



**ARIZONA SUPREME COURT  
ORAL ARGUMENT CASE SUMMARY**



**KATELIN NEWMAN v. CORNERSTONE NAT'L INS. CO.  
dba FREEDOM NAT'L INS. SERVICES  
CV-14-0121-PR**

**PARTIES:**

*Petitioner:* Katelin Newman

*Respondent:* Cornerstone National Insurance Co. dba Freedom National Insurance Services

**FACTS:**

Newman was seriously injured in an automobile collision. The policy limits of both her own insurance and the insurance of the other party to the accident did not sufficiently cover the cost of treating her injuries. Newman asked her insurer, Cornerstone, for underinsured motorist (“UIM”) coverage benefits. Cornerstone denied Newman’s claim because Newman had signed a waiver declining UIM coverage.

Newman filed suit against Cornerstone in superior court. She filed a motion for partial summary judgment. In the motion she argued that the offer of uninsured motorist and UIM coverage Cornerstone made to her was deficient under Arizona Revised Statutes (“A.R.S.”) section (“§”) 20-259.01(B) because the offer did not include a premium price. Cornerstone filed a cross-motion for summary judgment based on Newman’s signed form approved by the Arizona Department of Insurance that waived (declined) UIM coverage. The trial court ruled in favor of Cornerstone.

The court of appeals affirmed the trial court, holding that a premium quote is not a required term for a valid offer of UIM coverage.

**ISSUE:**

In some cases, all that matters is one word. This case rests on one word: “Offer[.]”  
What does it mean in A.R.S. § 20-259.01(B)?

**STATUTORY PROVISIONS:**

**A.R.S. § 20-259.01(B)** (in relevant part):

“B. Every insurer writing automobile liability or motor vehicle liability policies shall also make available to the named insured thereunder and shall by written notice offer the insured and at the request of the insured shall include within the policy underinsured

motorist coverage which extends to and covers all persons insured under the policy, in limits not less than the liability limits for bodily injury or death contained within the policy. The selection of limits or rejection of coverage by a named insured or applicant on a form approved by the director shall be valid for all insureds under the policy. . . . At the request of the insured, the insured may purchase and the insurer shall then include within the policy underinsured motorist coverage that extends to and covers all persons insured under the policy in any amount authorized by the insured up to the liability limits for bodily injury or death contained within the policy.”

**DEFINITIONS:**

**Db:**

Doing business as, abbreviated as “dba,” means the use of a business name that is not the legal name of the business owner. The legal name of the business appears before the “dba.”

**Underinsured motorist coverage (“UIM”):**

Coverage by the insured person’s own insurer that applies if the cost of that person’s bodily injuries (or death) exceed the limits of the other applicable insurance, for example, the other driver’s liability policy limit.

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