

[James Nalder v. United Automobile Ins. Co.](#)

Year: 2016

Court: Nevada Supreme Court

Case Number: 70504

Under contract principles, a party that breaches a duty owed under a contract is liable for losses consequential for that breach when there is a special circumstance present. Contracts of insurance present a special circumstance given the special relationship between the parties and nature of the contract. As such, a breach of that contractual duty should result in a rule that allows insureds to recover an excess judgment amount as consequential damages. UP argued in its brief that other courts have concluded that an insurer is liable for consequential damages resulting from its refusal to defend its insured—i.e. its breach of contract. As such, there is no justification for making a special rule about consequential damages for insurers. Nevada’s usual rule that any party that breaches a contract is liable for consequential damages should apply to insurers as well.

UP's brief was authored pro bono by Mark A. Boyle, Esq. of Boyle and Leonard, P.A. and David T. Pursiano, Esq. of Pursiano Barry Bruce Lavelle, LLP