with exclusion f(2)(a) because an exclusion in an insurance contract should be read independently of every other exclusion. *Fragner v American Comm Mut Ins Co*, 199 Mich App 537, 540; 502 NW2d 350 (1993).

Nevertheless, as discussed above, the trial court properly granted summary disposition to plaintiff based on defendant's failure to give adequate notice of the pertinent reduction in coverage. We affirm because the trial court reached the right result although one of its grounds for doing so was incorrect. See *Michigan Employment Security Comm'n v Westphal*, 214 Mich App 261, 267; 542 NW2d 360 (1995).

Affirmed.

/s/ Henry William Saad
/s/ Kathleen Jansen