

## Wisconsin Court of Appeals Holds Intentional Acts Exclusion Excludes Coverage Where Mentally Ill Person Shoots and Kills his Neighbor

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In *Wright v. Allstate Cas. Co.*, 2011 WL 292138 (Wis. Ct. App. Feb. 1, 2011), the Wisconsin Court of Appeals held that an intentional acts exclusion excluded coverage when a mentally ill person shot and killed his neighbor. Plaintiff Wright sued Allstate Insurance Company and its insureds, Rene Stermole, who shot and killed Wright's husband, and Maria Stermole, Rene's mother and housemate. Wright's lawsuit followed a criminal trial in which a jury convicted Rene of first-degree intentional homicide, but also concluded that he had a mental disease which precluded him from appreciating the wrongfulness of his conduct. Wright's complaint alleged that Rene negligently shot and killed her husband and that Maria was negligent for keeping a gun in the house when she knew Rene was mentally ill and for failing to prevent Rene from causing harm.

The court held that the intentional acts exclusion in the Allstate policy excluded coverage for Rene's actions, even though he was mentally ill at the time he killed the plaintiff's husband. The court reasoned that Rene testified at his criminal trial that he intentionally shot and killed Mark Wright. The jury then found him guilty of intentional homicide. It was evident, therefore, that Rene's mental illness did not prevent him "from intending his actions." *Id.*, ¶15. The court further reasoned that the intentional acts exclusion specifically provided that the exclusion applied even if the insured "lacks the mental capacity to govern his . . . conduct." *Id.*, ¶16. The Allstate policy thus accounted for an insured's mental illness.

Wright argued that the mental capacity clause within the intentional acts exclusion violated public policy, but the court disagreed. The court observed that its role is to construe insurance policies to give effect to the intentions of the parties. The wording of Allstate's policy clearly showed the parties' intent to exclude intentional acts even if the insured lacked the mental capacity to govern his conduct. Accordingly, the mental capacity clause did not violate public policy.

Finally, the court held that the intentional acts of Rene precluded coverage for his mother, Maria. Maria could not have reasonably expected coverage for damages caused by the intentional homicide her son committed. In addition, the policy excluded coverage for all insureds if any insured caused damage.

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