Kurach v. Truck Insurance Exchange

Year: 2019
Court: Supreme Court of Pennsylvania - Eastern District
Case Number: 12 EAP 2019

In this brief, UP argues that General Contractor Overhead and Profit (GCOP) should not be excluded when determining the Actual Cash Value (ACV) benefits under property insurance policies affording replacement coverage. The policy language in this particular case stated that the insurer was authorized to withhold GCOP from ACV payments “unless and until you actually incur and pay such fees and charges, unless the law of your state requires that such fees and charges be paid with the actual cash value settlement.” UP argues that GCOP is part of replacement cost and does not depreciate, so it must be within ACV and is required to be paid as part of the ACV settlement under Pennsylvania law. Moreover, the court has previously found that insurance companies may not deduct contractor fees from ACV when such fees are reasonably expected to occur, including instances when the insured might not actually incur labor costs. Therefore, Pennsylvania law requires GCOP charges to be paid with the ACV settlement. UP next asks the court to recognize the public policy behind including GCOP in the ACV settlement. The holdback could hinder policyholders from receiving the maximum amount of benefits they paid premiums for, and could result in hardship entering into a contract to make repairs. It was also brought to the court’s attention that industry custom and practice calls for GCOP to be included in ACV settlements.

This brief was drafted pro bono by William "Chip" Merlin, Jr., Daniel Ballard, and Shane Smith of Merlin Law Group, P.A. & John Ellison and Timothy Law of Reed Smith LLP

The information presented in this publication is for general informational purposes and is not a substitute for legal advice. If you have a specific legal issue or problem, United Policyholders recommends that you consult with an attorney. Guidance on hiring professional help can be found in the “Find Help” section of www.uphelp.org. United Policyholders does not sell insurance or certify, endorse or warrant any of the insurance products, vendors, or professionals identified on our website.
Source: https://uphelp.org/amicus-briefs/kurach-v-truck-insurance-exchange/ Date: September 11, 2026