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IN THE IOWA SUPREME COURT
NO. 25-0562
(Greene County No. LACV022313)

CRAIG ROBERTS and KRISTIN ROBERTS,

Plaintiffs-Appellants,

v.

GRINNELL SELECT INSURANCE COMPANY &
GRINNELL MUTUAL REINSURANCE COMPANY,

Defendants-Appellees.

GRINNELL SELECT INSURANCE COMPANY'S & GRINNELL MUTUAL REINSURANCE COMPANY'S APPLICATION FOR FURTHER REVIEW OF IOWA COURT OF APPEALS DECISION FILED JULY 22, 2026

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QUESTIONS PRESENTED FOR REVIEW

1. Does failure of Craig and Kristin Roberts to comply with auto insurance policy duties bar their lawsuit against their auto insurer?

2. Does Craig and Kristin Roberts' umbrella policy potentially provide underinsured-motorist coverage?

3. Are Craig and Kristin Roberts able to establish bad faith denial of insurance benefits?

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STATEMENT SUPPORTING FURTHER REVIEW

Review of this case would require the Court to determine whether insurance policyholders may opt-out of insurers' pre-suit claims investigations, then pursue litigation premised on the insurers' nonpayment of pre-suit demands. The decision will have a ripple effect that extends beyond the parties to the case. This case warrants further review due to its broad relevance throughout Iowa for insurance claim handling and coverage decisions.

The Iowa Court of Appeals, in a decision dated July 22, 2026, gutted insurers' contractual right to pre-suit claims investigations. (Ex. A). More specifically, the Court of Appeals found policyholders Craig and Kristin Roberts may pursue breach of contract claims against their insurers, Grinnell Select Insurance Company and Grinnell Mutual Reinsurance Company (together, "Grinnell Mutual"), unless Grinnell Mutual proves on remand that the Roberts' pre-suit noncompliance with investigative requests was prejudicial. (Ex. A, PP. 5-9). In addition, the Iowa Court of Appeals held the case must be remanded for the Roberts to develop the record on their claim of bad faith denial of insurance benefits. (Ex. A, P. 9). Judge Greer, who practiced in insurance litigation before her judicial appointment, wrote a nine-page dissent accurately detailing where the majority opinion went wrong. (Ex. A, PP. 11-18).

The Iowa Court of Appeals ruling conflicts with longstanding Iowa Supreme Court precedent on when insurance policyholders' failure to comply with policy conditions, including duties to cooperate with insurer requests, impacts the existence of coverage and right to sue. The Iowa Supreme Court has set forth a multi-step framework for analyzing when failure to comply with policy conditions impacts coverage. *Simpson v. U.S. Fid. & Guar. Co*., 562 N.W.2d 627 (Iowa 1997); *Watson v. Nat'l Surety Corp*., 468 N.W.2d 448, 449-450 (Iowa 1991); *Am. Guar. & Liab. Ins. Co*., 467 N.W.2d 226, 228-30 (Iowa 1991). The Iowa Court of Appeals found these cases distinguishable based on policy language; however, in reality, the cases omit complete policy language. (Ex. A, Dissent, P. 15)("While these cases quote portions of the applicable insurance policies, they make crucial omissions that limit our ability to determine whether the policies contained the same or similar language as the Robertses policy.").

The Iowa Court of Appeals ruling also disregards and conflicts with longstanding Iowa Supreme Court precedent relating to bad faith denial of insurance benefits. The Iowa Supreme Court has held that such claims are subject to dismissal if fairly debatable, which is generally a matter of law for the Court. *Rodda v. Vermeer Mfg*., 734 N.W.2d 480, 483 (Iowa 2007). In remanding the case to the district court for development of the factual record, the Iowa Court of Appeals misunderstood and sidestepped its role. (Ex. A, P. 9).

Existing uncertainty as to application of Iowa Supreme Court precedent may increase the likelihood of disputes between Iowa insurance policyholders and insurers. Addressing this uncertainty will ensure correct, fair and efficient claim resolution, as well as prevent unnecessary litigation between policyholders and insurers.

Grinnell Mutual respectfully requests that the Iowa Supreme Court grant this application for further review of the Iowa Court of Appeals decision filed July 22, 2026.

BRIEF IN SUPPORT OF APPLICATION

I. STATEMENT OF FACTS.

The facts relevant to this appeal are undisputed. Craig Roberts was allegedly injured in a motor vehicle accident on November 7, 2022. (D0003, Petition, at ¶¶ 9-13, 5/20/24). The auto insurer of the driver who was allegedly at fault for the accident tendered its liability policy limits of $300,000 to the Roberts. (D0015, Strunk Affidavit, at ¶ 4, 10/31/24).

Previously, Grinnell Mutual had issued the Roberts an automobile insurance policy and umbrella policy with an underinsured motorist endorsement. (D0015, Walton Affidavit, at ¶¶ 3-4, 10/31/24). The automobile policy included underinsured motorist coverage provisions. (D0015, Walton Affidavit, at ¶ 4, 10/31/24).

Pertinent terms of Grinnell Mutual's auto policy are as follows:

PART E – DUTIES AFTER AN ACCIDENT OR LOSS

We have no duty to provide coverage under this policy if the failure to comply with the following duties is prejudicial to us:

. . . .

A. A person seeking any coverage must:

1. Cooperate with us in the investigation, settlement or defense of any claim or suit.

. . . .

3. Submit, as often as we reasonably require:

a. To physical exams by physicians we select. We will pay for these exams.

b. To examination under oath and subscribe the same.

4. Authorize us to obtain:

a. Medical reports; and

b. Other pertinent records.

(D0015, Exhibit C, Auto Policy, P. GM1163).

The policy further states:

PART F – GENERAL PROVISIONS

. . . .

LEGAL ACTION AGAINST US

A. No legal action may be brought against us until there has been full compliance with all the terms of this policy . . . .

(D0015, Exhibit C, Auto Policy, P. GM1163).

On March 25, 2024, the Roberts' attorney submitted a twenty-two (22) page "time sensitive unequivocal settlement opportunity" letter to Grinnell Mutual. (D0018, Affidavit Ex. 1). The letter announced, "This is the <u>final opportunity</u> for Grinnell Mutual to settle this case for within the combined policy limits." (D0018,

Affidavit Ex. 1, P. 1)(emphasis added). The letter stated that the "settlement opportunity" would expire on April 24, 2024" and would be "the only opportunity that will exist for Grinnell Mutual to settle this case for within the policy limits." (D0018, Affidavit Ex. 1, P. 10)(emphasis added). The demand was for a total of $1,250,000 in insurance benefits, the combined limits of the Roberts' auto and umbrella policies. (D0018, Affidavit Ex. 1, P. 10). The demand warned that if this time-sensitive, one-time settlement opportunity was not accepted, the jury would be asked to award "somewhere around $10 million dollars for Grinnell Mutual's bad-faith refusal to tender the uninsured [sic] motorist limits . . . ." (D0018, Affidavit Ex. 1, P. 10).

On April 23, 2024, the undersigned attorney for Grinnell Mutual responded to the Roberts' attorneys, stating as follows:

> In follow up to my email last week, I wanted to touch base on this claim. Given the multiple previously unidentified injuries outlined in the demand, Grinnell Mutual is not in the position at this time to complete an evaluation of Mr. Roberts' injury claims nor make its decision within the timeline provided in the demand. Accordingly, based upon the information provided in the March 25, 2024 demand, Grinnell Mutual would make the following requests under the auto policy to assist in its evaluation of Mr. Roberts' claims:
>
> ► That Mr. Roberts presents for a physical exam with Dr. Michael S. Lee, located at Capital Orthopaedics & Sports Medicine, PC. Available dates include Wednesday 5/8/2024 at 11:30 am, Wednesday 5/15/2024 at 11:30am, or Wednesday 5/22/2024 at 11:30am. Please let me know which works for Mr. Roberts;
> ►That Mr. Roberts presents for an exam under oath. Please advise if June 18-21 would work. We are open on the preferred location for this;

► Provide a signed patient's waiver (standard ISBA form is attached) and a list of all Mr. Roberts' medical providers dating five (5) years before the subject accident to current;
► Provide a signed SSA waiver (standard form attached) to obtain SSDI records; and
► provide any USPS documents regarding Mr. Robert's early retirement referenced in the demand.

Let me know if you have any questions. Our office looks forward to working with yours on this claim.

Thank you.

(D0015, Exhibit B, Correspondence).

On April 24, 2024, the Roberts' attorney responded, "Thank you for the below. We will be filing suit soon and will forward onto you to accept service." (D0015, Exhibit B – Correspondence). Mr. Roberts did not present for a physical examination or exam under oath, nor did the Roberts' attorney provide any of the requested documents before filing suit. (D0015, Strunk Affidavit, at ¶ 6, 10/31/24).

On May 20, 2024, the Roberts' attorney filed suit on behalf of the Roberts. (D0003, Petition, 5/20/24). The Petition alleges that Grinnell Mutual breached the auto and umbrella policies, and the Roberts are entitled to insurance benefits pursuant to the policies. (D0003, Petition, Counts I & II, 5/20/24). The Petition also includes a bad faith tort claim, which involves an allegation that Grinnell Mutual "rejected" the Roberts' settlement demand in bad faith. (D0003, Petition, Count III, 5/20/24). Grinnell Mutual filed an Answer and Affirmative Defenses,

therein specifically referencing failure to comply with conditions precedent to insurance recovery (failure to comply with requests for an exam under oath, submission to an independent medical exam, and documents). (D0004, Answer & Affirmative Defenses, 6/20/24).

On October 31, 2024, Grinnell Mutual filed a Motion for Summary Judgment on all counts. (D0014, MSJ, 10/31/24). The Roberts resisted, and Grinnell Mutual filed a reply to the resistance. (D0020, Resistance to MSJ, 11/15/24; D0022, Reply to Resistance to MSJ, 11/22/24). On February 25, 2025, the district court granted the Motion for Summary Judgment in its entirety because the Roberts' failure to comply with the insurers' pre-suit requests left them with no right to recover under their auto policy, which in turn resulted in no viable breach of umbrella policy contractual claim or bad faith tort claim. (D0025, D. Ct. Order, 2/17/25).

The Roberts filed a Motion to Reconsider, Enlarge, and/or Amend, which Grinnell Mutual resisted. (D0027, Rule 1.904(2) Motion, 3/3/25; D0028, Resistance to Rule 1.904(2) Motion, 3/13/25). The district court denied the Motion to Reconsider on March 14, 2025. (D0029, Order Denying Rule 1.904(2) Motion, 3/14/25).

An appeal followed. (D0030, Notice Appeal, 4/3/25). On July 22, 2026, the Iowa Court of Appeals reversed the decision of the district court and remanded the case. (Ex. A).

II. The Roberts Failed to Comply with Conditions Precedent to Recovery of Insurance Benefits, and Their Suit Is Barred.

The Roberts failed to substantially comply with policy conditions, which is presumptively prejudicial to Grinnell Mutual. The Roberts failed to show Grinnell Mutual waived compliance or that compliance is excused. They also failed to rebut the presumption of prejudice. Ultimately, due to noncompliance with policy conditions, their suit is barred.

A. Grinnell Mutual Is Not Required to Prove Actual Prejudice Resulting From Non-Compliance with Policy Conditions.

The parties' dispute centers on the import of a clause in Grinnell Mutual's auto policy stating there is no coverage if noncompliance with policy duties is "prejudicial" to Grinnell Mutual. The Iowa Court of Appeals improperly held this clause requires Grinnell Mutual to meet a legal burden of proving prejudice, even though Iowa law is that prejudice to Grinnell Mutual is presumed from policyholder noncompliance.

The starting point of policy analysis is the auto policy itself. The policy says:

PART E – DUTIES AFTER AN ACCIDENT OR LOSS

We have no duty to provide coverage under this policy if the failure to comply with the following duties is **prejudicial to us**:

. . . .

B. A person seeking any coverage must:

1. Cooperate with us in the investigation, settlement or defense of any claim or suit.

. . . .

3. Submit, as often as we reasonably require:

a. To physical exams by physicians we select. We will pay for these exams.

b. To examination under oath and subscribe the same.

4. Authorize us to obtain:

a. Medical reports; and

b. Other pertinent records.

(D0015, Exhibit C, Auto Policy, P. GM1163) (emphasis added).

The Iowa Court of Appeals found the words "prejudice to us" impose a burden of proof on Grinnell Mutual. (Ex. A, PP. 5- 8). This is not the case. Legal burdens of proof are dictated by Iowa case law. There is no law suggesting that an insurer bears the burden of proving every statement in policies, and in fact the law is directly to the contrary.

Who has the burden of proof depends on where language appears within an insurance policy. The burden of proof depends on whether the language is a term of the insuring agreement, exclusion, or condition. A party seeking to enforce a contractual right to receive payment has the initial burden of proving coverage under an insuring agreement. *Wakonda Club v. Selective Ins. Co. of Am*., 973 N.W.2d 545, 549 (Iowa 2002) ("Wakonda Club has the initial burden of showing

its claim falls within the policy's coverage."); *Salem United Methodist Church of Cedar Rapids v. Church Mut. Ins. Co*., No. 16-0170, 2017 Iowa App. LEXIS 122, at *3 (Iowa Ct. App. Feb 8, 2017). If the insurer disclaims coverage based on exclusionary language, however, the insurer has the burden of proving applicability of the exclusion. *Farm & City Ins. Co. v. Gilmore*, 539 N.W.2d 154, 157 (Iowa 1995).

When a condition precedent to insurance coverage is at issue, as it undisputedly is here, the Iowa Supreme Court has set forth a very specific legal burden-shifting framework. The burden shifts as follows:

- The party seeking coverage must establish substantial compliance with conditions precedent to coverage.

- If the party seeking coverage does not meets its burden of proving substantial compliance, then the party seeking coverage may nonetheless have coverage if that party establishes legal excuse or waiver of enforcement of policy conditions.

- If the party seeking coverage fails to prove substantial compliance with conditions precedent to coverage, prejudice to the insurer is *presumed*. That said, the presumption is rebuttable. If the insured makes a satisfactory showing of actual lack of prejudice, the presumption is rebutted, and the insured has potential coverage.

Simpson v. U.S. Fid. & Guar. Co., 562 N.W.2d 627, 631-32 (Iowa 1997).

The insurer has no burden of proof under any part of the above framework. Placing the burden on the insured to rebut a presumption of prejudice ensures the party with the informational advantage (the policyholder) bears the burden of

proof. Where an insured fails to offer documents, cooperate with an exam under oath, and appear for a physical exam, as occurred here, the insurer may lack information to show actual prejudice resulting from noncompliance.

The Court of Appeals claims Grinnell Mutual would omit critical language from the policy (the "prejudicial to us" language), when in truth, the Court of Appeals would insert language into the policy (a burden of proof) that simply is not there. Grinnell Mutual's position is not that prejudice is irrelevant. Rather, Grinnell Mutual's position is that the Court should presume prejudice where an insured has failed to substantially comply with policy conditions, consistent with Iowa's case law.

The inclusion of the prejudice clause within the policy shows express agreement to nonexistence of coverage where an insured's noncompliance with policy duties prejudices the insurer. This comports with Iowa law. Insureds and insurance adjusters may not know the law. Therefore, including express language in policies that aids with adjusting claims in a legally compliant manner is helpful to all concerned. As such, the mere inclusion in a policy of specific language, which comports with Iowa law, should not be interpreted as allocation of a burden of proof.

In summary, the Iowa Supreme Court should find that prejudice to Grinnell Mutual is presumed from lack of substantial compliance with policy conditions.

This is just one piece of Iowa's analytical framework for determining the effect of noncompliance with policy conditions on coverage. In the subsections that follow, the framework is applied in its entirety, illustrating that in this case, the effect of policy noncompliance is no coverage.

B. The Roberts Have Failed to Show Policy Compliance, Excuse or Waiver of Policy Conditions, and Prejudice to Grinnell Mutual is Presumed.

Applying the correct legal framework for analysis, Grinnell Mutual has no duty to provide the Roberts with coverage. First, the Roberts failed to substantially comply with Grinnell Mutual's requests. Mr. Roberts failed to submit to both a requested exam under oath and a physical exam. (D0015, Strunk Affidavit, at ¶ 6, 10/31/24). The Roberts also failed to authorize his own insurers to obtain medical reports and pertinent records before filing a lawsuit. (D0015, Strunk Affidavit, at ¶ 6, 10/31/24).

The next step in the analysis is to consider whether the Roberts proved excuse or waiver. It is uncontested that Grinnell Mutual did not waive policy conditions. The Roberts have, however, argued that noncompliance is excused because they were not warned about the consequences of noncompliance. The Iowa Court of Appeals, by referencing this lack of warning within its opinion, implies it may agree with the Roberts on this point. (Ex. A, P. 3).

It is irrelevant whether the insurer warned the Roberts or their attorney about how their conduct put coverage at risk. The policy itself does not require the insurer to issue warnings. The policy language pertaining to the Roberts' duties, and effect of noncompliance (lack of right to sue), is clear. As the recent spate of appellate decisions relating to medical malpractice deadlines evidences, "Defense counsel is not their brother's keeper." *Wilson v. Shenandoah Med. Ctr.,* 21 N.W.3d 398, 400 (Iowa 2025).

The Court of Appeals opinion implies that lack of policy compliance may have been an oversight that could have been cured with a warning. The failure to comply was tactical. Through noncompliance, the Roberts successfully backed the insurers into a choice of either: (a) paying a large pre-suit demand in the absence of requisite evidentiary support, or (b) not paying and thus defending breach of contract and bad faith claims premised on failure to pay. Put another way, the Roberts' conduct forced Grinnell Mutual into either outright paying $1,250,000 without pre-suit investigation, or defending a bad faith suit for failure to outright pay $1,250,000. Grinnell Mutual chose (b). To prevent strongarming, policy compliance provisions need teeth.

The Roberts have further argued that pre-suit noncompliance is excused because they planned to comply with the insurer's requests after suit was on file. The policy expressly requires compliance before suit is filed. (D0015, Ex. C, Auto

Policy, P. GM1163)("No legal action may be brought against us until there has been full compliance with all the terms of this policy . . . ."). When an insured suggests compliance will happen later, this increases costs to the insurer, which are at risk of being passed along to policyholders at large. This conduct also unnecessarily delays an insurer's knowledge of claim details. Plus, the Iowa Supreme Court has expressly held that belated offers to comply with policy conditions are insufficient to constitute compliance (or, in other words, to excuse past non-compliance). *Watson*, 468 N.W.2d at 449-450. Ultimately, Grinnell Mutual had no obligation, as the Iowa Court of Appeals suggests, to compel provision of documents and attendance at a physical exam through litigation processes when Grinnell Mutual was entitled to the same before suit was even filed.

Given no substantial compliance with policy conditions, excuse or waiver, prejudice to Grinnell Mutual is presumed. *Met-Coil Sys. Corp. v. Columbia Cas. Co.,* 524 N.W.2d 650, 654 (Iowa 1997). While this is a rebuttable presumption, the Roberts have failed to rebut it. *Id.* Presumptive prejudice means Grinnell Mutual has no duty to provide the Roberts with coverage.

C. Even if Grinnell Mutual Has a Burden of Proving Actual Prejudice, that Burden Is Met.

Even if the Court decides Grinnell Mutual must meet a legal burden of establishing prejudice to deny coverage, Grinnell Mutual has met the burden of

establishing actual prejudice. The Iowa Court of Appeals remanded this case for a determination of prejudice, as opposed to simply making the determination itself based on the record. The Iowa Court of Appeals did not explain why remand was necessary, under the circumstances. The issue of prejudice was fully briefed and submitted to both the district court and the Iowa Court of Appeals, and no genuine need for remand exists.

Judge Greer's dissenting opinion details how Grinnell Mutual was prejudiced by the Roberts' decision not to comply with pre-suit requests and to instead file suit. First, Grinnell Mutual lost its one and only opportunity to settle the claim within policy limits. (Ex. A, P. 13). Second, Grinnell Mutual has irrevocably lost its right to investigate the claim pre-suit to protect itself from a bad-faith claim. (Ex. A, P. 13). Grinnell Mutual is facing a bad faith lawsuit premised on failure to pay a claim, when the Roberts themselves prevented Grinnell Mutual from investigating and potentially paying their claim. If this is not prejudicial to an insurer, what would be?

D. Suit Against Grinnell Select Insurance Company (Auto Insurer) Is Barred.

The auto policy says, "no legal action" can be taken against Grinnell Mutual unless there has been "full compliance" with policy terms. (D0015, Exhibit C, Auto Policy, P. GM1163). So while the substantial compliance analysis applies to whether or not there is a duty to provide coverage, a higher standard, "full

compliance," is required to file suit. Full compliance did not occur, and therefore no right to sue Grinnell Select Insurance Company exists. Even if we were to apply a "substantial compliance" standard to the right to file suit, the Roberts did not substantially comply, either.

III. Grinnell Mutual's Umbrella Policy Provides No Potential Coverage.

It is undisputed that if the Roberts have no auto coverage, they have no umbrella coverage, either. This is because umbrella coverage expressly requires underlying coverage (here, the auto policy). (D0015, Ex. D, Umbrella Policy, P. GM1221) ("Our obligation to pay legal damages exists only if coverage is provided to the 'insured' for the acts of an operator of an underinsured motor vehicle under the 'underlying insurance.'"). For reasons set forth above, no auto coverage is available. As such, no umbrella coverage is available.

IV. The Roberts' Bad Faith Suit is Non-Meritorious.

To be held liable for bad faith denial of insurance benefits, the insurer needs to have potential coverage of a claim, i.e. a potential contractual obligation to pay a claim. *United Fire & Cas. Co v. Shelly Funeral Home, Inc*., 642 N.W.2d 648, 652 (Iowa 2002) (stating that where there is a reasonable basis for denial of coverage, liability for bad faith is precluded). Here, there is no coverage, and thus no viable bad faith claim as a matter of law.

While the analysis can and should end there, at least two additional reasons for dismissal of the bad faith claim also exist. First, the Roberts cannot prove the elements of a bad faith claim. Second, no bad faith denial of insurance benefits occurred.

A bad faith claim requires proof that an insurer: (1) had no reasonable basis for claim denial, and (2) the insurer knew or had reason to know denial was without reasonable basis. *Kiner v. Reliance Ins. Co*., 463 N.W.2d 9, 12 (Iowa 1990). The first element is objective, and the second is subjective. *Brown v. Danish Mut. Ins. Ass'n,* 550 N.W.2d 171, 175 (Iowa Ct. App. 1996).

A reasonable basis exists to deny benefits if a claim is fairly debatable either on a matter of fact or law. *Dolan v. AID Ins. Co*., 431 N.W.2d 790, 794 (Iowa 1988). A claim is fairly debatable when open to dispute on any logical basis or if reasonable minds can differ on the coverage-determining facts or law. *Paine v. Am. Fam. Mut. Ins. Co.*, No. 16-0429, 899 N.W.2d 741, at *6 (Iowa Ct. App. Mar. 22, 2017).

The Roberts claim was fairly debatable because of a dispute on the value of damages. Multiple cases reflect a claim is "fairly debatable" where valuation of damages is disputed. *Sampson v. Am. Std. Ins. Co.*, 582 N.W.2d 146, 152 (Iowa, 1998); *Cent. Life. Ins. Co. v. Aetna Cas. & Sur. Co.*, 466 N.W.2d 257, 263 (Iowa,

1991); *Thompson v. U.S. Fid. & Guar. Co.,* 559 N.W.2d 288, 292 (Iowa, 1997); *Dirks v. Farm Bureau Mut. Ins. Co.,* 465 N.W.2d 857, 862 (Iowa 1991).

Insurers are, of course, allowed to question and to investigate claim value. Insurers are not required to agree with, or concede to, insureds' own claim valuations. Here, however, the Roberts blocked the insurers from conducting their own pre-suit investigation. The dispute over claim value is one of the Roberts' own creation, which maybe could have been avoided if the Roberts simply would have complied with policy conditions.

Also, Grinnell Mutual has never denied the Roberts' claim. Grinnell Mutual asked for more information, and the Roberts responded by filing suit. Disputing the value of a claim is not the same as denial of a claim. The Roberts prevented from Grinnell Mutual from having any opportunity for a pre-suit determination, one way or the other, on whether their claim is payable.

The fact that no payment has been issued to date on the Roberts' claim is objectively reasonable, under the circumstances. The district court agreed, evidencing the reasonableness of Grinnell Mutual's position. Regardless of whether Grinnell Mutual is right on whether or not coverage potentially exists (although, Grinnell Mutual is right, for reasons detailed above), Grinnell Mutual at least has a reasonable coverage position. The Roberts' conduct, alongside policy

language requiring compliance with policy duties, logically connects to absence of coverage and the right to sue.

The Iowa Court of Appeals held that the record had not been developed sufficiently for the Court to rule on whether or not a bad faith claim was viable. (Ex. A, P. 9). It is unclear why the Court reached this conclusion. No party to this case has ever argued that more record is necessary to determine whether or not a bad faith claim may be submitted to the jury. Whether a claim is fairly debatable is generally a legal issue for the Court, and this case is no exception. *Rodda*, 734 N.W.2d at 483.

CONCLUSION

The Roberts failed to comply with contractual duties to submit to a physical exam and exam under oath, and to provide pertinent documents in direct violation of the express conditions of the underlying auto policy. This conduct constitutes a material breach of the policy. Given the underlying primary auto policy was breached, the insurers have no duty to provide coverage under the either the underlying or umbrella policies. No bad faith claim exists as a matter of law, given lack of coverage, no "denial" of the Roberts claim, and failure of the Roberts to be able to prove elements of a bad faith claim.

Grinnell Mutual respectfully requests the Court reverse the decision of the Court of Appeals and dismiss the Roberts' claims in their entirety.

Respectfully Submitted,

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Certificate of Filing and Service

The undersigned certifies that on August 10, 2026, the foregoing Brief was filed via the appellate e-filing system and served on counsel for the Plaintiffs-Appellants, as identified below, via the e-filing system.

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By /s/ *Allison J. Frederick 8/10/26*

Certificate of Compliance with Typeface Requirements and Type- Volume Limitation for an Application for Further Review

1. This application or resistance complies with the typeface requirements and type-volume limitation of Iowa Rule of Appellate Procedure 6.1103 (5) because:

A. [X] The application or resistance has been prepared in a proportionally spaced typeface using 14 size point Times New Roman font and contains 4,665 words, excluding the parts exempted by Iowa Rule of Appellate Procedure 6.1103 (5)(a).

By /s/ *Allison J. Frederick 8/10/26*