

Accardi v. Hartford Underwriters Insurance Co.

Year: 2019

Court: Supreme Court of North Carolina

Case Number: 42A19

In its brief, UP argues against the wrongful depreciation of labor. This issue has been litigated throughout the country, and states have been split on the outcome. For the carriers that do depreciate labor, many have filed coverage forms that expressly outline the practice. This brief addresses a case where Hartford depreciated labor without any authorization in the policy form. UP argues that depreciation of labor is directly contrary to the concept of indemnity. Actual cash value (ACV) policies should put the policyholder in the same position as they were before the loss; if depreciation is withheld on labor, the insured cannot be restored to pre-loss condition with that ACV payment. UP further argues that the question of whether labor should be depreciated is a matter of contract interpretation and should be decided as a matter of law. Further, it is a reasonable construction of the policy that labor should not be depreciated, and to the extent the policy terms are subject to more than one reasonable interpretation, the policy should be interpreted in favor of the policyholders.

This brief was drafted pro bono by Mark R. Sigmon of Sigmon Law, PLLC