

Commonwealth of Kentucky
Court of Appeals

NO. 2017-CA-000313-MR

COURTNEY CONLEY

APPELLANT

v. APPEAL FROM MAGOFFIN CIRCUIT COURT
HONORABLE KIM C. CHILDERS, JUDGE
ACTION NO. 15-CI-00203

KENTUCKY FARM BUREAU
MUTUAL INSURANCE COMPANY; AND
ESTATE OF EDGAR GAMBLE, JR. BY AND
THROUGH HIS ADMINISTRATOR
EDGAR GAMBLE, SR.

APPELLEES

OPINION
AFFIRMING

** ** * ** * ** *

BEFORE: CLAYTON, CHIEF JUDGE; DIXON AND D. LAMBERT, JUDGES.

LAMBERT, D., JUDGE: Kentucky Farm Bureau Mutual Insurance Company

(KFB) issued a homeowner's insurance policy to Courtney Conley that excluded coverage for bodily injury arising from motor vehicle accidents. The Magoffin

Circuit Court determined an exception to that exclusion did not preserve coverage

in a wrongful death action arising from an all-terrain vehicle (ATV) accident.

After review, we affirm.

I. BACKGROUND

In June 2015, Conley was involved in an accident while operating an ATV on KY 867 in Magoffin County, Kentucky. His passenger, Edgar Gamble, Jr., died as a result of the accident. Gamble's estate (the Estate) later sued Conley for wrongful death.

The lawsuit was presented to KFB, which had issued Conley a homeowner's insurance policy with respect to his residence in Fayette County, Kentucky. On presentation, KFB initially paid Conley's defense costs. However, it reserved the right to dispute whether insurance coverage extended to the Estate's claims. KFB based its reservation on following policy language:

Section II – Exclusions

1. **Coverage E – Personal Liability and Coverage F – Medical Payments to Others** do not apply to “**bodily injury**” or “**property damage**”:

f. Arising out of:

- (1) The ownership, maintenance, use, loading or unloading of motor vehicles or all other motorized land conveyances, including trailers, owned or operated by or rented or loaned to an “**insured**”;

This exclusion does not apply to:

(2) A motorized land conveyance designed for recreational use off public roads, not subject to motor vehicle registration and:

(a) Not owned by an “**insured;**” or

(b) Owned by an “**insured**” and on an “**insured location**”[.]

Eventually, both Conley and KFB petitioned the circuit court to determine whether the policy provided coverage for the ATV accident. The parties agreed that the matter hinged on whether Conley “owned” the ATV under the terms of the policy. After construing the policy, the circuit court entered declaratory judgment in favor of KFB. According to the circuit court, coverage did not apply and KFB had no duty to defend or indemnify Conley. This appeal followed.

II. STANDARD OF REVIEW

The construction and legal effect of an insurance contract is a matter of law reviewed *de novo*. *Morganfield Nat’l Bank v. Damien Elder & Sons*, 836 S.W.2d 893, 895 (Ky. 1992). Unambiguous language will be read according to its ordinary meaning. *Hugenberg v. West American Ins. Company/Ohio Cas. Group*, 249 S.W.3d 174, 185 (Ky. App. 2006).

III. DISCUSSION

On appeal, Conley contends he was not the legal owner of the ATV he was operating the day of the accident because he was not the legal titleholder on a

certificate of title. He also contends the insurance policy is ambiguous in its use of the term “owner.” For the following reasons, we disagree.

Titling of all-terrain vehicles is governed by 601 KAR¹ 9:205. Under Section 4 of that regulation, title of an all-terrain vehicle is transferred pursuant to KRS² 186A.215, just like motor vehicles. As explained in *Nantz v. Lexington Lincoln Mercury Subaru*, 947 S.W.2d 36, 37 (Ky.1997), a seller can comply with KRS 186A.215 by completing and signing the assignment of title section on the certificate of title and delivering it to the buyer. Once title is transferred in this manner, the buyer becomes the “owner.” KRS 186.010(7).

Here, the insurance policy language is not ambiguous, but comports with established interpretations of Kentucky’s title statutes. An “owner” of an all-terrain vehicle under the policy is the one holding legal title to it. And, during the discovery process, Conley admitted in his interrogatory responses that the ATV’s executed title was delivered to him at purchase. However, Conley had not filed the title documents at the county clerks’ office to register the transfer at the time of the accident. Still, Conley owned the ATV when the accident occurred away from the “insured location.” The policy exception to the motor vehicle exclusion did not

¹ Kentucky Administrative Regulations.

² Kentucky Revised Statutes.

apply; therefore, Conley was not covered by the KFB policy. The Magoffin Circuit Court's judgment is affirmed.

ALL CONCUR.

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