IN THE COURT OF APPEALS OF IOWA

No. 7-651 / 96-1508
Filed May 29, 1998

CHURCH MUTUAL INSURANCE COMPANY,
Appellee,

vs.

JAMES HARRY STROVERS, ALBERT "SONNY" CARLSON, JR., HELEN I. CARLSON, and KRISTIN R. CARLSON,
Appellants,

KATHY S. CARLSON, ZACHARY A. CARLSON, SARAH N. NESSLER, and SCOTT CARLSON,
Defendants.

Appeal from the Iowa District Court for Jones County, Kristin L. Hibbs, Judge.

James Strovers appeals from declaratory judgment denying liability insurance coverage for an automobile accident. **AFFIRMED.**

Linda Hansen Robbins of Irvine & Robbins, L.L.P., Cedar Rapids, for appellants.

John M. Bickel and William H. Courter of Shuttleworth & Ingersoll, P.C., Cedar Rapids, for appellee.

Considered by Cady, C.J., and Huitink and Mahan, JJ. Sackett, J., takes no part.

HUITINK, J.

I. Background Facts and Proceedings.

James Strovers was a member of Valley View Baptist Church in Cedar Rapids. He served the church as its Youth Program Director. Strovers was not paid for his work, and was considered a volunteer.

On April 11, 1993, Wanda Wilhelm asked Strovers to drive her to church because her car was unavailable. As Strovers was driving his van to pick Wilhelm up, he was involved in an accident with another vehicle. The owners, operator, and passengers from the other vehicle sued Strovers and Valley View.

Strovers sought coverage for these claims from Church Mutual Insurance Co., the insurance carrier for Valley View. Church Mutual initiated this declaratory judgment action to resolve the coverage questions raised by Strovers' claim. Church Mutual alleged Strover was not covered under its policy because he did not meet the definition of an insured person under the terms of its policy. The insurance policy included a "Hired and Nonowned Automobile Excess Insurance" provision, stating:

> **PERSONS INSURED.** Each of the following is an insured to the extent set forth below:
>
> 1. The Named Insured.
> 2. Any person who is an officer, clergyman or employee of the Named Insured, but only while acting in the performance of and within the scope of his duties as such.
> 3. Any person while using a hired automobile, (except an automobile owned by such person), provided the actual use of the automobile is by the Named Insured or with his permission.

Valley View's constitution and bylaws listed the officers of the church as pastor, deacons, deaconesses, and trustees. The position of Youth Program Director was listed with several other positions as, "Other Positions."

The district court determined Strovers was not an officer of Valley View. The court also found Strovers was not acting on behalf of the church, but was engaged in a personal favor for Wilhelm when the accident occurred. The district court's judgment declared Strovers was not covered under Valley View's insurance policy with Church Mutual.

II. Standard of Review.

The petition for declaratory judgment was filed in equity, and Strovers asserts our review is de novo. Church Mutual asserts the district court ruled on evidentiary objections at the trial, and thus, the case was tried at law.

The legal or equitable nature of a declaratory judgment action is to be determined by the pleadings, the relief sought, and the nature of the case. *State ex rel. Attorney General v. Terry,* 541 N.W.2d 882, 886 (Iowa 1995). A case will be heard on appeal in the same manner it was tried in the district court. *Davis-Eisenhart Mktg. Co., Inc. v. Baysden,* 539 N.W.2d 140, 142 (Iowa 1995). The district court's ruling on objections is the litmus test for determining whether trial was by equitable or ordinary proceedings. *IMT Ins. Co. v. Roberts,* 401 N.W.2d 228, 229-230 (Iowa App. 1986).

We determine the present case was tried at law because the district court ruled on objections. Our review is for errors of law. *Grinnell Mut. Reinsurance Co. v. Recker,* 561 N.W.2d 63, 68 (Iowa 1997). If substantial evidence supports the district court's findings of fact, the appellate court is bound by those findings. *Id.* The court, however, is not bound by the district court's conclusions of law, and may inquire into whether the court's ultimate conclusions were materially affected by improper conclusions of law. *Id.*

III. The Merits.

As noted earlier, Strovers contends he was an officer of the church at the time of the accident. He advances a larger definition of the word "officer" that includes persons appointed or elected to a position of responsibility or authority in an organization. He claims it is improper to use the church constitution to determine who is covered by the insurance policy, because the church constitution could change from year to year, which could change the coverage of the insurance policy. We disagree.

When an insurance policy is ambiguous, requires interpretation, or is susceptible to two equally plausible constructions, the court adopts the construction most favorable to the insured. *West Bend Mut. Ins. Co. v. Iowa Iron Works, Inc.,* 503 N.W.2d 596, 598 (Iowa 1993). Insurance policies are in the nature of adhesion contracts. *A.Y. McDonald Indus., Inc. v. INA,* 475 N.W.2d 607, 619 (Iowa 1991). Thus, an insurer, having affirmatively expressed coverage through broad promises, assumes a duty to define any limitations or exclusionary clauses in clear and explicit terms. *West Bend,* 503 N.W.2d at 598. The burden of proving coverage is excluded by an exclusion or exception in the policy rests upon the insurer. *Id.*

The district court correctly determined Strovers was not an officer of the church at the time of the accident. A Youth Program Director was not a church officer according to Valley View's constitution and bylaws. Additionally, Dale Krohse, chairman of the Valley View board of trustees, testified Strovers was not considered an officer of the church.

Strovers also contends he was acting on behalf of the church at the time of the accident. He cites the "Comprehensive Church Liability" provision of the foregoing policy which defines persons insured as members of the church while acting on behalf of the church. Strovers accordingly argues he was covered because he was acting on behalf of the church when he agreed to drive Wilhelm to church.

The district court finding that Strovers was engaged in a personal act of kindness and not church business is supported by substantial evidence. There is no evidence anyone in authority at the church had directed Strovers to give Wilhelm a ride to the church or that he was acting in any capacity for the church.

We affirm the decision of the district court. Costs of this appeal are assessed to appellants.

AFFIRMED.