sued to collect $250 thousand as the beneficiary on her son's life insurance policy. Although the policy provided for coverage due to accidental death, it also contained two relevant exclusions. First, it excluded coverage for intentional acts that resulted in death. Second, it excluded coverage for death resulting from the commission of a crime. The insurer argued that these provisions prevented the mother's recovery since the insured's death was foreseeable and occurred while he was speeding. The court of appeals rejected both arguments.

The court initially did not accept the argument that the death was intentional. The insurer argued that the insured could have contemplated the nature of his act and foreseen the danger associated with intoxication. The court, however, held that a death was accidental unless it was the result of a plan, design, or intent on the part of the decedent. Since there was no evidence of a plan to cause the injury, the court concluded that the death was accidental.

The court then held that the policy did not define speeding as a crime. Initially, the court stated that the term "crime" was ambiguous since the policy did not define the term and the insured might interpret it to mean only serious crimes such as armed robbery or murder. Moreover, the insurer could have inserted a specific term precluding coverage due to death caused by drunkenness as it had excluded coverage for death resulting from illegal drug use.

Federal Protection of Insurance Benefits for Laid-off Employees

Jones v. Kayser-Roth Hosiery, Inc., 748 F. Supp. 1292 (E.D. Tenn. 1990).

In this case, a district court found that a self-insured employer must provide a premium payment to employees discharged in violation of the Worker Adjustment, Retraining and Notification Act. The act provides that employers must give employees a sixty day warning before terminating them in a general layoff. If an employer fails to give the warning, it is liable for back pay and lost benefits during the period in which the warning would have been effective. In this case, the employees sued to recover back pay and insurance benefits. Because the employer was self-insured, it argued it was only liable for medical payments it would have made under its plan. The federal magistrate hearing the case rejected the company's argument.

The magistrate held that the employees were entitled to the value of the benefits they would have received during the notification period. These benefits included those payments they would have received for medical care. It also included the value of the insurance benefits the employer provided through its self-insurance program. The court then calculated the value of the benefit as the cost of the program to the self-insured company.