

Allstate Property and Casualty Co. v. Jared Wolfe

Year: 2014

Court: Pennsylvania Supreme Court

Case Number: 39 MAP 2014

On certified question from the U.S. Court of Appeals for the Third Circuit, the Pennsylvania Supreme Court confronted the issue of whether statutory bad faith claims may be assigned to an injured third party when the insured settles its claim and/or chooses not to pursue its own cause of action. Pennsylvania law has long since allowed for common law tort claims to be assigned and in creating a statutory cause of action for bad faith, the Legislature made no effort to limit assignment. UP reminded the Court that insurers should not be able to escape liability for wrongful delay or denial of a valid claim simply because the insured chooses not to pursue an action for tort damages. Bad faith is unlike other “personal” torts, which generally may not be assigned, in that the harm done is suffered by both the insured and the injured third party. Public policy favors assignability of bad faith claims in order to compensate all injured parties and deter future tortious conduct. Read more about the case here. In a decision issued December 15, 2014, the Pennsylvania Supreme Court agreed with UP and held that bad faith claims are assignable under Pennsylvania law. Read the decision of the Supreme Court, agreeing with UP and citing our amicus brief throughout.

UP's brief was authored pro bono by Andrew Kennedy, Esq. of the Colkitt Law Firm, John Ellision, Esq. and Luke Debevec, Esq. of Reed Smith and UP Executive Director Amy Bach, Esq. and Staff Attorney Dan Wade, Esq.