

Auto-Owners Insurance Company v. Bolt Factory Lofts Owners Association Inc.

Year: 2020

Court: Colorado Supreme Court

Case Number: 16CV33608

In its brief, UP requests that the Colorado Supreme Court affirm the decision of the Court of Appeal.

UP argued that in exercising its right and duty to defend its policyholder, an insurance company must conduct the defense in the best interest of the policyholder. By reserving its right to deny coverage, Auto-Owners Insurance Company explicitly raised the specter that it would seek to avoid coverage for any judgment, and its failure to settle the matter put Sierra Glass in peril. Denying intervention drew a clear and appropriate separation between the defense of the underlying action (where the insurance company must act for the benefit of its policyholder) and an insurance coverage action (where the insurance company may assert its rights under the insurance policy for its own benefit).

UP argued that Colorado's liability insurance framework protects the policyholder's right to receive the benefit of the insurance it purchased and that the Court of Appeals correctly balanced the rights and duties of the Parties.

This brief was drafted pro bono by Tim Law and Elizabeth Vieyra of Reed Smith and John Taussig of Taussig & Smith