

Labarre et al v. Texas Brine Co., LLC (Indian Harbor Ins. Co.)

Year: 2017

Court: Louisiana Supreme Court

Case Number: 2017-CC-1761

Under Louisiana law (statute), a policyholder's coverage claim against its insurer should be subject to a 10-year prescriptive period. Prescriptive statutes are to be strictly construed against prescription and in favor of the obligation sought to be extinguished. A primary reason for these rules is that, unless the Legislature has expressly spoken on the applicable prescriptive period, plaintiffs – particularly unsophisticated parties who oftentimes don't understand or appreciate their rights – should be afforded their day in court. There is no question that a claim by a policyholder against an insurer for coverage under a policy is contractual in nature and thus subject to a ten- year prescriptive period. By extension, it logically follows that the competing principles of strict construction against prescriptive statutes, and the rights those principles of strict construction are designed to protect, will best be balanced by maintaining the same ten-year prescriptive period for all claims stemming from a breach of the duties that flow from that relationship.

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