



**ARIZONA SUPREME COURT
ORAL ARGUMENT CASE SUMMARY**



**STAKER & PARSON COMPANIES, INC. v.
SCOTTSDALE INSURANCE COMPANY
CV-21-0256-CQ**

PARTIES:

Plaintiffs: Staker & Parson Companies, Inc.

Defendant: Scottsdale Insurance Company

FACTS:

This case was certified to this Court by the United States District Court for the District of Utah.

Staker & Parson Companies, Inc., (“Staker”) is a Utah company that operates a pit mine in Arizona. In conjunction with its mining operations, it entered into a “Haul Agreement” with a trucking company. Under the Haul Agreement, Staker required the trucking company to name it as an “additional insured” on the trucking company’s automobile liability policy. The Haul Agreement included an indemnity provision whereby the trucking company would indemnify Staker for damages unless they were attributable to Staker’s negligence.

In January 2014, one of the drivers employed by the trucking company as a tractor-trailer driver was injured when he attempted to dislodge a rock that became wedged between the rear right dual tires. The employee sued Staker and others for negligence and other claims in Pima County Superior Court. Staker tendered the defense to Scottsdale Insurance Company, and the insurance company denied coverage. A jury found in favor of the employee in the trial court. Staker appealed, and the court of appeals reversed, vacated the judgment, and remanded for entry of judgment in favor of Staker. Staker’s attorneys incurred more than \$1 million in fees in defending the action through the appeal, and brought this suit in federal court seeking damages under the automobile liability policy. At issue is whether the trucking company’s insurer had a duty to defend Staker under the trucking company’s insurance policy.

CERTIFIED QUESTIONS:

(1) Under Arizona law, is an additionally named insured on a commercial automobile liability insurance policy “using” an independent contractor’s covered vehicle when that vehicle is being operated by an employee of the independent contractor to transport the additionally named insured’s cargo and the additionally named insured does not have active or actual control over the vehicle’s operation or the independent contractor's employee?

(2) Under Arizona law, is an additionally named insured on a commercial automobile liability insurance policy “using” an independent contractor’s covered vehicle when that vehicle is being operated an employee of the independent contractor to transport the additionally named insured’s cargo over private roads that are owned and maintained by the additionally named insured, regardless of whether the additionally named insured has active or actual control over the vehicle’s operations of the independent contractor's employee?

(3) Under Arizona law, can the managerial functions of an additionally named insured on a commercial automobile liability insurance policy, such as establishing safety training procedures for independent contractors operating vehicles on the additionally named insured's property, constitute a “use” of an independent contractor’s covered vehicle?

(4) If the answer to any of Questions (1) through (3) above is “yes,” under Arizona law, is there a sufficient causal link between the additionally named insured’s “use” of the covered vehicle and theories of liability for personal injuries sustained by the independent contractor’s employee to trigger an insurer’s duty to defend the additionally named insured when the employee stopped and exited the vehicle and was injured when attempting to dislodge an obstruction that became lodged in the vehicle’s dual tires while it was being operated on the additionally named insured’s private roads?

This Summary was prepared by the Arizona Supreme Court Staff Attorneys’ Office solely for educational purposes. It should not be considered official commentary by the Court or any member thereof or part of any brief, memorandum, or other pleading filed in this case.