

NO. 22862

IN THE SUPREME COURT OF THE STATE OF HAWAII

EDWARD FRANKLIN, Claimant-Appellee

vs.

AIG HAWAII INSURANCE CO., Respondent-Appellant

APPEAL FROM THE FIRST CIRCUIT COURT
(Special Proceedings No. 99-0264)

SUMMARY DISPOSITION ORDER

(By: Moon, C.J., Levinson, Nakayama,
Ramil, and Acoba, JJ.)

Respondent-appellant AIG Hawaii Insurance Co. (AIG) appeals from the first circuit court's (1) June 29, 1999 order granting claimant's application for an order confirming arbitration award and motion for entry of judgment; and (2) September 8, 1999 order denying respondent AIG Hawaii Insurance Co.'s motion for reconsideration of order granting claimant's application for order confirming arbitration award and motion for entry of judgment against respondent filed June 29, 1999.

On appeal, AIG contends that the circuit court erred in: (1) granting Claimant-appellee Edward Franklin's (Franklin) motion to confirm the December 10, 1998 arbitration award without

allowing a reduction to reflect amounts already paid to Franklin by Kurt Owens (Owens); and (2) denying AIG's motion for reconsideration of the order granting Franklin's motion to confirm the arbitration award and entry of judgment.

Upon carefully reviewing the record and the briefs submitted by the parties and having given due consideration to the arguments advanced and the issues raised by the parties, we hold that the circuit court erred in confirming the arbitration award without allowing a reduction to reflect the \$35,000 already paid to Franklin by Owens. Because Franklin was fully compensated for his damages, he is not entitled to recover the full policy limit of \$35,000 in uninsured motorist benefits from AIG. See AIG Hawai'i Ins. Co. v. Rutledge, 87 Hawai'i 337, 344, 955 P.2d 1069, 1076 (App. 1998) ("although the insured should be compensated as much as policy limits will allow, double recovery of damages through collecting of UM benefits is generally not permitted"); Wiegand v. Colbert, 68 Haw. 472, 478, 718 P.2d 1080, 1085 (1986) (because only one full recovery of awardable damages is contemplated, judgment against remaining tortfeasor in negligence suit was reduced by amount of settlement received from settling defendant, even though settling defendant ultimately held not to be liable). See also Inlandboatmen's Union of the Pacific v. Sause Bros., Inc., 77 Hawai'i 187, 193, 881 P.2d 1255, 1261 (App. 1994) (a court will not enforce an arbitration award that is contrary to public policy). Therefore,

IT IS HEREBY ORDERED that the judgments from which this appeal is taken are vacated, and the case is remanded to the circuit court for further proceedings.

DATED: Honolulu, Hawai'i, December 7, 2000.

On the briefs:

Deborah S. Jackson
(Paul K. Hoshino with her
on the briefs) for
respondent-appellant

Mark F. Gallagher (Ian L.
Mattoch with him on the
brief) for claimant-
appellee