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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Allstate Doesn't Owe Coverage To Dead Racer's Stepfather

By Hope Patti

Law360 (July 18, 2022, 2:09 PM EDT) -- An Allstate unit isn't obligated to cover a policyholder in an underlying suit over his stepson's death at a speedway, a Texas federal judge ruled, finding that a motor vehicle exclusion bars coverage of bodily injury claims involving a vehicle under his homeowner's policy.



A Texas federal judge ruled that an Allstate unit does not have to cover a policyholder in a suit over his stepson's death at a speedway. The judge found that a motor vehicle exclusion bars coverage of bodily injury claims involving a vehicle under his homeowner's policy. (AP Photo/Nam Y. Huh, File)

U.S. District Judge Ed Kinkeade said Allstate Vehicle & Property Insurance Co. has no duty to defend or indemnify Alan Crawford against claims brought by his stepson Caleb Couch's father, accusing him of negligently designing and assembling a sprint car that caused the 17-year-old's death.

"Because the accident and resultant injuries arose out of the use of a motor vehicle, and because the policy's motor vehicle exclusion applies to those injuries, Allstate has no duty to defend or indemnify in the underlying lawsuit," the judge said Saturday in an **opinion**.

In July 2021, Couch was racing his sprint car at Super Bowl Speedway in Greenville, Texas, when it flipped over and caught fire, according to court filings. Couch, who was trapped inside the vehicle, later died from his injuries.

Couch's father, Brandon Couch, subsequently sued Crawford in Texas state court, alleging that his son's death arose out of Crawford's failure to safely design and assemble the sprint car, according to court documents.

Crawford sought defense from Allstate under his homeowner's policy, but the insurer said the policy did not provide coverage for the underlying claims and filed the current action in November.

While the policy provides coverage for certain claims of bodily injury or property damage, the insurer said the motor vehicle exclusion limits Allstate's duty to defend and indemnify against claims involving a motor vehicle or trailer, with some exceptions. For example, coverage would be reinstated for claims arising out of the use of a motorized wheelchair or a golf cart used for golfing purposes.

Crawford and Brandon Couch contended that the exclusion does not apply because the sprint car is not a motor vehicle under the policy. Judge Kinkeade rejected their argument that the term motor vehicle is ambiguous, and held that Crawford and Couch's proffered interpretations of the term were unreasonable when read with the exceptions to the motor vehicle exclusion.

"The policy apparently contemplates a broad reading of 'motor vehicle,' as there would be little reason to specifically except instances that would already not be subject to the exclusion," the judge said.

The judge concluded that a sprint car is a motor vehicle that falls within the exclusion and also found that Caleb Couch's injuries arose out of the use of a motor vehicle.

"Per the live pleading in the [underlying] lawsuit, but for the use of the sprint-car for its intended purpose — racing — the accident and resultant injuries would not have occurred," Judge Kinkeade said.

Andrew B. Sommerman, counsel for Brandon Couch, told Law360 that he understood the judge's ruling, but "with all respect to him, we believe this is an error and will appeal."

Representatives of Allstate and Crawford did not immediately respond Monday to requests for comment.

Allstate is represented by David G. Allen and Pamela J. Touchstone of David Allen Law Group PLLC.

Crawford is represented by Bryan T. Pope of Waddell Serafino Geary Rechner Jenevein PC.

Couch is represented by Andrew B. Sommerman of Sommerman McCaffity Quesada & Geisler LLP.

The case is Allstate Vehicle & Property Insurance Company v. Crawford et al., case number 3:21-cv-02806, in the U.S. District Court for the Northern District of Texas.

--Editing by Amy Rowe.