STATE OF MINNESOTA
IN COURT OF APPEALS
A24-0699

Rebecca A. Niebuhr,
Appellant,

vs.

Jacob Sieberg,
Defendant,

Timothy Sieberg, et al.,
Respondents.

Filed January 13, 2025
Reversed and remanded
Bentley, Judge

Blue Earth County District Court
File No. 07-CV-22-3705

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Considered and decided by Worke, Presiding Judge; Bentley, Judge; and Kirk, Judge.*

* Retired judge of the Minnesota Court of Appeals, serving by appointment pursuant to Minn. Const. art. VI, § 10.

SYLLABUS

Vehicle owners may be held vicariously liable as principals under the Minnesota Safety Responsibility Act, Minnesota Statutes section 169.09, subdivision 5a (2022), even if their deemed agent, the driver of the vehicle involved in an accident, is immune from liability as a coemployee under the Minnesota Workers' Compensation Act, Minnesota Statutes section 176.061, subdivision 5(e) (2022).

OPINION

BENTLEY, Judge

Following a one-vehicle accident that happened at work and resulted in the death of the vehicle's passenger, that person's next of kin brought a wrongful-death action against the driver and the driver's parents who owned the vehicle. The district court determined that the driver was immune from liability under a provision of the Minnesota Workers' Compensation Act (WCA) that provides that, in most circumstances, a coemployee working for the same employer is not liable to another employee for work-related injuries. Minn. Stat. § 176.061, subd. 5(e) (2022).[1] The issue in this case is whether, despite the immunity of the driver, the vehicle owners can still be held vicariously liable for the driver's conduct under the Minnesota Safety Responsibility Act (SRA), Minn. Stat. § 169.09, subd. 5a (2022), which provides that a vehicle driver is the deemed agent of the

[1] The WCA has been amended since the events giving rise to this case, but we cite the current version because the amendments do not pertain to the provisions relevant here.

vehicle owner if the driver operates the vehicle with the owner's consent and gets into an accident.

On summary judgment, the district court determined that, because the vehicle driver (the agent) was entitled to coemployee immunity under workers' compensation law, the vehicle owners (the principals) benefited from that immunity and could not be held liable for the driver's negligent conduct. We conclude that binding supreme court precedent in *Miller v. J.A. Tyrholm & Co.*, 265 N.W. 324 (Minn. 1936), compels a different result. *Miller* instructs that principals remain liable under the SRA even if their agent is immune from liability. 265 N.W. at 325. We therefore reverse the grant of summary judgment in favor of the vehicle owners and remand for further proceedings.

FACTS

This case arises from a work-related car accident in which Jacob Sieberg was driving his boss, Jason Niebuhr, who passed away in the accident. Appellant Rebecca Niebuhr (Niebuhr) is Jason's mother and trustee for next of kin. Respondents Timothy and Michele Sieberg (the Siebergs) are Jacob's parents, and they were the titled owners of the truck that Jacob was driving at the time of the accident.[2] Niebuhr sued Jacob and the Siebergs, alleging that Jacob was liable for negligence as the driver and that the Siebergs were vicariously liable as vehicle owners under the SRA.

Whether the Siebergs can be held liable requires that we interpret the interplay between the SRA and the WCA. As background, we provide a brief overview of the

[2] Because of the common last names in this case, we refer to Jason and Jacob by their given names and to Jason's mother and Jacob's parents by their surnames.

relevant statutory provisions before summarizing the facts underlying this matter in the light most favorable to the nonmoving party, as is required on summary judgment. *Staub as Tr. of Weeks v. Myrtle Lake Resort, LLC*, 964 N.W.2d 613, 620 (Minn. 2021).

A. Relevant Statutory Background

The Safety Responsibility Act establishes a principal-agent relationship between the owner of a vehicle and the vehicle's driver. Minn. Stat. § 169.09, subd. 5a. The SRA was first codified in 1933, and its language has remained largely unchanged since then. *See* 1933 Minn. Laws ch. 351, § 4; 3 Mason's Minn. Stat. 1934 Supp. § 2720-104. The SRA provides that "[w]henever any motor vehicle shall be operated within this state, by any person other than the owner, with the consent of the owner, express or implied, the operator thereof shall in case of accident, be deemed the agent of the owner of such motor vehicle in the operation thereof." Minn. Stat. § 169.09, subd. 5a.

The Minnesota Supreme Court has noted the "strong considerations of public necessity" behind the SRA, explaining that the legislature enacted it upon recognizing that "[a]n owner of an automobile otherwise could not be held liable for injuries to innocent third persons resulting from the negligence of a[n] [operator] unless a relationship of principal-agent or master-servant existed between the owner-bailor and the operator-bailee." *Hutchings v. Bourdages*, 189 N.W.2d 706, 708 (Minn. 1971). The SRA was intended "to give to persons injured by the negligent operation of automobiles an approximate certainty of an effective recovery." *Id.* at 709 (quotation omitted). It accomplishes that "by making the registered owner . . . responsible as well as the possibly or probably irresponsible person whom the owner permits to drive the car." *Id.* (quotation,

citation, and alterations omitted); *see also Shuck v. Means*, 226 N.W.2d 285, 287 (Minn. 1974). And to effectuate its purpose of "making the owner of a motor vehicle liable to those injured by its operation upon public streets and highways," the SRA "must be liberally construed." *State Farm Mut. Auto. Ins. Co. v. Dellwo*, 220 N.W.2d 367, 369-70 (Minn. 1974).

The Workers' Compensation Act, Minn. Stat. §§ 176.001-.862 (2022 & Supp. 2023), was enacted "to assure the quick and efficient delivery of indemnity and medical benefits to injured workers at a reasonable cost" to employers, Minn. Stat. § 176.001. The WCA is based on a compromise that reflects "a mutual renunciation of common law rights and defenses by employers and employees alike." *Id.* Under that compromise, "[e]mployees' rights to sue for damages over and above medical and health care benefits and wage loss benefits are to a certain degree limited by the [WCA], and employers' rights to raise common law defenses such as lack of negligence, contributory negligence on the part of the employee, and others, are curtailed." *Id.*

The WCA includes coemployee immunity, which protects an employee from liability "for a personal injury incurred by another employee unless the injury resulted from the gross negligence of the coemployee or was intentionally inflicted by the coemployee." Minn. Stat. § 176.061, subd. 5(e). To take a claim outside of the coemployee immunity context, the injured employee must show that the coemployee owed a personal duty to the injured employee, in addition to proving gross negligence. *See Stringer v. Minn. Vikings Football Club, LLC*, 705 N.W.2d 746, 754, 759-60 (Minn. 2005).

Because this compromise affects the rights and obligations of both the employee and employer, the legislature emphasized that the WCA is "not remedial in any sense" and is "not to be given a broad liberal construction" in favor of either party. Minn. Stat. § 176.001.

B. Facts and Procedural History

Jason was the founder and sole owner of Wells Computer and Electronics, Inc. (Wells), a company that repaired, sold, and installed various electronic equipment. Wells employed an accountant and part-time, seasonal employees to assist Jason, who was blind. The company's workers' compensation insurance covered its employees, but Jason, as Wells's owner, had elected not to purchase coverage for himself. *See* Minn. Stat. § 176.041, subd. 1a(a) (2022) (providing that business owners, who are not otherwise covered under workers' compensation policies, may choose to purchase coverage).

Jacob, who was 17 years old at the time of the accident, began working at Wells after his junior year of high school. Jacob's duties included helping install and repair equipment and driving Jason to and from customers' homes. When driving for work-related purposes, Jacob usually drove the company vehicle. However, on a few occasions, Jacob used a personal truck for work purposes. The truck was owned by the Siebergs, but they had purchased it for Jacob's use and given Jacob permission to drive it to and from school and work.[3] Jacob was the truck's primary driver.

[3] The Siebergs maintain that they did not give Jacob permission to drive the vehicle at work or to use it for work purposes.

The fatal, one-vehicle accident occurred as Jacob was driving Jason for a work delivery. The company vehicle was occupied at another job site, so Jacob drove his personal truck, to which his parents held title. Jacob lost control of the truck, causing it to drift over the curb on one side of the highway, spin across into a ditch on the other side, and roll four times. Jason died at the scene.

Niebuhr brought a wrongful-death action against Jacob and the Siebergs (together, defendants). Defendants moved for summary judgment, arguing that Jacob was entitled to coemployee immunity under the WCA. They also argued that the Siebergs were entitled to summary judgment because they could not be vicariously liable under the SRA given Jacob's immunity. The Siebergs alternatively argued that the SRA does not apply to them because they did not consent to Jacob's use of the truck for work.

The district court granted summary judgment in favor of all defendants. The district court first determined that Jacob was entitled to coemployee immunity, which Niebuhr does not challenge on appeal. The district court then determined that Jacob's immunity precluded the Siebergs' vicarious liability under the SRA. In reaching that decision, the district court relied primarily on this court's nonprecedential decision in *Guess v. Priore*, No. A05-2467, 2006 WL 2474095 (Minn. App. Aug. 29, 2006). Because it granted summary judgment for the Siebergs based on Jacob's coemployee immunity, the court noted that the issue of whether the Siebergs consented to Jacob's use of the truck, as necessary to establish SRA liability, was "moot."

Niebuhr appeals, challenging the district court's grant of summary judgment to the Siebergs.

ISSUE

Did the district court err in granting summary judgment for the Siebergs because it determined that they, as vehicle owners, cannot be held liable under the SRA for the negligent conduct of the vehicle driver if the driver is entitled to coemployee immunity under workers' compensation law?

ANALYSIS

This case arises on appeal from a grant of summary judgment under Rule 56.01 of the Minnesota Rules of Civil Procedure. As an appellate court, we review a district court's decision on summary judgment de novo. *Visser v. State Farm Mut. Auto. Ins. Co.*, 938 N.W.2d 830, 832 (Minn. 2020). Summary judgment is appropriate "if the movant shows that there is no genuine issue as to any material fact and the movant is entitled to judgment as a matter of law." Minn. R. Civ. P. 56.01. It follows that, as an appellate court, we are tasked with determining "whether the district court properly applied the law and whether there are genuine issues of material fact that preclude summary judgment." *Riverview Muir Doran, LLC v. JADT Dev. Grp., LLC*, 790 N.W.2d 167, 170 (Minn. 2010). Our assessment of the district court's application of the law here involves the interpretation of statutes, which is a question of law that we also review de novo. *Visser*, 938 N.W.2d at 832 (citing *West Bend Mut. Ins. Co. v. Allstate Ins. Co.*, 776 N.W.2d 693, 698 (Minn. 2009)).

The legal question presented in this appeal is whether vehicle-owner principals can be held vicariously liable under the SRA for injury or death resulting from an accident that their agent caused, even though the agent has coemployee immunity under the WCA. The answer is yes—liability may attach. We conclude that (1) binding supreme court precedent

in *Miller*, 265 N.W. 324, compels that result; (2) our contrary decision under analogous circumstances in a nonprecedential opinion in *Guess*, 2006 WL 2474095, is not persuasive because it did not discuss *Miller* and *Miller* was not briefed; and (3) our decision here is consistent with the relevant statutory structure and with the supreme court's application of agency principles in the WCA context. We address each of these rationales in turn.

I

In *Miller*, the supreme court considered whether a car dealership could be held liable as a principal under an early version of the SRA, when a prospective buyer took a car out for a test drive and negligently injured his wife. 265 N.W. at 325-28.[4] The driver was entitled to interspousal immunity from liability for his wife's injuries, but he was also the deemed agent of the dealership under the SRA. *Id.* at 325, 327-28. Considering the effect of the driver's immunity on the dealership's liability as principal under the SRA, the *Miller* court held in general terms: "[I]f a negligent act resolves itself into injury to another, and if the actor occupies a position which makes him immune to suit for recovery of damages,

[4] At that time, the statute provided:

> Whenever any motor vehicle, after this Act becomes effective, shall be operated upon any public street or highway of this State, by any person other than the owner, with the consent of the owner express or implied, the operator thereof shall in case of accident, be deemed the agent of the owner of such motor vehicle in the operation thereof.

Miller, 265 N.W. at 325 (emphasis omitted) (quoting 1933 Minn. Laws ch. 351, § 4; 3 Mason's Minn. Stat. 1934 Supp. § 2720-104).

that alone should not relieve the principal or master." *Id.* at 325-26. In discussing the issue, *Miller* quoted section 217 of the Restatement (First) of Agency, which reads:

> A master or other principal is not liable for acts of a servant or other agent which the agent is privileged to do although the principal himself would not be so privileged; *but he may be liable for an act as to which the agent has a personal immunity from suit*.

Miller, 265 N.W. at 327-28 (emphasis added) (quoting Restatement (First) of Agency § 217). From there, the supreme court concluded that the dealership could be held liable for the wife's injuries under the SRA, notwithstanding the driver's immunity. *Id.* at 328.

The Siebergs argue that *Miller* is distinguishable because it was decided in the context of a different type of immunity—interspousal immunity—that "was disfavored for many years and has now been abolished." *See Beaudette v. Frana*, 173 N.W.2d 416, 420 (Minn. 1969) (abrogating "absolute defense of interspousal immunity in actions for tort"). We are not persuaded that the type of immunity, however disfavored today, affected the holding in that case.

To begin, there is no indication in *Miller* itself that its holding is limited to the context of spousal immunity. The language in *Miller*, quoted above, is broad and not tied to a specific type of immunity. *See* 265 N.W. at 325-26. Section 217 of the restatement, quoted above and in *Miller*, is not limited to the context of interspousal immunity. And the *Miller* court cited other decisions holding principals liable for tortious conduct of their agents, even though the agents were immune for reasons other than spousal immunity. *See, e.g.*, *id.* at 327-28 (citing *Melady v. S. St. Paul Livestock Exch.*, 171 N.W. 806, 807 (Minn. 1919) (applying agency principles to hold a stock exchange corporation vicariously liable

for the tortious acts of its otherwise immune agent directors)). Indeed, the *Miller* court considered a case somewhat analogous to this one, in which the Supreme Court of West Virginia held:

> The owner of an automobile is liable, under the doctrine of respondeat superior, for injuries sustained by a guest as a result of the negligent acts or omissions of a driver-agent while acting as such and within the scope of his employment, regardless of the fact that the driver-agent, due to relationship to the guest, or other circumstances, may, or may not, enjoy immunity from action by said guest.

Id. at 327 (quoting *Smith v. Smith*, 179 S.E. 812, 812 (W. Va. 1935)). And the *Miller* court's ultimate conclusion focused on the principal-agent relationship, not the fact or source of immunity of the agent: "The husband's negligence being conceded, and his agency for [the dealership] established, nothing further remains to fasten liability upon [the dealership]." *Id.* at 328.

Moreover, after *Miller*, the supreme court reaffirmed that its ruling was not limited to interspousal immunity. *See Poynter v. County of Otter Tail*, 25 N.W.2d 708, 712 (Minn. 1947). In *Poynter*, the plaintiff sued the County of Otter Tail, alleging that the county (the principal) had instructed the state highway department (the agent) to carry out a highway construction project, and the agent's negligence caused land damage. *Id.* at 709-10. The county argued that, because the agent/highway department was immune, it followed that the county as "the principal . . . cannot be sued." *Id.* at 712. Relying on *Miller* and the agency principles underlying its reasoning, the *Poynter* court rejected the county's argument and held that "the county and not the state is liable for any damages arising from

any negligence occurring in the construction of the highway, since the state acts only as the agent of the county." *Id.* at 709, 712.

In sum, nothing in the *Miller* decision, nor in the supreme court's application of *Miller* in *Poynter*, indicates that *Miller*'s holding is limited to the context of interspousal immunity. We therefore conclude that *Miller*'s reasoning applies to coemployee immunity under workers' compensation law as it does to other types of agent-immunity. We hold that vehicle owners may be held vicariously liable as principals under Minnesota Statutes section 169.09, subdivision 5a, even if their deemed agent, the driver of the vehicle, is immune from liability as a coemployee under Minnesota Statutes section 176.061, subdivision 5(e).

II

We acknowledge that our holding today may be in tension with the reasoning of our nonprecedential decision in *Guess*, 2006 WL 2474095. In *Guess*, we addressed whether the owner of an aircraft could be held vicariously liable for a pilot's negligence, when a statute much like the SRA created a principal-agent relationship between aircraft operators and aircraft owners. *Id.* at *4 (citing Minn. Stat. § 360.0216 (2004)). After concluding that the pilot was immune as a coemployee under the WCA, we reasoned that, "[i]f the underlying liability does not exist, there can be no vicarious liability." *Id.* at *3-4. Although that decision is not binding on us, we may consider it for its persuasive authority. Minn. R. Civ. App. P. 136.01, subd. 1(c).

In light of our conclusion that *Miller* controls our decision here, we do not find *Guess* persuasive. Importantly, no party argued to the court in *Guess* that the issue was

controlled by *Miller*. Instead, the principal-airplane-owner relied on *Reedon of Faribault, Inc. v. Fidelity & Guaranty Insurance Underwriters, Inc.*, 418 N.W.2d 488, 490 (Minn. 1988), to avoid liability for the negligent conduct of its agent. In *Reedon*, the supreme court considered—as an issue of contract interpretation—whether a *Pierringer* release[5] of an agent also released a principal from liability. *Reedon*, 418 N.W.2d 488, 488-90 (discussing agency principles only insofar as they evince the parties' intent behind the contract provision in dispute). In addition to interpreting the plain language of the release, the *Reedon* court reasoned that the agent would be required to indemnify the principal and "would have no reason to agree to a release which left it open to a suit . . . for indemnity." *Id.* at 490. In this case, which does not turn on principles of contract interpretation that underlie the *Reedon* decision, we conclude that *Reedon* is inapposite and *Miller* controls. And, as we discuss more below, any concerns about indemnification do not affect the application of agency principles in the workers' compensation context.

III

The Siebergs argue that allowing recovery under the SRA when the agent-driver is entitled to coemployee immunity will undermine the purposes of the WCA, which was amended in 1979 to broaden the scope of coemployee immunity beyond what had been recognized by caselaw. *See Stringer*, 705 N.W.2d at 754-60 (discussing the evolution of

[5] "A *Pierringer* agreement allows a plaintiff to release a settling defendant and to discharge a part of the plaintiff's cause of action while reserving the balance of the cause of action against the nonsettling defendants." *Reedon*, 418 N.W.2d at 490.

coemployee immunity) (citing *Dawley v. Thisius*, 231 N.W.2d 555 (Minn. 1975); *Wicken v. Morris*, 527 N.W.2d 95 (Minn. 1995)). Again here, we are not persuaded.

Our holding in this case is consistent with the legislature's intent that (1) the SRA be read broadly, in favor of affording relief to injured or deceased victims, *Dellwo*, 220 N.W.2d at 369-70, and (2) the WCA is "not remedial in any sense and [is] not to be given a broad liberal construction in favor of the claimant or employee on the one hand, nor are the rights and interests of the employer to be favored over those of the employee on the other hand," Minn. Stat. § 176.001. In adopting the WCA, the legislature struck a bargain to meet the concerns of employees and employers. Employees are entitled to "the quick and efficient delivery of indemnity and medical benefits" following workplace injuries. *Id.* In turn, those benefits come at a "reasonable cost to the employers," *id.*, and the employers are also released from civil liability in most circumstances, *see* Minn. Stat. § 176.031 (providing that "[t]he liability of an employer prescribed by this chapter is exclusive"). Put simply, that bargain does not extend to a party outside the employment relationship.

The Siebergs nevertheless emphasize the possibility that an agent's immunity as a coemployee could be undermined if the principal, who is not party to the employment relationship, is held liable and then brings an indemnification action against the coemployee-agent. In effect, the coemployee would no longer be shielded from liability. That may be true in some circumstances, but it does not affect our interpretation of the WCA—that it does not extend coemployee immunity to third-party principals. That result still reflects the WCA compromise between the employer and the employee, which was not designed to affect the relationships between the employee or employer and a third party.

Indeed, the supreme court has permitted a third party to bring an indemnification claim against an *employer* for injuries of an employee, even though the employer's direct liability to the injured employee was constrained to the workers' compensation system. *Lunderberg v. Bierman*, 63 N.W.2d 355, 357 (Minn. 1954). In *Lunderberg*, a vehicle owner dropped her car off at a dealership for a vehicle checkup. *Id.* at 350. While it was there, two of the dealership's employees took it out for a road test and got into an accident that injured the passenger employee. *Id.* The injured employee received workers' compensation benefits from his employer, and also sued the vehicle owner under the SRA. *Id.* at 357-58. The vehicle owner then sought indemnification from the dealership. *Id.* In allowing the indemnification claim, the court dispelled the notion "that to permit the employee to recover of a third person, and then allow such person to recover indemnity of the employer when the employee could not sue the employer, is to extend the liability of the employer beyond that limited by the [WCA]." *Id.* at 365. The court explained that the WCA "was not intended to affect the rights of other parties not standing in the relationship of employer and employee except to the limited extent expressed in the act itself," "nor is there any reason why it should do so." *Id.* at 364-65. Because liability attached to the third-party vehicle owner only by virtue of the SRA, and not the WCA, the vehicle owner could not be "deprived of a right to seek indemnity from one actively responsible for the injury simply because the employee's right to sue the employer is limited by the [WCA]." *Id.* at 364.

That reasoning applies equally here. The result—that principals might pursue indemnification against an agent with coemployee immunity under the WCA—is

consistent with the WCA's focus on the employee-employer relationship. *See* Minn. Stat. § 176.001.

DECISION

We hold that vehicle owners may be held vicariously liable as principals under Minnesota Statutes section 169.09, subdivision 5a, even if their deemed agent, the driver of the vehicle, is immune from liability as a coemployee under Minnesota Statutes section 176.061, subdivision 5(e). Accordingly, we reverse the district court's grant of summary judgment in favor of the Siebergs and remand for further proceedings not inconsistent with this decision.[6]

Reversed and remanded.

[6] In moving for summary judgment, the Siebergs alternatively argued that they did not consent to Jacob's use of their vehicle for work purposes. Lack of consent is a defense to liability under the SRA. *See* Minn. Stat. § 169.09, subd. 5a. The district court determined that the consent issue was moot after ruling that the Siebergs could not be held vicariously liable when Jacob was immune. In their appellate brief, the Siebergs again assert that they did not consent to work-related use of the vehicle. Niebuhr, on the other hand, maintains that the permission the Siebergs gave to Jacob to drive to work was sufficient, as a matter of law, to establish consent under the SRA. To the extent that the Siebergs argue lack of consent as an alternative basis for affirming summary judgment, we decline to reach that issue and remand with instructions for the district court to address that aspect of the Siebergs' motion for summary judgment in the first instance.