IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

NATIONWIDE MUTUAL INSURANCE COMPANY	:	CIVIL ACTION
v.	:	
ANDRE MERDJANIAN, et al.	:	NO. 03-5153

MEMORANDUM

Baylson, J. **March 4, 2005**

I. Introduction

Plaintiff Nationwide Mutual Insurance Company ("Nationwide") brought this declaratory judgment action pursuant to 28 U.S.C. § 2201 against Defendants Andre Merdjanian, individually and as administrator of the estate of Sona T. Merdjanian, and his sons, Raffi and Hajop Merdjanian ("Merdjanian"). Nationwide asks this Court to declare that the automobile insurance policy Nationwide issued to Andre Merdjanian provides uninsured motorist and underinsured motorist coverage ("UM/UIM coverage") in the amount of $15,000 per person and $30,000 per occurrence for all uninsured motorist claims arising out of an accident on June 10, 2001. Merdjanian has filed a counterclaim seeking reformation of the Nationwide policy to reflect UM/UIM coverage of $300,000 per person and $900,000 per occurrence. Presently before the Court are the parties' cross motions for summary judgment.

I. Background

On July 16, 1990, Andre Merdjanian met with Rocco J. Polidoro, the owner of Rocco J. Polidoro Insurance Agency, an agency which sells and services Nationwide products. Andre signed an Application for Auto Insurance with Nationwide, and Nationwide subsequently issued

Century II Auto Policy No. 58 37 C 645588 ("the policy") to Andre as named insured for the policy period commencing July 17, 1990. The policy provided bodily injury liability limits of $25,000 per person and $50,000 per occurrence. Andre signed an Uninsured Motorist Coverage Authorization Form dated July 17, 1990, selecting UM/UIM coverage limits of $15,000 per person and $30,000 each occurrence. Andre also signed an Uninsured Coverage Limits form dated July 17, 1990, in which he rejected stacking of UM/UIM coverage.[1]

On June 26, 1991, Andre contacted Polidoro to add a second vehicle to the policy. On or about August 26, 1997, Andre added yet another vehicle to the policy. At that time, the bodily injury liability coverage was increased to $100,000 per person and $300,000 per occurrence.

Nationwide asserts that on September 4, 1998, Polidoro's agency sent UM 2 and UIM 2 forms to Andre for him to sign if he wanted to change the limits of his UM/UIM coverage, and that these forms were never returned. Merdjanian alleges that he never received these forms. There is no dispute, however, that these forms were never signed by Merdjanian or returned to Polidoro or Nationwide.

On April 17, 2001, Andre met with Polidoro to make some changes to the policy, including adding a 1990 Honda to the policy and adding one of his sons as a driver. Andre alleges that in that meeting he requested "full coverage," and that by "full coverage" he meant that the UM/UIM coverage should match the liability coverage and that UM/UIM coverage would be stacked for all three insured vehicles. Polidoro has testified that Andre did not ask to raise his UM/UIM coverage or to stack his coverage. As explained below, the Court need not

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[1]Stacking of coverage means that the limits for each insured vehicle can be added together to pay a loss from a single accident.

address this factual dispute, if a factual dispute indeed exists between these two accounts, as the material facts relevant to the motions before the Court are not in dispute.

On April 23, 2001, Nationwide issued a Declarations Page to Andre, stating bodily injury liability limits of $100,000 per person and $300,000 per occurrence and UI/UIM limits of $15,000 per person and $30,000 per occurrence. For the policy period April 17, 2001 to July 17, 2001, the policy insured three vehicles: a 1993 Mercury Grand Marquis, a 1998 Dodge Durango, and a 1990 Honda Accord.

On June 10, 2001, Andre's wife, Sona, was involved in an accident with an uninsured motorist while operating the 1998 Dodge Durango. Sona was killed and Hajop and Raffi were injured. Neither party disputes that at the time of the accident, Andre was the named insured as to three motor vehicles insured by Nationwide, each of which had liability limits of $100,000 per person and $300,000 per occurrence.

On September 12, 2003, Nationwide filed this declaratory judgment action against Merdjanian requesting this Court to declare that the policy provided UM/UIM coverage in the amount of $15,000 per person and $30,000 per occurrence for all uninsured motorist claims arising out of an accident on June 10, 2001. On May 5, 2004, Merdjanian filed a counterclaim seeking reformation of the Nationwide policy to reflect UM/UIM coverage of $300,000 per person and $900,000 per occurrence.

On November 5, 2004, both parties filed motions for summary judgment. On November 29, 2004, Nationwide filed an amended memorandum of law in support of its motion, and on December 21, 2004, both parties filed responses. On January 5, 2005, Merdjanian filed a reply brief, citing to a Pennsylvania Superior Court decision, Blood v. Old Guard Ins. Co., 2004 WL

3017068 (Pa. Super. Ct. Dec. 30, 2004), decided after the initial briefing was complete. The Court therefore afforded Nationwide an opportunity to file a brief responding to Merdjanian's arguments regarding Blood, which was filed with the Court on January 24, 2005. The Court then heard oral argument on the motions on February 10, 2005.

II. Summary of Parties' Contentions

A. Merdjanian's Contentions

Merdjanian first contends that Nationwide must provide UM/UIM coverage to the Merdjanians in the amount of $100,000 per person and $300,000 per occurrence because Pennsylvania's Motor Vehicle Financial Responsibility Law ("MVFRL") requires that an insurer provide UM/UIM coverage in an amount equal to the liability coverage unless a "sign-down" form is signed by the insured. 75 Pa. Cons. Stat. Ann. § 1731 (Purdon 1999). Merdjanian relies on the recent Superior Court opinions of Blood v. Old Guard Ins. Co., 2004 WL 3017068 (Pa. Super. Ct. Dec. 30, 2004)(Judge Joyce, dissenting), and Smith v. Hartford Ins. Co., 849 A2d 277 (Pa. Super. Ct. April 27, 2004), to argue that when the policy's liability limits were increased in 1997, the fact that Andre did not sign a new sign-down form reducing the UM/UIM coverage means that Nationwide must provide that coverage in amounts equal to the liability coverage.

Merdjanian also argues that Nationwide is obligated to stack the coverage of the three vehicles insured by Nationwide on the date of the accident, June 10, 2001, thus making the total coverage $300,000 per person and $900,000 per occurrence. Although Andre executed a waiver of stacking form for UM/UIM coverage in 1990 when he had only one vehicle insured under the policy with Nationwide, Merdjanian contends that Pennsylvania law does not allow stacking to be waived by a named insured who owns only one vehicle, In re Insurance Stacking Litigation,

754 A.2d 702 (Pa. Super. Ct. 2000), appeal den'd sub nom In re Leed, 565 Pa. 673, 775 (2001)("Stacking Litigation"), and instead requires that the opportunity to waive stacking be afforded when "more than one" vehicle is insured under the policy, 75 Pa. Cons. Stat. Ann. § 1738 (a)-(c). Therefore, Merdjanian argues, Nationwide's failure to provide Merdjanian with the opportunity to waive stacking when he added an additional vehicle to the policy on June 26, 1991, means that stacking of the policy's coverage should be permitted.

B. Nationwide's Contentions

Nationwide argues that the MVFRL does not impose a requirement on insurers to obtain new written requests for lower UM/UIM coverage whenever there is a change in the liability coverage, and there already exists a valid written request for UM/UIM coverage at $15,000 per person and $30,000 per occurrence, signed by Andre in 1990 when he purchased the policy. Nationwide also relies on the fact that Andre did not attempt to correct any alleged mistake in the coverage when the Declarations Page was sent to him on April 23, 2001.

Similarly, regarding stacking of coverage, Nationwide contends that because Andre signed a waiver/rejection of stacked coverage at the time the policy was initially purchased, Nationwide had no obligation to obtain new waiver/rejection forms when changes were made to the policy. Nationwide argues that Merdjanian had knowledge from the inception of the policy of his option to reject stacked coverage, and he received premium savings by rejecting stacking. Nationwide relies on an argument that, although the Pennsylvania Superior Court made statements in Stacking Litigation to the effect that only named insureds who purchase coverage for more than one vehicle under a policy may waive stacking of UM/UIM coverage, these statements are dicta and the language of the MVFRL does not prohibit an insurer from offering

an opportunity to waive stacking when only a single vehicle is insured, and if an insured with one vehicle, such as Merdjanian, rejects stacking, that rejection is binding if the insured subsequently acquires a second vehicle.

III. Summary Judgment Standard

Summary judgment is appropriate "if the pleadings, depositions, answers to interrogatories, 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." FED. R. CIV. P. 56(c). An issue is "genuine" if the evidence is such that a reasonable jury could return a verdict for the non-moving party. Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). A factual dispute is "material" if it might affect the outcome of the case under governing law. Id.

"Disposition of an insurance action on summary judgment is appropriate, when, as here, there are no material underlying facts in dispute." McMillan v. State Mutual Life Assurance Co. of Am., 922 F.2d 1073, 1074 (3d Cir. 1990).

IV. Discussion

A. UM/UIM Coverage Does Not Equal Liability Coverage Under the Facts of the Case

Section 1731(a) of the Motor Vehicle Financial Responsibility Law (MVFRL) provides that:

> No motor vehicle liability insurance policy shall be delivered or issued for delivery in this Commonwealth . . . unless uninsured motorist and underinsured motorist coverages are offered therein or supplemental thereto in amounts as provided in section 1734 (relating to request for lower limits of coverage). Purchase of uninsured motorist and underinsured motorist coverages is optional.

75 Pa. Cons. Stat. Ann. § 1731(a). Section 1731 (c.1) states that "[i]f the insurer fails to produce a valid rejection form, uninsured or underinsured coverage, or both, as the case may be, under that policy shall be equal to the bodily injury liability limits." 75 Pa. Cons. Stat. Ann. §1731(c.1). Section 1734 provides that "[a] named insured may request in writing the issuance of coverages under section 1731 (relating to the availability, scope and amount of coverage) in amounts equal to or less than the limits of liability for bodily injury." 75 Pa. Cons. Stat. Ann. §1734.

In the Blood opinion relied upon by Merdjanian, the Superior Court majority summarized the requirements of the MVFRL thus:

> The Motor Vehicle Financial Responsibility Law (MVFRL) directs that motor vehicle liability insurance polices may not be issued in this Commonwealth unless UM/UIM coverage is offered. 75 Pa .C.S.A. § 1731(a).
>
> Insureds must be notified of the option to reject such coverage and may choose to do so upon signing a specific rejection form. 75 Pa.C.S.A. § 1731(b) and (c).
>
> Absent a valid rejection, the MVFRL requires insurance companies to provide UM/UIM coverage in amounts equal to the bodily injury liability coverage purchased under the policy. 75 Pa.C.S.A. § 1731(c.1).
>
> An insured may elect, in writing, to purchase UM/UIM coverage in an amount less than the limits of liability coverage. 75 Pa.C.S.A. § 1731(c.1) and 1734.
>
> However, when an insured person elects to purchase UM/UIM coverage in an amount lower than the liability limits, the insured must affirmatively request the lower amount in writing. 75 Pa.C.S.A. § 1734, and Smith v. The Hartford Ins. Co., 849 A.2d 277 (Pa. Super. 2004).
>
> In contrast to the forms set forth in § 1731(a) and (b) for the outright rejection of UM/UIM coverage, no specific written format is prescribed by the statute for electing to reduce the amount of UM and UIM coverage.
>
> However, a request for lower coverage limits requires the signature of the insured, and an express designation of the amount of coverage requested. Lewis v. Erie

Ins. Exch., 793 A.2d 143, 153 (Pa. 2002).

2004 WL 3017068 at *2 (paragraph breaks added for clarity).

In Blood, the insureds (as Merdjanian in this case) had signed an election opting to lower UM/UIM coverage when they first purchased their insurance policy in 1986. Id. at *1. Subsequently, in 2000, the insureds in Blood reduced their liability coverage but did not make any marks on the change request form regarding UM/UIM coverage, and the insurer did not obtain any alternate election of reduced UM/UIM coverage. The Blood court held that the election to reduce UM/UIM coverage signed by the insureds when they first purchased their policy did not apply to the policy after the insureds had reduced their liability coverage. Thus, the Blood court held, under the statute, the UM/UIM coverage was, as a matter of law, equal to the liability coverage.

The Blood majority relied on the Superior Court's distinction in Smith, 849 A.2d 277, between cases in which UM/UIM coverage was waived and such waiver "carries forward throughout the lifetime of the policy, unless affirmatively changed," as opposed to "a 'sign-down' case, where an insured elects UM/UIM coverage in an amount lower than the liability limits." Blood, 2004 WL 3017068 at *3 (citing Smith, 849 A.2d at 281). "[W]here an insured in a sign-down case later seeks to change the amount of bodily injury liability coverage, a new request for lower limits of UM/UIM coverage must be submitted or the statutorily mandated equal limits will apply." Id.

Blood cites with approval Smith's reasoning that "[b]ecause the statutory provisions so entwine the relationship between the amount of liability coverage and UM/UIM coverage, a 'sign-down' case differs from a case involving an outright rejection of UM/UIM coverage, and

requires an insured to execute a new affirmative request for lower limits." Id. In Blood, the majority concluded that because "no rejection form was ever executed and because [the insurer] failed to obtain an alternate selection for UM/UIM coverage, the UIM coverage under the insureds' policy 'shall be equal to the bodily injury liability limits.'" Id.

Here, Merdjanian initially elected UM/UIM coverage lower than the liability coverage. Although there is a factual dispute as to Merdjanian's oral exchange with the insurance agent at the time he increased his liability coverage, neither party disputes that Merdjanian never executed another "sign-down" after he raised the policy's liability limits. The facts before the Court are therefore similar to those before the Superior Court in Blood, but are materially different from Smith.

This Court concludes that the Blood majority mistakenly relied on dicta from Smith and that, on the facts before the Court here, the Pennsylvania Supreme Court would decide otherwise. In applying Pennsylvania law this Court "must predict how the Pennsylvania Supreme Court would determine unresolved question of substantive law." Employers Fire Ins. Co. v. Alvarado, 2005 WL 182717 (E.D. Pa. 2005)(citing Borman v. Raymark Indus., Inc., 960 F.2d 327, 331 (3d Cir. 1992)). Decisions of the Superior Court, while accorded significant weight in determining what the state's highest court would decide, are not dispositive. Id. (quoting Horowitz v. Federal Kemper Life Assurance Co., 57 F.3d 300, 304 (3d Cir. 1995)("The decisions of Pennsylvania Superior and Commonwealth Courts, although not dispositive, 'should be accorded significant weight in the absence of an indication that the highest state court would rule otherwise.'")).[2]

[2]The Court notes that, although direction from the Pennsylvania Supreme Court in this murky area of state law would be dispositive, only the United States Supreme Court or Court of Appeals may file a certification petition to the Pennsylvania Supreme Court. 210 Pa. Code §

The Court agrees instead with the dissenting opinion of Judge Joyce in Blood that a new written request to reduce UM/UIM coverage was not required when the policy's liability limits were changed (in this case, increased). 2004 WL 3017068 *4. As Judge Joyce explains, the reasoning from Smith relied upon in Blood is dicta, since the facts in Smith involved *waiver* of UM/UIM coverage, not reduction. Id. at *7. In Smith, the Superior Court in fact rejected an argument parallel to that made by Merdjanian here and reasoned that when the insureds had signed a waiver of UM/UIM coverage, a subsequent change in the liability limits of the policy did not require a second waiver of UM/UIM coverage, because "the previous election form is presumed to be in effect throughout the lifetime of the policy." Id. at *5.

The other case cited by the majority in Blood as representative of the general proposition that a change in liability limits requires a new request for reduced UM/UIM limits – Cebula v. Royal & SunAlliance Ins. Co., 158 F. Supp. 2d 455 (M.D. Pa. 2001) – is also distinguishable from the facts here. The insured in Cebula never requested a reduction in uninsured motorist coverage. Here, there is no dispute that a written request for reduction in UM/UIM coverage was signed by Merdjanian at the inception of the policy. Therefore, as Judge Joyce's dissent in Blood concludes, "the proposition set forth in Smith, which cites Cebula, is not only dicta but distinguishable, and we are not bound by it." Blood, 2004 WL 3017068 *6.

As noted above, the holding in Smith correctly established that when a policy is modified by a change in liability limits, the insurer is not required to provide a new *rejection* of UM/UIM coverage. It would therefore be "illogical to require a new affirmation to purchase a *reduction* of UM/UIM coverage." Id. at *7. This Court therefore concludes that, if faced with the facts of

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before the Court here, the Pennsylvania Supreme Court would draw the logical conclusion from the holding, and not the dicta, in Smith that "[o]nce an insured has elected, in writing, to either reject or reduce UM/UIM coverage, that decision remains in effect until the insured indicates otherwise in writing pursuant to general contract principles." Id. at *7.

While there is no Pennsylvania Supreme Court jurisprudence directly on point, the approach to statutory interpretation of the MVFRL recently taken by the Pennsylvania Supreme Court in Lewis v. Erie Insurance Exchange, 568 Pa. 105 (Pa. 2002), indicates that the Supreme Court's reading of the relevant provisions of the MVFRL would not support the majority's holding in Blood. In Lewis, the Supreme Court held that the technical prescriptions regarding rejection of UM/UIM coverage – specifically that such rejection must involve separate sheets of paper – did not apply to reductions of UM/UIM coverage.

The Lewis court considered the plain language of the MVFRL within the context of the policies underlying the MVFRL, particularly the legislature's effort to contain insurance costs. The court concluded that "[w]hile cost containment is not the only objective of the statute, it has become an increasingly significant one, and it is apparent that the General Assembly has been employing the vehicle of free consumer choice with greater latitude and frequency in furtherance of this objective." Id. at 123.

Section 1734 states that "[a] named insured may request in writing an issuance of coverages under 1731 . . . in amounts equal to or less than the limits of liability for bodily injury." 75 Pa. Cons. Stat. Ann. § 1734. Merdjanian exercised his right to reduced UM/UIM coverage under this section of the statue. The decision of the General Assembly to allow insureds to elect reduced UM/UIM coverage and therefore reduce premiums furthered its

objective of containing insurance costs. The Blood majority concluded, however, that, despite the fact that the insureds had elected reduced UM/UIM coverage in order to reduce their premiums, § 1731 (c.1) required that UM/UIM coverage equal liability limits "[b]ecause no rejection form was ever executed and because [the insurer] failed to obtain an alternate selection for UM/UIM coverage." Blood, 2004 WL 3017068 at *3. The plain language of § 1731 (c.1), however, only requires that "[i]f the insurer fails to produce a valid rejection form, uninsured or underinsured coverage . . . .shall be equal to the bodily injury liability limits." 75 Pa. Cons. Stat. Ann. § 1731 (c.1). There is no indication in the plain language of the MVFRL that the failure to execute an *additional* request for reduced UM/UIM coverage after a modification of the policy's liability limits should make UM/UIM coverage equal to liability limits. Indeed, § 1734 only states that "[a] named insured may request in writing an issuance of coverages under 1731 . . . in amounts equal to or less than the limits of liability for bodily injury." 75 Pa. Cons. Stat. Ann. §1734. The Blood majority's creation of a requirement of an *additional* election of reduced UM/UIM coverage, after a modification in the policy's liability limits, does not further the MVFRL's policy objective of containing insurance costs by allowing consumer choices that result in reduced premiums.

Merdjanian signed an election to reduce UM/UIM coverage to $15,000 per person and $30,000 per occurrence at the inception of the policy, in order to reduce his premiums, and he continued to pay reduced premiums on the basis of that reduction of UM/UIM coverage for the life of the policy. To adopt Merdjanian's interpretation would give him an economic windfall not mandated by the MVFRL and inconsistent with the statute's goals of cost containment. The Court finds that the subsequent modification of the policy to increase the liability limits did not

impose a requirement on Nationwide to obtain an additional election of reduced UM/UIM coverage. Therefore, Nationwide must only provide UM/UIM coverage to the Merdjanians in the amount of $15,000 per person and $30,000 per occurrence for all uninsured motorist claims arising out of an accident on June 10, 2001.

B. Stacking – Waiver of Stacking Signed When Only One Vehicle Was Insured Is Not Valid Throughout Life of Policy After Additional Vehicles are Added

The statutory language of the MVFRL requires that "[e]ach named insured purchasing uninsured or underinsured motorist coverage for more than one vehicle under a policy shall be provided the opportunity to waive the stacked limits of coverage." 75 Pa. Cons. Stat. Ann. § 1738(c)(emphasis added). As discussed above, Merdjanian's motion relies on language from In re Insurance Stacking Litigation, 754 A.2d 702 (Pa. Super. Ct. 2000), appeal den'd sub nom In re Leed, 565 Pa. 673, 775 (2001)("Stacking Litigation"), in which the Pennsylvania Superior Court interpreted § 1738 of the MVFRL to indicate that "only named insureds who purchase coverage for more than one vehicle under a policy may waive the stacking of uninsured or underinsured benefits." 754 A.2d 702. Merdjanian thus argues that the waiver of stacking form that he signed at the inception of his policy, when he purchased coverage for only one vehicle, is invalid.

The issue in Stacking Litigation was whether insurers were required to inform named insureds purchasing coverage for only one vehicle of the opportunity to waive stacking. The court analyzed the language of § 1738 and determined that the legislature's decision to limit the class of those to whom the opportunity to waive must be provided to those insuring "more than one vehicle" "suggests that the legislature only intended to allow named insureds who have more than one vehicle insured under a policy to waive stacking." Id. at 708.

The court reasoned that "by confining the class of those who can waive stacking to named insureds who purchase coverage for more than one vehicle under a single policy, it appears that the legislature has expressed a clear preference in favor of stacking." Id. at 709.

> All those who are insured in Pennsylvania pay for this privilege, via increased rates for uninsured or underinsured motorist benefits, except for those who are permitted to waive stacking under section 1738(b). In this manner, the risk and cost associated with stacking is shared by all who purchase insurance, except for those who exercise their option to waive, and thereby helps to maintain premiums at a more affordable level.

Id. The court found this interpretation to be supported by a statement in the legislative history by Representative George Saurman that "all the ones who have only one car are going to subsidize that." Id. (quoting Legislative Journal of the House, Vol. I, No 10 at 209 (February 7, 1990)). The court found that, although this was the only such statement, it suggested that "the legislature contemplated that those individuals who purchase coverage for only one car will pay increased premiums to help subsidize the higher costs associated with Pennsylvania's virtually mandatory stacking policy." Id.

While Stacking Litigation's reasoning is arguably dicta, Pennsylvania state courts have cited approvingly to Stacking Litigation and its interpretation of § 1738 as limiting the class of insureds who can waive stacking. In Nationwide Mutual Ins. Co. v. Harris, 826 A.2d 880, 884 (Pa. Super. Ct. 2003), a case involving inter-policy stacking, the Superior Court cited to Stacking Litigation and referred to the right to waive stacking as "a statutorily created right, which only named insureds who have multiple vehicles insured under a single policy may waive." The Superior Court again applied the reasoning of Stacking Litigation in State Farm Automobile Ins. Co. v. Rizzo, 835 A.2d 359, (Pa. Super. Ct. 2003), where the court found that despite the fact that

the insureds had paid reduced premiums based on their election to waive stacking, "their election was void *ab initio* and therefore unenforceable because it conflicted with the provisions of §1738 as this court has interpreted it."

> Applying the Stacking Litigation court's analysis to the facts of this case, we find that daughter and father could not waive stacking because neither insured more than one vehicle under a policy (intra-policy stacking); in fact, neither possessed more than one vehicle, the very situation the Stacking Litigation court addressed. Thus, despite the fact that State Farm apparently reduced insureds' premiums for their purported 'election' to waive stacking, their election was void *ab initio* and therefore unenforceable because it conflicted with the provisions of §1738 as this court has interpreted it.

Id. (citations omitted). In State Farm Fire and Casualty v. Craley, 844 A.2d 573, 575-76 (Pa. Super. Ct. 2004), the Superior Court criticized the outcome of Rizzo's adoption of other aspects of Stacking Litigation regarding intra-policy versus inter-policy stacking, but did not address Stacking Litigation's limitation of waiver to insureds purchasing coverage for more than one vehicle.

So, although the language relied upon by Merdjanian is arguably dicta, the reasoning behind Stacking Litigation's interpretation of § 1738 has not been questioned by Pennsylvania courts and has been applied consistently to limit those who may waive stacking to insureds purchasing coverage for more than one vehicle. The waiver signed by Merdjanian when he was purchasing coverage for only one vehicle is therefore invalid under the MVFRL, and Nationwide does not dispute that no subsequent stacking waiver form was ever signed by Merdjanian after he added a second vehicle to his policy. Thus, Nationwide is obligated to stack the coverage of all vehicles insured by Nationwide under the policy on the date of the accident.

C. Conclusion

Based on the foregoing, the Court finds that Nationwide must provide UM/UIM coverage to the Merdjanians in the amount of $15,000 per person and $30,000 per occurrence for all uninsured motorist claims arising out of an accident on June 10, 2001, and that Nationwide is obligated to stack the coverage of all vehicles insured by Nationwide on the date of the accident, June 10, 2001. Both plaintiff's and defendants' motions for summary judgment are therefore granted in part and denied in part.

An appropriate Order follows.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

NATIONWIDE MUTUAL INSURANCE COMPANY	:	CIVIL ACTION
v.	:	
ANDRE MERDJANIAN, et al.	:	NO. 03-5153

ORDER

AND NOW, this 4th day of March, 2005, upon consideration of the Cross Motions for Summary Judgment, and the responses thereto, it is ORDERED that the Motion for Summary Judgment of Plaintiff Nationwide Mutual Insurance Company is GRANTED and Plaintiff must provide UM/UIM coverage to the Defendants in the amount of Fifteen Thousand Dollars ($15,000) per person and Thirty Thousand Dollars ($30,000) per occurrence for all uninsured motorists claims arising out of an accident on June 10, 2001. The Motion for Summary Judgment of Defendants is GRANTED in part and Plaintiff is obligated to stack the coverage of all vehicles insured by Plaintiff on the date of the accident, June 10, 2001. All other claims by Plaintiff and Defendants are DENIED.

The Clerk is directed to close this case.

BY THE COURT:

s/Michael M. Baylson
Michael M. Baylson, U.S.D.J.

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