

Jesus Camacho et al v. Nationwide Mut. Ins. Co.

Year: 2017

Court: U.S. Court of Appeals, 11th Circuit

Case Number: 16-14225

An insurer's duty of good faith and fair dealing extends to settling claims against its insured. In a liability case, such as an automobile accident, an insurer must take an active role in settlement negotiations and where a reasonable settlement offer within policy limits is tendered by the injured party, it must be accepted. When the insurer fails to do so and exposes its insured to excess liability and protracted litigation, it does not meet its burden to give equal consideration to the interests of its insured. Thus, the logic follows (and is the majority rule) that when a verdict is rendered against its insured in excess of the policy limits for which it could have settled the case, the insurer is liable for the excess judgment. UP weighed in to counter powerful industry allies that contend that this is not a fair rule. UP reminded the Court of why insurance is different from any other contract and why its breach is imbued with public policy concerns and why insureds require these special protections. UPdate 7/11/17: The 11th Circuit affirmed, per curiam the decision of the District Court.

UP's brief was authored pro bono by Jeffrey D. Diamond, Esq. and UP Staff Attorney Dan Wade, Esq.