STATE OF MICHIGAN

COURT OF APPEALS

ALLSTATE INSURANCE COMPANY,

Plaintiff-Appellee,

v

GLORIA ARRINGTON, Individually and as Administrator of the Estate of MATTHEW ARRINGTON, deceased,

Defendant-Appellant,

and

CLAUDIA WILLIAMS and BELINDA WILLIAMS,

Defendants.

UNPUBLISHED
September 16, 2004

No. 247691
Wayne Circuit Court
LC No. 02-209838-CK

GLORIA ARRINGTON, Individually and as Administrator of the Estate of MATTHEW ARRINGTON, deceased,

Plaintiff-Appellant,

v

ALLSTATE INSURANCE COMPANY, Individually and as Subrogee of CLAUDIA WILLIAMS and BELINDA WILLIAMS,

Defendant-Appellee.

No. 247692
Wayne Circuit Court
LC No. 02-206693-CZ

Before: Cavanagh, P.J., and Smolenski and Owens, JJ.

PER CURIAM.

Gloria Arrington, individually and as administrator of the estate of Mathew Arrington, deceased, appeals as of right the lower court's granting of Allstate Insurance Company's motions for summary disposition and declaratory judgment and denying her motions for summary disposition in these consolidated cases. We affirm.

This case stems from an earlier wrongful death suit brought by Arrington against Claudia Williams, Belinda Williams, and the primary insured under the insurance policy in question, William Loftis. Loftis was not only Claudia and Belinda Williams's landlord, he was also related to them. The trial court granted summary disposition in that case to Loftis, but entered a default judgment against Claudia and Belinda Williams in the amount of $10,000,000. In the case at bar, Arrington argues that Claudia and Belinda Williams were insured parties under the insurance policy and seeks payment of the default judgment from Allstate.

Initially, Arrington argues that the trial court erred in determining that Claudia and Belinda Williams were not insured parties under the policy. We disagree. This Court reviews de novo a trial court's ruling on a motion for summary disposition. *Glancy v City of Roseville*, 457 Mich 580, 583; 577 NW2d 897 (1998). A motion for summary disposition pursuant to MCR 2.116(C)(10) tests the factual support of a claim. After the trial court reviews evidence in a light most favorable to the nonmoving party, it may grant summary disposition if no genuine issue of material fact exists, and the moving party is entitled to judgment as a matter of law. *De Sanchez v State*, 467 Mich 231, 235; 651 NW2d 59 (2002).[1] Contract interpretation presents a question of law subject to de novo review. *Sands Appliance Servs v Wilson*, 463 Mich 231, 238; 615 NW2d 241 (2000). Whether contract language is ambiguous is a question of law subject to de novo review. *Henderson v State Farm Fire & Cas Co*, 460 Mich 348, 353; 596 NW2d 190 (1999).

This Court's primary goal in interpreting a contract is to enforce the parties' intent. *Old Kent Bank v Sobczak*, 243 Mich App 57, 63; 620 NW2d 663 (2000). We do this by reading the agreement as a whole and applying the plain language of the contract itself. *Id*. If a phrase is unambiguous and no reasonable person would apply it differently to the undisputed material facts, then summary disposition is proper. *Henderson*, *supra* at 353. But if reasonable minds could disagree regarding its application to the facts and the conclusions drawn from these facts, then a question exists for the fact finder. *Id*. A court should not create ambiguity in an insurance contract when its terms are clear. *Id*. at 354. "While we construe the contract in favor of the insured if an ambiguity is found, this does not mean that the plain meaning of a word or phrase should be perverted, or that a word or phrase, the meaning of which is specific and well

[1] The trial court did not state the subsection on which it granted summary disposition, and the parties failed to state the subsection. But when the parties submit documentary evidence and the court relies on it, this Court treats the case as if the court granted summary disposition pursuant to MCR 2.116(C)(10). *Kefgen v Davidson*, 241 Mich App 611, 616; 617 NW2d 351 (2000).

recognized, should be given some alien construction merely for the purpose of benefitting an insured." *Id*. (internal citation omitted).

In this case, the parties' dispute centers on the meaning of the word "household" as used in the definition of "Insured Person" included in the comprehensive personal liability policy. This states, in part: "'Insured Person' – means **you** and, if a resident of **your** household, any relative and any dependent person in **your** care." (emphasis in original.) The term "household" is not defined in the policy. Allstate claims that the term is unambiguous and means the place where Loftis actually resides or lives, which is undisputedly in Illinois and not the insured premises in Detroit. Arrington argues that the term is ambiguous and this Court should interpret it to mean the insured premises.

Insurance policy terms should be given their plain and ordinary meaning. *Bianchi v Automobile Club of Michigan*, 437 Mich 65, 71 n 1; 467 NW2d 17 (1991). We construe the terms in the popular sense of the language as used and understood by ordinary people. *Id*. This Court has stated: "The commonly understood meaning of the word 'household' is a family unit living under the same roof." *Thomas v Vigilant Ins Co*, 156 Mich App 280, 283; 401 NW2d 351 (1986). The term implicates a domestic establishment. *Id*. It is undisputed that while Claudia and Belinda Williams were related to Loftis, they never lived under the same roof and never established a domestic relationship. Loftis lived separately in Illinois. Under the popular understanding of the word, the relationship between Claudia and Belinda Williams and Loftis does not equate with a household. *Thomas*, *supra* at 283.

This Court rejected an argument similar to Arrington's in *Meridian Mut Ins Co v Hunt*, 168 Mich App 672; 425 NW2d 111 (1988). In that case, the defendants argued that "household" should have been defined according to that policy's definition of "residence premises," which described the insured structure. *Id*. at 679. In rejecting that argument, we stated that "resident premises" referred to a type of physical structure, while household referred to a distinct type of living arrangement or social unit. *Id*. at 680-681. Arrington attempts the same argument in this case. She tries to argue that the term "household" is equivalent to the term "Insured Premises," which is defined separately in the policy. The definition of "Insured Premises" lists several types of potentially covered property and refers to the premises described on the declaration page – which only lists the house in Detroit – but it does not mention the term household. As in *Meridian Mut Ins Co*, plaintiff attempts to create an ambiguity by equating household with a physical structure. *Id*. at 679-681.

But the concept of household is more than the insured physical structure. It implicates a social living arrangement. *Id*.; *Thomas*, *supra* at 283. As previously discussed, no living arrangement existed. Loftis lived separate from Belinda and Claudia Williams in another state. The relationship between Loftis and Claudia and Belinda Williams did not equate with the plain meaning of household. *Thomas*, *supra* at 282-283. Given that household is unambiguous and no

reasonable person could differ with respect to its application to the undisputed facts, the trial court properly granted summary disposition to Allstate. *Henderson*, *supra* at 353.[2]

Next, Arrington argues that Allstate is estopped from arguing that Claudia and Belinda Williams are not covered under the insurance policy. We disagree. In limited circumstances, estoppel may hold an insurance company liable for coverage different from what is expressly stated in the policy agreement. *Mate v Wolverine Mut Ins Co*, 233 Mich App 14, 22; 592 NW2d 379 (1998). The necessary elements are: 1) a party, by representation, admissions, or silence, intentionally or negligently induces another party to believe certain facts exist; 2) the other party rightfully relies and acts on this belief; and, 3) the relying party will be prejudiced if the former party denies the existence of these facts. *Id*., quoting *Lichon v American Universal Ins Co*, 435 Mich 408, 415; 459 NW2d 288 (1990). Arrington fails to meet these requirements.

Arrington offers no evidence of any action or silence by Allstate that would induce Loftis to believe the policy covered Belinda and Claudia Williams. She offers no evidence that Loftis believed the policy covered Claudia and Belinda Williams. Nor does she offer any evidence that Loftis relied on a misrepresentation of any kind. Arrington further fails to demonstrate that Allstate, by not extending coverage to Claudia and Belinda Williams, will injure Loftis. And in fact, Loftis will not be injured. No matter the outcome of this case, Loftis will remain in the same position. Even if Allstate had made a misrepresentation regarding coverage to Loftis, Allstate still would not be estopped because Loftis would not be injured. *Mate*, *supra* at 22.

Arrington tries to argue that the judgment against Claudia and Belinda Williams satisfies the prejudice requirement. But existing case law states that the injury has to be to the relying party. *Id*. Claudia and Belinda Williams were not in contract with Allstate. Arrington implies that an injury to third parties to a contract is sufficient to satisfy the prejudice requirement for estoppel without citing any authority. This Court will not search for authority to make a party's argument or to sustain a position. *Mudge v Macomb County*, 458 Mich 87, 105; 580 NW2d 845 (1998). "'The appellant . . . must first adequately prime the pump; only then does the appellate well begin to flow.'" *Id*., quoting *Mitcham v Detroit*, 355 Mich 182, 203; 94 NW2d 388 (1959). Therefore, Arrington failed to articulate the necessary grounds for estoppel. The trial court correctly granted Allstate summary disposition.

Finally, Arrington argues that Allstate should be held liable for pre- and post-judgment interest. Given our conclusion that the trial court correctly granted summary disposition in favor of Allstate, we decline to address this issue.

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[2] Arrington points to *Workman v Detroit Automobile Inter-Ins Exch*, 404 Mich 477; 274 NW2d 373 (1979) to argue that the term "household" has no fixed or accepted meaning. The Supreme Court in that case did not address the meaning of household, but instead, addressed the meaning of "resident" and "domiciled." *Id*. at 495-497. Therefore, that case is inapposite here. But we note that even if the test in *Workman* is applied, Claudia and Belinda Williams would not be residents of, or domiciled, in Loftis' household.

Affirmed.

/s/ Mark J. Cavanagh
/s/ Michael R. Smolenski
/s/ Donald S. Owens