

**IN THE COURT OF APPEALS OF IOWA**

No. 2-471 / 11-1866  
Filed August 8, 2012

**ACUITY, A Mutual Insurance  
Company,**  
Plaintiff-Appellee,

**vs.**

**3A INVESTMENT, INC., EDGAR K.  
AUGUSTINE and TREVA M. AUGUSTINE,**  
Defendants-Appellants,

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Appeal from the Iowa District Court for Webster County, Thomas J. Bice,  
Judge.

Defendants appeal the district court's order granting summary judgment in  
favor of the plaintiff. **AFFIRMED.**

Bruce H. Stoltze of Stoltze & Updegraff, P.C., Des Moines, for appellants.  
Richard J. Kirschman of Whitfield & Eddy, P.L.C., Des Moines, for  
appellee.

Considered by Vogel, P.J., and Tabor and Bower, JJ.

**BOWER, J.**

Defendants 3A Investment and Edgar and Treva Augustine appeal from the district court's order granting summary judgment in favor of Acuity. The defendants argue the district court erred in determining the defendants did not have underinsured motorist (UIM) coverage under the provisions of a business auto insurance policy written by Acuity. The defendants further contend the district court erred in failing to find Acuity's denial of UIM coverage in this case constituted bad faith.

Upon our review, we conclude the limiting nature of the UIM coverage in the Acuity policy was in conformance with Iowa Code section 516A.2 (2009), where (1) the auto Edgar Augustine was driving when it was involved in a collision was personally owned by the Augustines; (2) the Acuity policy limited UIM coverage to two "specifically described" autos which did not include the Augustines' personally-owned auto; and (3) UIM coverage for the Augustines' personally-owned auto was available under a personal auto policy written by State Farm. In light of these facts, we further find Acuity had a legitimate, objectively-reasonable basis to contest the defendants' claim for UIM benefits. Accordingly, we affirm the district court's ruling granting summary judgment in favor of Acuity.

**AFFIRMED.**