This opinion is nonprecedential except as provided by Minn. R. Civ. App. P. 136.01, subd. 1(c).

STATE OF MINNESOTA
IN COURT OF APPEALS
A25-1694

Kristin Harner, et al.,
Appellants,

vs.

FBL Financial Services, Inc., et al.,
Respondents,

Guy J Dawson,
Defendant.

Filed May 26, 2026
Affirmed
Connolly, Judge

Rice County District Court
File No. 66-CV-23-2730

Brock P. Alton, Hellmuth & Johnson PLLC, Woodbury, Minnesota (for appellants)

Louise A. Behrendt, Tony R. Krall, Joel M. Muscoplat, Meagher + Geer, P.L.L.P., Minneapolis, Minnesota (for respondents)

Considered and decided by Wheelock, Presiding Judge; Connolly, Judge; and Smith, Tracy M., Judge.

NONPRECEDENTIAL OPINION

CONNOLLY, Judge

Appellants-insureds challenge the summary judgment granted to respondents-insurers, arguing that the district court erred by (1) not reforming appellants' policy to comply with Minn. Stat. § 65A.01 (2024), (2) and instead concluding that the policy's plain language clearly did not provide fire coverage for one of appellants' buildings, and (3) concluding that an expert opinion would be required to establish the relevant standard of care. We affirm.

FACTS

On March 10, 2020, appellants Kristin and Steven Harner (the Harners), owners of a property that included their home and three other buildings, met on their property with an insurance agent and an underwriter from respondents FBL Financial Services, Inc., Farm Bureau Financial Services, and Farm Bureau Property & Casualty Company (collectively, FBL) to get a quote. One building, known as the Frame Shop, was assessed at a replacement cost of $128,156.87 and an actual cash value of $35,076.49. An on-site evaluation stated that the Frame Shop could not be insured for fire because it contained a wood stove that was not approved and did not have the correct insulation.

On March 26, 2020, Kristin Harner emailed two questions to the insurance agent: (1) if the wood stove were placed at an adequate distance outside the Frame Shop, could the Frame Shop have fire coverage; and (2) if a fire were to start in shavings in the summer, would the Frame Shop have coverage. The insurance agent forwarded the questions to the underwriter, who answered that (1) the Frame Shop could obtain fire coverage if the stove were outside and at an acceptable distance, and (2) if fire/lightning coverage could not be offered on a structure, no other fire coverage could be offered on that structure.

The Harners purchased an FBL Member's Choice Policy with effective dates of April 7, 2020, to April 7, 2021. The coverage limit for the Frame Shop was $32,100 with a deductible of $2,500. Under the Frame Shop heading were the words "Actual Cash

Value," and "Extended (2-10) – No Fire or Lightning." The Frame Shop coverage limit was increased to $108,800 in the amended declarations in June 2020. In the renewal declarations for 2021-2022, the Frame Shop coverage limit was increased to $115,700; in the renewal declarations for 2022-2023, it was increased to $127,300. As with the original policy, the words "Actual Cash Value," and "Extended (2-10) – No Fire or Lightning" were under the Frame Shop heading.

On April 18, 2022, the Frame Shop and personal property inside it were damaged by a building fire. Kristin Harner called the FBL insurance agent to report the incident. On August 4, 2022, FBL sent Kristin Harner a disclaimer of coverage because the policy provided no coverage for any Frame Shop losses caused by fire. The Harners filed a complaint against FBL, asserting claims for declaratory judgment, breach of contract, negligence, and reformation. FBL filed an answer, then a motion for summary judgment seeking dismissal of all appellants' claims. Appellants filed a motion for partial summary judgment, asking the district court (1) to order reformation of the policy to provide fire coverage and/or to find that the policy did not preclude such coverage and (2) to enter judgment of $127,300, their current policy's coverage limit, for appellants against FBL. Steven Harner filed a declaration stating that they had built an inferior replacement for the Frame Shop for $309,395.15 and that replacing it with an equivalent would cost them $402,227.17.

After a hearing on the parties' motions, the district court granted FBL's motion for summary judgment and denied the Harners' motion for partial summary judgment. The Harners' appeal, arguing that the summary judgment granted to FBL should be reversed, a grant of partial summary judgment of $127,300 for the Harners and against FBL should be entered, and the matter should be remanded "for further proceedings on the question of negligence in setting insurance limits, for which [the Harners] are entitled to [a] jury trial."

DECISION

On appeal from summary judgment, this court examines de novo whether any genuine issues of material fact prevent summary judgment and whether the district court erred in applying the law. *STAR Ctrs., Inc. v. Faegre & Benson, L.L.P.*, 644 N.W.2d 72, 76-77 (Minn. 2002). Both the interpretation of an insurance policy and whether a policy provides coverage in a particular situation are questions of law that we review de novo. *Depositors Ins. Co. v. Dollansky*, 919 N.W.2d 684, 687 (Minn. 2018). "[I]n an action to determine coverage, the insured must establish a prima facie case of coverage." *Eng'g & Constr. Innovations, Inc. v. L.H. Bolduc Co.*, 825 N.W.2d 695, 705 (Minn. 2013) (quotations omitted).

1. District court's failure to reform policy

The Harners argue that FBL was required to provide fire insurance for the Frame Shop. The district court determined that:

> In this case, the Policy provisions state that the Declarations control what coverage each individual property item has. . . . The Declarations specifically omit coverage for fire or lightning for the Frame Shop. This specific omission of fire coverage has been included in every iteration of the Declarations.

The Harners do not refute this, but argue that "the Standard Fire Policy [set out in Minn. Stat. § 65A.01, subd.1] explicitly contemplates that as it relates to losses by fire, its terms are applicable where other risks are also covered." To support their position, the

Harners rely on a footnote in *Henning Nelson Construction Co. v. Fireman's Fund American Life Insurance Co.*, 383 N.W.2d 645, 651 n 8. (Minn. 1986). But as the district court explained, *Henning* actually holds that "the provisions of the [Minnesota] Standard Fire Insurance Policy apply only to fire losses, not nonfire losses, under an all-risk policy." *Henning* does not hold that all-risk policies are required to provide fire coverage pursuant to Minn. Stat. § 65A.01. *See id*. The district court went on to quote *General Mills, Inc. v. Gold Medal Insurance Co.*, which states "[R]ecovery under an 'all-risk' policy will, as a rule, be allowed for all fortuitous losses not resulting from misconduct or fraud, *unless the policy contains a specific provision expressly excluding the loss from coverage.*" 622 N.W.2d 147, 152 (Minn. App. 2001) (emphasis added and quotations omitted), *rev. denied* (Minn. Apr. 17, 2001). Here, the policy had specific provisions excluding fire and lightning loss from the coverage for the Frame Shop.

The Harners also argue that the policy "must be reformed because it does not comply with the terms of the statute." But they misread Minn. Stat. § 65A.01, subd. 1. It provides that, if a policy provides coverage for fire damage that does not employ the statutory language, it must "afford the insured all the rights and benefits of the Minnesota standard fire insurance policy and such additional benefits as the policy provides." Minn. Stat. § 65A.01, subd. 1. The statute does not provide either that a policy must provide fire coverage or that, if a policy provides fire coverage for any of the property insured, it must provide fire coverage for all the property insured. *See id.* The Harners' arguments that the policy must be reformed to comply with the statute fail. We therefore conclude that the district court did not err in declining to reform the policy.

2. Failure to exclude fire coverage

The Harners argue that "FBL failed to exclude fire coverage on the Frame Shop under the plain language of [its] very own policy" or "[a]t the very least FBL created ambiguity in its effort to do so, and that ambiguity must be read in favor of [the insureds]." Specifically, they argue that the term "Extended 2-10" used before "No Fire and Lightning" was confusing because the only causes of loss in the policy are "Named" and "Special"; there is no "Extended" category, and the term "Extended" is not defined. The term "No Fire and Lightning" therefore failed to remove fire and lightning coverage. The district court rejected this argument: "[T]he phrase connected to 'Extended (2-10)' explicitly states 'No Fire or Lightning.' . . . While . . . FBL . . . could have used more consistent wording, the Court will not read an ambiguity into the Policy so as to provide coverage to [the Harners]." The District Court went on to state: "In the Policy, the Frame Shop specifically has a limitation in the Declarations stating "Extended (2-10) – No Fire or Lightning." We agree.

Moreover, the Harners do not refute the district court's reliance on Kristin Harner's deposition that she "acknowledge[ed] receipt of the March 2020 email chain where [the FBL underwriter] states no fire/lightning coverage is being offered for the Frame Shop" and "explain[ed] that she saw there was no fire or lightning coverage for the Frame Shop and was following up with [the agent] for clarification regarding why only the Frame Shop was excluded from coverage." The deposition transcript supports the district court's determination. For example, Kristin Harner was questioned about the time before the Harners signed the policy:

Q. [Y]ou understood that [FBL was] saying there's no coverage for fire and lightning because of the presence of the stove and you and your husband were trying to figure out why . . . it says no coverage for fire and lightning, . . . and does that make sense[,] and [you] want[ed] some more clarifications?

A. We continued to ask for clarification.

Q. Because there was no coverage for fire and lightning, and that triggered your questions?

A. It triggered a lot of questions because we . . . never heard [of] this type of situation.

Q. You're saying to yourself, as I understand it, why are they excluding fire and lightning and that led to a bunch of other questions?

A. Correct . . . .

. . . .

Q. [The underwriter replied in answer to your question about a fire that did not involve the stove by saying that] unfortunately, when [FBL is] not offering fire/lightning coverage on a structure, there is no fire coverage of any kind offered on the structure. Did that not clarify for you that no matter what the scenario was, even if the wood stove is not involved, there's no fire coverage of any kind?

A. So as you stated, the date on here is March 27th.

Q. Prior to the issuance of the policy.

A. And we continued to ask questions . . . because . . . this made no sense.

Q. . . . what you're saying is, sure, we saw that there's no coverage there, but it made no sense to us?

A. It still doesn't make any sense.

> Q. But, I mean, is what I said the way you two were looking at it.
>
> A. Correct . . . .

In light of this testimony, the Harners cannot claim either that their policy did not exclude fire and lightning coverage or that they did not know it excluded fire and lightning coverage for the Frame Shop when they purchased it. Thus, the district court did not err in determining that the policy excluded fire coverage as to the Frame Shop.

3. Dismissal of Negligence Claim

The Harners argue that, because they spent $309,395.15 building a replacement for the Frame Shop and an exact replacement would have cost $402,227.17, FBL was negligent in assessing the value of the Frame Shop. The district court determined that "the standard of care regarding valuation of property for purposes of establishing appropriate insurance coverage is beyond the general knowledge and experience of lay persons. It would be speculative for a factfinder to decide the issue of negligence in this matter without expert testimony." No expert testimony was provided, and the district court therefore correctly dismissed the Harners' negligence claim. Because there was no fire coverage, there were no damages, and the negligence claim therefore fails.

We conclude that the district court did not err in granting FBL's motion for summary judgment dismissing the Harners' claims and in denying the Harners' motion for partial summary judgment.

Affirmed.