

NOT FOR PUBLICATION

FILED

UNITED STATES COURT OF APPEALS

JUN 16 2023

FOR THE NINTH CIRCUIT

MOLLY C. DWYER, CLERK
U.S. COURT OF APPEALS

NORTHLAND, LLC, an Idaho limited
liability company; KAYLA BRIGGS,

Plaintiffs-Appellants,

v.

CONTRACTORS BONDING &
INSURANCE COMPANY,

Defendant-Appellee.

No. 22-35476

D.C. No. 4:21-cv-00281-DCN

MEMORANDUM*

Appeal from the United States District Court
for the District of Idaho
David C. Nye, Chief District Judge, Presiding

Argued and Submitted June 5, 2023
Seattle, Washington

Before: SCHROEDER, HAWKINS, and CALLAHAN, Circuit Judges.

Northland, LLC and its owner Kayla Briggs (collectively “Northland”) appeal the district court’s grant of summary judgment to Northland’s insurer, Contractors Bonding & Insurance Company (“CBIC”). Northland contends that the district court erred in its determination that a commercial general liability policy (“the Policy”)

* This disposition is not appropriate for publication and is not precedent except as provided by Ninth Circuit Rule 36-3.

that CBIC issued to Northland did not cover two lawsuits—one regarding Northland’s failure to return a customer’s deposit (the “*Ball* lawsuit”) and another regarding missed payments under equipment financing agreements (the “*Balboa* lawsuit”). We have jurisdiction under 28 U.S.C. § 1291. We review the district court’s grant of summary judgment de novo, *Tabares v. City of Huntington Beach*, 988 F.3d 1119, 1124 (9th Cir. 2021), and affirm.

Under Idaho law—which governs the substantive issues in this case, *see Nitco Holding Corp. v. Boujikian*, 491 F.3d 1086, 1089 (9th Cir. 2007)—an insurer’s duty to defend a particular lawsuit is determined from the four corners of the complaint. *Scout, LLC v. Truck Ins. Exch.*, 434 P.3d 197, 202–03 (Idaho 2019). In relevant part, the Policy provides that CBIC “will pay those sums that the insured becomes legally obligated to pay as damages because of . . . ‘property damage’” that is caused by an “occurrence.” Thus, CBIC had a duty to defend the *Ball* and *Balboa* lawsuits if the allegations of the complaints, “read broadly, reveal a potential for liability” for damages arising from property damage caused by an occurrence. *Hoyle v. Utica Mut. Ins. Co.*, 48 P.3d 1256, 1261 (Idaho 2002). Neither complaint includes such allegations. Instead, both complaints allege breaches of contract and seek liability arising from contractual obligations and debts rather than from property damage. *See Magic Valley Potato Shippers v. Cont’l Ins.*, 739 P.2d 372, 375 (Idaho 1987).

Even assuming that CBIC was required to consider extrinsic facts regarding a fire that occurred at Northland's shop, CBIC did not err in its determination that the *Ball* and *Balboa* lawsuits did not fall under the Policy's coverage. Although the fire may have made it more difficult for Northland to satisfy the financial obligations at issue in the *Ball* and *Balboa* lawsuits, it was not the impetus for the lawsuits or the basis for calculating the damages sought therein. *See id.* Accordingly, the district court correctly determined that CBIC was entitled to summary judgment.

Because we conclude that the *Ball* and *Balboa* lawsuits do not involve property damage caused by an occurrence necessary to trigger coverage under the Policy, we need not consider Northland's remaining arguments regarding the Policy's contract-related exclusion.

AFFIRMED.