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DISTRICT I

June 9, 2026

To:

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Circuit Court Judge
Electronic Notice

Anna Hodges
Clerk of Circuit Court
Milwaukee County Appeals Processing Division
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Nathan Bayer
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You are hereby notified that the Court has entered the following opinion and order:

2024AP1161 Ryan Ramos v. RLI Insurance Company (L.C. # 2023CV6324)

Before Donald, C.J., Colón, P.J., and Geenen, J.

Summary disposition orders may not be cited in any court of this state as precedent or authority, except for the limited purposes specified in WIS. STAT. RULE 809.23(3).

Ryan and Heidi Ramos appeal an order of the circuit court granting RLI Insurance Company's motion for summary judgment and dismissing their complaint with prejudice. On appeal, the Ramoses argue that, contrary to the circuit court's finding, RLI's insurance policy provided coverage for engine damage. Based upon our review of the briefs and record, we conclude at conference that this case is appropriate for summary disposition. *See* WIS. STAT.

RULE 809.21 (2023-24).[1] For the reasons discussed below, we reject the Ramoses' argument and affirm.

BACKGROUND

Ryan purchased a 2020 BMW M2 to participate in road racing. In order to safely participate in the sport, Ryan enrolled in a driver's education program. The Ramoses purchased an insurance policy underwritten by RLI prior to participating in the program.

During the second session of the education program, Ryan was driving the M2 around the track with his instructor in the passenger seat when a "drivetrain malfunction" message appeared on the M2's iDrive vehicle data screen. Ryan immediately drove the M2 into the racetrack pit, where it was determined that the M2 was damaged and could not be taken back out on the track.

The M2 was transported to a BMW dealership. The dealership determined that the M2 experienced an engine failure caused by revving the engine beyond the maximum engine speed. Because this was caused by user error, BMW determined the repairs, which included an engine replacement, were not covered by warranty.

The Ramoses made a claim under the RLI policy. RLI denied the claim, and the Ramoses filed the underlying lawsuit against RLI.

RLI moved for summary judgment, arguing that the policy expressly excluded damage while engaged in racing and damage stemming from a mechanical breakdown. The circuit court

[1] All references to the Wisconsin Statutes are to the 2023-24 version.

held a hearing on the summary judgment motion. The circuit court rejected RLI's argument that the racing exclusion applied. The court, however, held that the mechanical breakdown exclusion applied. The Ramoses now appeal.

DISCUSSION

Summary judgment "shall be rendered 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." WIS. STAT. § 802.08(2). In this case, whether summary judgment was properly granted requires that we review the insurance policy the Ramoses obtained through RLI.

"The interpretation of the language in an insurance policy presents a question of law, which this court reviews independently." ***Marnholtz v. Church Mut. Ins. Co.***, 2012 WI App 53, ¶10, 341 Wis. 2d 478, 815 N.W.2d 708. "We first look to the language of the agreement." ***Id.*** If the language is unambiguous, we apply the language as it is written. ***Id.*** However, if a word or phrase is "reasonably susceptible to more than one interpretation," the language is considered ambiguous and we resolve any ambiguity "against the insurer and in favor of the insured seeking coverage." ***Id.*** While the interpretation of language in an insurance policy "should advance the insured's reasonable expectations of coverage," ***id.*** (citation omitted), "we do not interpret insurance policies to provide coverage for risks that the insurer did not contemplate or underwrite and for which it has not received a premium." ***American Fam. Mut. Ins. Co. v. American Girl, Inc.***, 2004 WI 2, ¶23, 268 Wis. 2d 16, 673 N.W.2d 65.

Turning to the insurance policy at issue here, on appeal the parties dispute whether the mechanical breakdown exclusion applies.[2] The Ramoses argue that their "loss" should be covered because it was not "caused" by a mechanical breakdown, but rather an incorrect operation of the vehicle. We disagree. The Ramoses' argument ignores the plain language of the policy.

The policy provides "[w]e cover risks of physical 'loss' to your 'scheduled automobile' that occur due to your participation in the 'driver education event' for which you are registered unless the loss is limited or caused by a peril that is excluded." The policy includes a section titled "Perils Excluded" which states in relevant part:

> 2. We do not pay for "loss" that is caused by or results from one or more of the following causes or events.
>
> > b. Mechanical Breakdown – We do not pay for "loss" caused by any mechanical, structural, or electrical breakdown or malfunction including a breakdown or malfunction resulting from a structural, mechanical, or reconditioning process.

Here, as RLI observes, the "loss" was due to engine failure, which "resulted from" the mechanical breakdown inside the engine. Under the plain language of the policy, RLI will not pay for a loss that "results from" a mechanical breakdown. It is not necessary to examine what "caused" the mechanical breakdown. The policy uses the phrase "caused by *or* results from." (Emphasis added.) The use of "or" does not require the presence of both alternatives. ***Beaver***

[2] The Ramoses also argue that the racing exclusion does not apply. Because we conclude that the mechanical breakdown exclusion applies, we do not address the racing exclusion. *See* ***State v. Castillo***, 213 Wis. 2d 488, 492, 570 N.W.2d 44 (1997) ("An appellate court should decide cases on the narrowest possible grounds.").

Dam Cmty. Hosps., Inc. v. City of Beaver Dam, 2012 WI App 102, ¶10, 344 Wis. 2d 278, 822 N.W.2d 491 (stating that "[t]he ordinary meaning of 'or' is disjunctive, meaning that a category that is included in a list of categories linked by the term 'or' is one alternative choice").

The Ramoses note ***Glassner v. Detroit Fire & Marine Ins. Co.***, 23 Wis. 2d. 532, 536, 127 N.W.2d 761 (1964), which states that an all-risk property policy is "a promise to pay for loss caused by a fortuitous and extraneous happening, but it is not a promise to pay for loss or damage which is almost certain to happen because of the nature and inherent qualities of the property insured."[3] ***Glassner***, however, is irrelevant. While the decision makes a passing reference to the term "mechanical breakdown" when discussing which party held the burden of proof, the court did not decide this question due to the stipulation of the parties that the loss was the result of "accident and misfortune." ***Id.*** at 537.

Therefore, for the reasons above, we reject the Ramoses' arguments and affirm.

IT IS ORDERED that the order is summarily affirmed. *See* WIS. STAT. RULE 809.21.

IT IS FURTHER ORDERED that this summary disposition order will not be published.

Samuel A. Christensen
Clerk of Court of Appeals

[3] The Ramoses also discuss multiple non-binding cases from other jurisdictions. We are not persuaded that these cases, some of which do not specify the policy language at issue or involve differing policy language than this case, compel a different result here.