

Fadeeff v. State Farm General Insurance Co.

Year: 2020

Court: First District Court of Appeal, Division 2

Case Number: A155691

One of UP's Platinum sponsors, Kerley Shaffer, LLP, obtained a reversal of summary judgment in favor of an insurance company in a bad faith claim. Fadeeff v. State Farm General Insurance Co involved the application of the "genuine dispute" rule - a rule that allows summary adjudication of a bad faith claim in the insurer's favor when it is indisputable that the basis for an insurer's denial or benefits was reasonable. This rule has the potential to be abused by insurers who use biased expert reports to shed bad faith claims. Fadeeff set out a comprehensive framework for application of the rule and held in the policyholder's favor. Unfortunately, the opinion was not initially published. UP, along with other policyholder advocates, weighed in to ask the First District Court of Appeal to publish the opinion. In its letter, UP argued that the opinion should be published since it involved issues of continuing public interest. Namely, Fadeeff emphasized that (1) an insurer who has obtained an expert opinion is not automatically insulated from bad faith claims, and (2) the comprehensive framework for applying the "genuine dispute" rule in Fadeeff will help preserve policyholders' ability to be properly indemnified, primarily through the ability to recover attorney's fees. Requests for Publication also attached below: Pillsbury & Coleman LLP Kerley Schaffer, LLP Update: The Court published Fadeeff in the Official Reports.

This letter was drafted pro bono by Dan Veroff of Merlin Law Group and by Amy Bach and Mark Dillman of United Policyholders