

# Anadarko Petroleum Co. v. Houston Casualty Co et al.

Year: 2017

Court: Texas Supreme Court

Case Number: No. 16-1013

It is well-settled that Texas courts maintain the value of insurance and keep a level playing field between the state's residents and insurance companies by applying and enforcing the doctrine of contra proferentem – i.e., ambiguous language in an insurance policy is to be interpreted in favor of coverage. Thus, when the language of the insurance contract is ambiguous, that is, is subject to two or more reasonable interpretations, then that construction which affords coverage will be the one adopted. The policy of strict construction against the insurer is especially strong when the court is dealing with exceptions and words of limitation. UP reminded the Court it is settled law in Texas that when the interpretation of an exclusionary or coverage-limiting clause is at issue, courts “must adopt the construction of an exclusionary clause urged by the insured as long as that construction is not unreasonable, even if the construction urged by the insurer appears to be more reasonable or a more accurate reflection of the parties’ intent.

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