2015 IL App (1st) 151079-U

FOURTH DIVISION
December 31, 2015

No. 1-15-1079

IN THE APPELLATE COURT OF ILLINOIS
FIRST JUDICIAL DISTRICT

STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY,	)	Appeal from
	)	the Circuit Court
Plaintiff-Appellant,	)	of Cook County
	)	
v.	)	13-CH-19316
	)	
CARMEN GUERRERO,	)	Honorable
	)	Kathleen M. Pantle,
Defendant-Appellee.	)	Judge Presiding

PRESIDING JUSTICE McBRIDE delivered the judgment of the court.
Justices Howe and Ellis concurred in the judgment.

ORDER

¶ 1 *Held*: Insurer was not required to pay or arbitrate driver's uninsured motorist claim because she did not demand arbitration within two years of her accident as required by her insurance policy.

¶ 2 In 2009, Carmen Guerrero notified her insurer, State Farm Mutual Automobile Insurance Company, that she was involved in an automobile accident with an uninsured driver. However, she did not provide full information about her medical care and lost wages until 2013 after settling a worker's compensation claim. When she provided that information, she also demanded that State Farm settle her uninsured motorist claim or go to arbitration. State Farm declined to pay her claim, cited a contract clause requiring that arbitration demands be made within two

years of the accident, and filed this action seeking a judicial declaration of no coverage. The parties' arguments for summary judgment centered on Guerrero's contractual duties after an accident. The circuit court ruled in State Farm's favor. On appeal, Guerrero contends the contract's two-year clause for demanding arbitration of coverage or damages was tolled by section 143.1 of the Illinois Insurance Code (215 ILCS 5/143.1 (West 2012)) (Insurance Code) because she gave State Farm enough information in 2009 to determine its liability, in satisfaction of her contractual obligation to provide proof of loss. She also contends that when she learned the other driver was uninsured and reported this to State Farm, this information amounted to an arbitration demand. Alternatively, Guerrero contends State Farm is estopped from raising the limitations provision because the insurer's conduct lulled her into a fall sense of belief that her claim would be settled without a suit.

¶ 3 Guerrero was driving in her 2000 Honda Accord in the course of her employment on September 24, 2009, when she was struck by a 1997 Buick LeSabre. Guerrero's automobile policy with State Farm contained the following provisions regarding her duties when making a claim:

"**REPORTING A CLAIM – INSURED'S DUTIES**

1. **Notice to Us of an Accident or Loss.**

The ***insured*** must give us or one of our agents written notice of the accident or loss as soon as reasonably possible. The notice must give us:

a. ***your*** name; and

b. the names of all ***persons*** involved; and

c. the hour, date, place and facts of the accident or loss; and

d. the names and addresses of witnesses.

* * *

4. **Other Duties Under Medical Payments, Uninsured Motor Vehicle, [and] Underinsured Motor Vehicle** *** **Coverages**

***

The ***person*** making claim also shall:

a. under the medical payments, uninsured motor vehicle, [and] underinsured motor vehicle *** coverages:

(1) give us all the details about the death, injury, treatment and other information we need to determine the amount payable.

(2) be examined by physicians chosen and paid by us as often as we reasonably may require. ***

(3) answer questions under oath when asked by anyone we name, as often as we reasonably ask, and sign copies of the answer."

¶ 4 An endorsement stated:

"2. **REPORTING A CLAIM – INSURED'S DUTIES**

The following is added:

A person or organization making claim under this policy must give us proof of loss on forms we furnish.

A person making claim under Medical Payments Coverage, Uninsured Motorist Coverage, Underinsured Motorist Coverage *** must provide written authorization for us to obtain:

1. medical bills

2. medical records

3. wage, salary, and employment information; and

4. any other information we deem necessary to substantiate the claim."

¶ 5 Guerrero telephoned State Farm on the day of the accident and also filed a worker's compensation claim. It is her subsequent communications with State Farm that were deemed insufficient by her insurer and by the court in this declaratory judgment action regarding her right to coverage.

¶ 6 State Farm assigned a claim representative to handle Guerrero's claim and on October 9, 2009, he sent Guerrero a letter stating: "This is to confirm our conversation about your claim. You may have Uninsured Motor Vehicle Coverage available to you. *** Your policy includes an arbitration provision to resolve any dispute over liability and damages. Any arbitration or suit against us will be barred unless commenced within two years after the date of the accident. Please refer to your policy for a complete description of the coverage or call me with any questions."

¶ 7 Guerrero's policy stated the following about uninsured motorist coverage:

"**Deciding Fault and Amount – Coverages U, U1, and W**

Two questions must be decided by agreement between the insured and us:

1. Is the ***insured*** legally entitled to collect damages from the owner or driver of the ***uninsured motor vehicle*** or ***underinsured motor vehicle***; and

2. If so, in what amount?

If there is no agreement, these questions shall be decided by arbitration.

Upon the insured requesting arbitration, each party to the dispute shall select an arbitrator and the two arbitrators so named shall select a third arbitrator. If such arbitrators are not selected within 45 days of such request, either party may request that

such arbitration be submitted to the American Arbitration Association.

Under the uninsured motor vehicle coverages, the written decision of any two arbitrators shall be binding on each party for the amount of damages not exceeding the limits set forth in the Illinois Safety Responsibility Law.

Under the underinsured motorist coverage, the written decision of any two arbitrators shall be binding on each party.

* * *

Under the uninsured motor vehicle coverages, any arbitration or suit against us will be barred unless commenced within two years after the date of the accident."

¶ 8 Guerrero hired a lawyer to handle her worker's compensation and insurance claims. On October 26, 2009, counsel sent a letter to State Farm introducing himself and enclosing a letter from the other driver's insurer indicating that her coverage had been cancelled about a month before the accident because she did not pay the premium. Counsel wrote: "In light of the above, Ms. Guerrero does hereby notify State Farm Insurance Company of her intention to seek uninsured motorist benefits under the above-referenced policy of automobile insurance. Kindly provide me with a certified copy of the policy along with the Declarations Page outlining the coverages and limits applicable to the policy."

¶ 9 On October 28, 2009, State Farm wrote to Guerrero's attorney to acknowledge counsel's letter and ask for certain information. In this letter, the claim representative reiterated: "Under the Uninsured Motor Vehicle Coverage, any arbitration or suit against State Farm will be barred unless commenced within two years after the date of the accident."

¶ 10 On November 6, 2009, counsel responded to State Farm's questions, stating that he had not sued the other driver, but could, if State Farm required Guerrero to do so; that he was waiting

for confirmation from the Illinois Department of Transportation that neither the driver nor the owner of the other car had insurance; and that if State Farm wanted to take Guerrero's recorded statement, he would help schedule an appointment with her.

¶ 11 On November 23, 2009, State Farm sent the certified copy of its policy as requested by Guerrero's attorney.

¶ 12 Guerrero fell off a chair on December 29, 2010, and consequently filed a second worker's compensation claim.

¶ 13 On February 20, 2012, which was more than two years after the automobile collision in 2009 and more than a year after her fall in 2010, Guerrero's attorney agreed to a lump sum settlement of the remainder of his client's two worker's compensation claims.

¶ 14 On April 4, 2012, which was two years and six months after the collision, counsel wrote to State Farm advising of the settlement and stating he was "in the process of gathering complete copies of my client's medical records and bills" and once that information was compiled, he intended to "forward it to you along with my client's settlement demand."

¶ 15 On February 1, 2013, slightly more than three years and four months after the collision, the lawyer sent State Farm a letter detailing Guerrero's injuries and medical treatment. The letter indicated the other driver had been cited for failure to yield the right of way to Guerrero at the intersection of Austin Boulevard and 15th Street in Cicero, Illinois. Guerrero was traveling south on Austin Boulevard and the other driver, who was traveling west on 15th Street, struck the driver's side of Guerrero's car. Guerrero's lower back and left hip were injured. Her treatment began with a visit to her primary care physician the next day, and she was referred to physical therapy. The letter chronicled her additional medical treatment; that she was ordered off work and missed wages; and she accepted $21,603 in settlement of her worker's compensation claim.

Medical records and worker's compensation documentation were enclosed. Counsel demanded $50,000, less the worker's compensation recovery of $21,603, to settle Guerrero's claim. He then wrote: "In the event we are unable to settle this claim, please be advised that I do hereby elect Scott Gibson as Ms. Guerrero's arbitrator in this matter. Mr. Gibson's office is located at 415 W. Washington Street, Ste. 103, Waukegan, IL 60085."

¶ 16 On February 19, 2013, State Farm responded that it was questionable whether Guerrero had complied with the policy and, consequently, State Farm might not have a duty to perform its contractual duties. State Farm suggested that counsel provide any information or materials that would help the company evaluate Guerrero's claim for coverage, and that State Farm would give it full consideration. Counsel responded with a summary of his communication with State Farm in October and November 2009. However, on April 9, 2013, State Farm wrote again, stating definitively that Guerrero failed to comply with policy terms, specifically, that any arbitration or suit against State Farm had to be filed within two years of the date of the accident, and that the insurer had determined it had no duty to pay the uninsured claim.

¶ 17 Then, State Farm filed this declaratory judgment action, the parties filed crossmotions for summary judgment, and the case ended with a ruling in State Farm's favor.

¶ 18 We first address Guerrero's contention that she gave State Farm sufficient information in 2009 to satisfy her contractual obligation to provide "all the details about the death, injury, treatment and other information *** need[ed] to determine the amount payable" and also "proof of loss, in whatever form is required by the policy" as that latter phrase is used in section 143.1 of the Insurance Code. 215 ILCS 5/143.1 (West 2012).

¶ 19 The circuit court's entry of summary judgment is reviewed *de novo*. *Rich v. Principal Life Ins. Co.*, 226 Ill. 2d 359, 370-71, 875 N.E.2d 1082, 1089 (2007). Summary judgment is

appropriate only where "the pleadings, depositions, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." 735 ILCS 5/2-1005(c) (West 2012).

¶ 20 Also, the construction of an insurance policy is a question of law, which is reviewed *de novo. Rich,* 226 Ill. 2d at 371, 875 N.E.2d at 1090. Our primary objective when construing the language of an insurance policy is to ascertain and give effect to the intentions of the parties as expressed by the words of their contract. *Rich*, 226 Ill. 2d at 371, 875 N.E.2d at 1090. Clear and unambiguous policy language is applied as written, with the words being given their plain, ordinary, and popular meaning. *Rich*, 226 Ill. 2d at 371, 875 N.E.2d at 1090. " 'Usual and ordinary meaning' has been stated variously to be that meaning which the particular language conveys to the popular mind, to most people, to the average, ordinary, normal [person], to a reasonable [person], to persons with usual and ordinary understanding, to a business[person], or to a lay [person]." *Outboard Marine Corp. v. Liberty Mutual Insurance Co.*, 154 Ill. 2d 90, 115, 607 N.E.2d 1204, 1216 (1992) (quoting 2 Couch on Insurance 2d § 15:18 (rev. ed. 1984)). However, if the words used in the insurance policy are reasonably susceptible to more than one meaning, they are considered ambiguous and will be construed strictly against the insurer who drafted the policy. *Outboard Marine,* 154 Ill. 2d at 108-09, 607 N.E.2d at 1212. A contract is not ambiguous merely because the parties disagree on its interpretation. *Rich*, 226 Ill. 2d at 372, 875 N.E.2d at 1090. A court will consider only reasonable interpretations of policy language and will not strain to find an ambiguity where none exists. *Rich*, 226 Ill. 2d at 372, 875 N.E.2d at 1090.

¶ 21 The *de novo* standard is also applicable to Guerrero's arguments regarding the proper interpretation of section 143.1 of the Insurance Code (215 ILCS § 5/143.1 (West 2012)), as this is a question of law. *Lee v. John Deere Ins. Co.*, 208 Ill. 2d 38, 43, 802 N.E.2d 774, 777 (2003).

¶ 22 The statute provides consumer protection to an insured when his or her insurance policy includes a limitation clause for bringing a lawsuit against the insurer. *Trinity Bible Baptist Church v. Federal Kemper Insurance Co.*, 219 Ill. App. 3d 156, 160-61, 578 N.E.2d 1375, 1377-78 (1991). The legislative record for section 143.1 indicates the Illinois Assembly intended to prevent an insurance company from sitting on a proof of loss, allowing the limitation period to run, and thereby deprive the insured of the opportunity to litigate his or her claim in court. *Trinity Bible*, 219 Ill. App. 3d at 160-61, 578 N.E.2d at 1378 (quoting the legislative record).

¶ 23 We apply clear statutory language is it is written. *Lee*, 208 Ill. 2d at 43, 802 N.E.2d at 777. Section 143.1 states: "Whenever any policy or contract for insurance *** contains a provision limiting the period within which the insured may bring suit, the running of such period is tolled from the date proof of loss is filed, in whatever form is required by the policy, until the date the claim is denied in whole or in part." 215 ILCS 5/143.1 (West 2012). By its plain and clear terms, section 143.1 is triggered only by the filing of a proof of loss that comports with the policy. *Vala v. Pacific Insurance Co.*, 296 Ill. App. 3d 968, 971, 695 N.E.2d 581, 583 (1998).

¶ 24 Filing other information with the insurance company does not activate the statutory protection and will not toll the running of a contractual limitations period. In *Vole*, for instance, the owner of a show horse notified his insurance agent on the same day he learned that the horse was missing from his stable and presumed stolen. *Vole v. Atlanta International Insurance Co.*, 172 Ill. App. 3d 480, 481, 695 N.E.2d 653, 654 (1988). According to his policy, the "discovery by the insured of the occurrence which gives rise to the claim" triggered the beginning of a 12 month limitations period for bringing any type of action against his insurer. *Vole*, 172 Ill. App. 3d at 482, 695 N.E.2d at 654. The next day, an agent for the insurer asked for more information about the loss, including the horse's registration certificate, the horse's show record, the police

report, and a written account from whomever had control of the horse when it went missing. *Vole*, 172 Ill. App. 3d at 481, 695 N.E.2d at 654. Within two weeks, the owner turned over all of the requested information. *Vole*, 172 Ill. App. 3d at 481, 695 N.E.2d at 654. However, another six months passed before the owner filed a sworn proof of loss statement as required by the policy. *Vole*, 172 Ill. App. 3d at 482, 695 N.E.2d at 654. Six weeks after that, the insurer denied the claim. *Vole*, 172 Ill. App. 3d at 481, 695 N.E.2d at 654. Accordingly, section 143.1 tolled the running of the limitations period for the six weeks between the date proof of loss was filed, as required by the policy, and the date the claim was denied (215 ILCS 5/143.1 (West 2012)), which did not help the insured when he sued his insurer 16 months after the horse was stolen, or three months too late. *Vole*, 172 Ill. App. 3d at 482, 695 N.E.2d at 654. He argued that he gave the required proof of loss either by giving notice of the theft or by submitting the detailed information that was requested by the agent. *Vole*, 172 Ill. App. 3d at 483, 695 N.E.2d at 654. However, the appellate court found that the policy clearly required a sworn statement (*Vole*, 172 Ill. App. 3d at 482, 526 N.E.2d at 654) and by its plain terms, section 143.1 is triggered only by the filing of the proof of loss "in whatever form is required by the policy." 215 ILCS 5/143.1 (West 2012).

¶ 25 Although the term "proof of loss" is not defined in the statute, it has a generally accepted meaning:

> "The purpose of a provision for proof of loss is to afford the insurer an adequate opportunity for investigation, to prevent fraud and imposition upon it, and to enable it to form a intelligent estimate of its rights and liabilities before it is obliged to pay. Its object is to furnish the insurer with the particulars of the loss and all data necessary to determine its liability and the amount thereof." 14 Couch, Cyclopedia of Insurance Law (2d ed.) §

49:373, p. 15.

¶ 26 Guerrero bases her "proof of loss" argument on the policy language quoted above regarding "Notice" and "Other Duties," and contends she fully complies with her obligations. She points out that almost immediately after the accident she reported her name; the names and addresses of all persons involved, including witnesses; and the hour, date, and place of the accident. Guerrero emphasizes that State Farm's file notes made by its claim representative on October 9, 2009, indicate Guerrero told him she was experiencing soft tissue low back pain that was being addressed through physical therapy. The claim representative also noted, "ROV 2500-5500." When deposed during this lawsuit, the claim representative said, "ROV stood for range of value, and that was just an internal feeling of what the case may be worth based on whatever limited information we had at the time." Guerrero contends the information she provided enabled State Farm to evaluate her claim as being worth between $2,500 and $5,000 and, thus, satisfied her contractual duty to give "all the details about the death, injury, treatment and other information [State Farm would] need to determine the amount payable." Guerrero acknowledges she was contractually bound to perform other, specific duties, but, citing *Tutson* and *Mathis*, she argues that State Farm's failure to require her to be examined by a physician, give a statement, or release her medical and wage records resulted in State Farm's waiver of its contractual right to that information. *American Access Casualty Company v. Tutson*, 409 Ill. App. 3d 233, 948 N.E.2d 309 (2011); *Mathis v. Lumbermen's Mutual Casualty Insurance Co.*, 354 Ill. App. 3d 854, 822 N.E.2d 543 (2004). "An insurer may waive a policy defense by continuing under a policy when it knows, or in the exercise of ordinary diligence, could have known the facts in question giving rise to the defense." *State Farm Mutual Automobile Insurance Co. v. Gray*, 211 Ill. App. 3d 617, 620, 570 N.E.2d 472, 475 (1991). "Strong proof is not required to establish a

waiver of a policy defense, but only such facts as would make it unjust, inequitable or unconscionable to allow the defense to be asserted." *Gray*, 211 Ill. App. 3d at 620, 570 N.E.2d at 475. Guerrero concludes that she complied with every policy provision regarding "proof of loss" except those particular provisions that State Farm waived. Under this interpretation of the policy, State Farm had its proof of loss as early as October 2009, and retained it for several years before denying the claim in 2013.

¶ 27 State Farm responds with two arguments of statutory interpretation which lead to the conclusion that section 143.1 is not relevant here; and contends that even if the statute is applicable, Guerrero failed to submit proof of loss as required by her policy, prior to the running of the two year limitations period. We proceed directly to the parties' dispute as to whether Guerrero provided proof of loss.

¶ 28 We disagree with Guerrero's contention that her case is similar to *Tutson* and *Mathis*. In the first case, the insured, Tutson, gave her insurance company "an itemized ambulance bill, a paramedics report, an 'Incident Detail' from the Chicago fire department and Tutson's medical bills and records," as well as her sworn statement, all within the two year time frame for making an arbitration demand. *Tutson*, 409 Ill. App. 3d at 239, 948 N.E.2d at 314. The appellate court found that this information enabled the insurer to pay or deny the claim with the two year period (*Tutson*, 409 Ill. App. 3d at 239, 948 N.E.2d at 314) and was "information sufficient to constitute a proof of loss." *Tutson*, 409 Ill. App. 3d at 234, 948 N.E.2d at 310. This detailed proof of the accident and complete documentation of the insured's medical treatment and expenses contrasts with the phone call Guerrero made to report her accident and the two letters her attorney sent to announce his involvement, request uninsured coverage, indicate he had not sued the other driver or owner, and offer to schedule an appointment with his client. The information Tutson supplied

was thorough and complete. The information Guerrero supplied was preliminary. One of the issues in *Tutson* was that the insured's attorney never filled out the insurer's " 'Accident Report Form,' " which sought basic information about the claim. *Tutson*, 409 Ill. App. 3d at 234, 948 N.E.2d at 310. Nonetheless, the insurer did not ask for the completed accident report form or any other information during the limitations period. *Tutson*, 409 Ill. App. 3d at 235, 948 N.E.2d at 311. On appeal, the court found that since the policy did not specify that the accident report form was the required proof of loss, the insurer had waived any entitlement to that form, Tutson had complied with her contractual obligations, and the limitations period was tolled. *Tutson*, 409 Ill. App. 3d at 239, 948 N.E.2d at 314.

¶ 29 Guerrero cites this case because when State Farm wrote to her attorney on October 28, 2009, requesting certain information and advising him of the two year limitations period, State Farm failed to include the "Authorization to Provide Information" form it described as one of six items that would help State Farm "expedite the handling" of Guerrero's claim. However, as the trial court pointed out in the order currently on appeal, Guerrero could have easily informed State Farm of that fact and asked for a copy, the policy does not require that the form be completed, and the absence of the form did not have any impact on Guerrero's ability to get her own records and forward them to State Farm as required by her policy. Furthermore, the policy does not state that State Farm is required to give its insured this particular form and State Farm has never cited its absence as ground for its denial. Unlike the insured in *Tutson*, Guerrero did not timely provide her insurer with information about her injuries and treatment and wage losses until after the two-year limitations period had lapsed. *Tutson*, 409 Ill. App. 3d 233, 948 N.E.2d 233. The *Tutson* case does not excuse Guerrero's inaction. *Tutson*, 409 Ill. App. 3d 233, 948 N.E.2d 233. It is not

reason for us to conclude that State Farm waived Guerrero's compliance with its contractual right to proof of loss.

¶ 30 Similarly, *Mathis* does not support Guerrero's appeal. *Mathis*, 354 Ill. App. 3d 854, 822 N.E.2d 543. The insured's duties in that case included sending "within 60 days after [the insurer's] request, [a] signed, sworn proof of loss" form. *Mathis*, 354 Ill. App. 3d at 858, 822 N.E.2d at 547. The insurer received notice of the loss and conducted an investigation, but it never requested a proof of loss, and, therefore, the insured's duty to file the specified form was never triggered. *Mathis*, 354 Ill. App. 3d at 858, 822 N.E.2d at 547. The case is not on point because the State Farm policy does not condition Guerrero's duty to provide information on *a request* from State Farm. The case does not suggest that State Farm waived Guerrero's timely compliance with her policy's terms.

¶ 31 Furthermore, the suggestion that Guerrero provided sufficient "information *** to determine the amount payable" on her claim because at one point the claim representative estimated the range of value of the claim was somewhere between $2,500 and $5,000, is belied by the fact that Guerrero's attorney eventually documented and demanded $50,000 to settle the claim. Counsel expressed some willingness to negotiate the final amount, but it would be unreasonable to conclude that Guerrero would have been willing to settle for $5,000, or just 10% of her $50,000 demand. Guerrero's argument only serves to emphasize the fact that the information she provided was preliminary. The information Guerrero provided during the two year limitations period was insufficient to constitute proof of loss within the meaning of the State Farm policy.

¶ 32 By its plain and clear terms, section 143.1 is triggered only by the filing of a proof of loss that comports with the insured's policy (*Vala*, 296 Ill. App. 3d at 971, 695 N.E.2d at 583; *Vole*,

172 Ill. App. 3d at 482, 526 N.E.2d at 654), and the record shows that Guerrero did not meet this standard.

¶ 33 We next address Guerrero's argument that even if the time period for demanding arbitration was not tolled by section 143.1, she is nevertheless entitled to arbitration. Citing *Hale v. Country Mutual Insurance Co.*, 334 Ill. App. 3d 751, 778 N.E.2d 721 (2002), Guerrero she made a timely demand for arbitration of her coverage or damages in her attorney's letter on October 26, 2009, stating that the other driver was uninsured and Guerrero "does hereby notify State Farm *** of her intention to seek uninsured motorist benefits under the above referenced policy."

¶ 34 State Farm responds that the arbitration argument is inappropriately raised for the first time on appeal. State Farm is correct. We were unable to find the argument in the record from the trial court and find that it has been forfeited. *Miner v. Fashion Enterprises, Inc.*, 342 Ill. App. 3d 405, 419, 794 N.E.2d 902, 915 (2003).

¶ 35 Regardless of when the argument was first made, it lacks merit. It relies on unpersuasive authority which has already been rejected by this First District appellate court. Guerrero asks us to follow *Hale*, a Fifth District opinion in which the court held that an insured's notification of an uninsured motorist claim also served as his demand for arbitration within the limitations clause in his insurance contract. *Hale*, 334 Ill. App. 3d at 755, 778 N.E.2d at 724. The Fifth District found, "[t]he language utilized by [the insured's] attorney was not perfect but served the purpose of notifying [the insurer] of the underinsured-motorist claim." *Hale*, 334 Ill. App. 3d at 755, 778 N.E.2d at 723. It held "timely notification of a claim is sufficient." *Hale*, 334 Ill. App. 3d at 755, 778 N.E.2d at 723. "To hold otherwise would mean that with every minor claim, the attorney would need to formally request arbitration or fear malpractice for failing to do so. The insurance

industry could not desire that outcome because its companies would be inundated with premature arbitration demands." *Hale*, 334 Ill. App. 3d at 755, 778 N.E.2d at 724. Guerrero also relies on the principle that doubts which arise when construing an insurance policy are resolved against the drafter of the policy and in favor of the insured. See *Gonzalez v. State Farm Mutual Automobile Insurance Co.*, 242 Ill. App. 3d 758, 762, 611 N.E.2d 38, 41 (1993) (doubts and ambiguities regarding the parties' intent are to be resolved in favor of the insured); *Moses v. Coronet Insurance Co.*, 192 Ill. App. 3d 921, 923, 549 N.E.2d 739, 741 (1989) ("the general rule is that when an insurer attempts to place limits on the uninsured motorist provisions of its insurance policy, the limitations must be liberally construed in favor of the policyholder and strongly against the insurer").

¶ 36 In *Rein*, a First District case, the court pointed out that *Hale* acknowledged the existence of contrary cases, but did not identify or discuss them and just made a blanket statement, "we disagree with those cases." *Rein*, 407 Ill. App. 3d at 977, 945 N.E.2d at 100, quoting *Hale*, 334 Ill. App. 3d at 755, 778 N.E.2d 721. The First District, however, thoroughly discussed and rejected *Hale*'s reasoning, such as the faulty premise that the purpose behind a limitations provision is to require that notice be given. *Rein*, 407 Ill. App. 3d at 977, 945 N.E.2d at 100. Instead, the First District applied the clear and unambiguous terms that the parties agreed to when they contracted for insurance coverage. *Rein*, 407 Ill. App. 3d at 976-77, 945 N.E.2d at 100. Their limitations clause required the insured to make an unequivocal demand for arbitration and to name an arbitrator (*Rein*, 407 Ill. App. 3d at 77, 945 N.E.2d at 101), just as State Farm's contract with Guerrero required of her. The First District also rejected the notion that the court's role was to interpret the contract in such a way that insurance companies would not be inundated with " 'premature' " arbitration demands. *Rein*, 407 Ill. App. 3d at 977, 945 N.E.2d at 101,

quoting *Hale*, 334 Ill. App. 3d at 755, 778 N.E.2d 721. Instead, the First District said: "We see no reason to concern ourselves with a burden the insurance companies chose to impose upon themselves" and the court expressed confidence that insurance companies were capable of revising their contract language if they were burdened by the terms. *Rein*, 407 Ill. App. 3d at 977, 945 N.E.2d at 101. "In any event, we cannot agree that the possibility insurance companies may face a high number of 'premature arbitration demands' means we can ignore a clear and unambiguous limitations provision in an insurance contract that imposes certain requirements on an insured." *Rein*, 407 Ill. App. 3d at 977, 945 N.E.2d at 101.

¶ 37 We find *Rein* persuasive and are unwilling to disregard its sound reasoning in order to follow *Hale*. Furthermore, the policy at issue includes both a notice clause and an arbitration clause and we will avoid a construction which renders one of the clauses as redundant or superfluous. A court may presume that everything in the contract was inserted deliberately and for a purpose. *Martindell v. Lake Shore National Bank*, 15 Ill. 2d 272, 283, 154 N.E.2d 683, 689 (1958). One of the basic principles of contract interpretation is to give meaning to every term. *Martindell*, 15 Ill. 2d at 283, 154 N.E.2d at 689. In addition, the contract's arbitration clause required Guerrero to identify her preferred arbitrator: "Upon the insured requesting arbitration, each party to the dispute shall select an arbitrator." The State Farm arbitration clause is virtually the same as the language in the Illinois Uninsured Motorist Statute: "Alternatively, disputes with respect to damages and the coverage shall be determined in the following manner: Upon the insured requesting arbitration, each party to the dispute shall select an arbitrator ***." 215 ILCS 5/143a(1) (West 2012). We contrast the October letter with what Guerrero's attorney clearly communicated to the insurer when he tendered proof of loss: "In the event we are unable to settle this claim, please be advised that I do hereby elect Scott Gibson as Ms. Guerrero's arbitrator in

this matter. Mr. Gibson's office is located at 415 W. Washington Street, Ste. 103, Waukegan, IL 60085." Also, the principle that an uncertain insurance contract is to be liberally construed in favor of coverage does not permit us to disregard the clear and unmistakable arbitration clause at issue. Thus, although we have found that an argument raised for the first time in this appeal is waived, we find no merit in the contention that Guerrero's initial communications with State Farm were also a demand for arbitration.

¶ 38 This brings us to Guerrero's alternative and last contention that State Farm is estopped from relying on the two-year limitations clause because the insurer's conduct lulled her into a fall sense of belief that her claim would be settled without suit. Guerrero's estoppel argument is based on three facts: (1) State Farm requested and received certain information shortly after the claim was initiated, such as confirmation that the other driver and other vehicle was uninsured, (2) State Farm retained an attorney to file a subrogation action, (3) State Farm did not request any additional information from Guerrero, although it periodically reviewed its file.

¶ 39 Generally speaking, the estoppel doctrine impedes or bars the assertion of a right, and is invoked to prevent injustice. *Byron Community Unit School No. 226 v. Dunham-Bush, Inc.*, 215 Ill. App. 3d 343, 348, 574 N.E.2d 1383, 1386 (1991). Estoppel is fairly applied to a dispute when a party, by his word or conduct, has intentionally or through culpable negligence, induced reasonable reliance by another on his representations and thus led the other, as a result of that reliance, to change his position, to his injury. *Byron Community Unit School*, 215 Ill. App. 3d at 348, 574 N.E.2d at 1386. While an intent to mislead is not necessary, the reliance by the other party must be reasonable. *Byron Community Unit School*, 215 Ill. App. 3d at 348, 574 N.E.2d at 1386.

¶ 40 In the context of insurance, an insurer may be estopped from raising a limitation defense if the insurer's conduct induced a reasonable belief in the other party that his or her claim would be settled without a suit. *Myers v. Centralia Cartage Co.*, 94 Ill. App. 3d 1139, 1142, 419 N.E.2d 465, 468 (1981). "Cases in which an insurer's conduct is found to amount to estoppel typically involve a concession of liability by the insurer, advance payments by the insurer to the plaintiff in contemplation of eventual settlement, and statements by the insurer which encourage the plaintiff to delay filing his action." *Foamcraft, Inc. v. First State Insurance Co.*, 238 Ill. App. 3d 791, 794, 606 N.E.2d 537, 539 (1992). "While the mere pendency of negotiations between the parties will not, of itself, give rise to an estoppel, estoppel may be found where negotiations are such as to lull the insured into a false security, thereby causing him to delay the assertion of his rights." *Sponemann v. Country Mutual Insurance Co.*, 120 Ill. App. 3d 211, 219, 457 N.E.2d 1031, 1038 (1983).

¶ 41 Guerrero does not explain how the three facts she cites demonstrate that she was induced by State Farm into believing that her claim would be settled amicably. For instance, Guerrero did not obtain State Farm's records until the discovery phase of this litigation. Thus, Guerrero was unaware that State Farm was periodically reviewing and making notations in her claim file during the two year limitations period. State Farm's business practices could not influenced her beliefs during the two year period and are irrelevant to her estoppel argument. Regarding the subrogation action, State Farm indicates it informed Guerrero by letter on June 14, 2010, that State Farm would file a subrogation suit to recover the $5,718 it paid under the collision coverage portion of Guerrero's policy, which is not a comment from State Farm on the availability of the uninsured motorist portion of her policy. Guerrero does not try to refute this contention. Accordingly, this is another fact that we disregard in our analysis. We are left with

only the fact that State Farm corresponded with Guerrero shortly after the accident occurred. The insurer's letter requested preliminary information and is not a concession of liability. It could not have lulled Guerrero into a false sense of security that delayed her from asserting her rights under the policy, including her right to demand arbitration of the existence of coverage or the amount of damages. We conclude that State Farm is not estopped from relying on the limitation provision.

¶ 42 We gave full consideration to all of Guerrero's appellate arguments and yet found them unpersuasive. For the reasons discussed, we affirm the circuit court's order granting State Farm's motion for summary judgment.

¶ 43 Affirmed.