

## **Liberty Surplus Insurance Corporation v. Ledesma and Meyer Construction Co., Inc.**

Year: 2017

Court: California Supreme Court

Case Number: S236765

California courts have long held that liability insurance covers an employer's vicarious liability for employee negligence as well as intentional torts. In countless decisions over the years, California courts have upheld coverage for employer's vicarious liabilities for intentional, willful acts and torts of their employees under standard commercial or comprehensive general liability ("CGL") insurance policies. Policies that typically provide coverage for bodily injury or property damage caused by an "accident." UP's amicus brief reminded the Court that insurance policies must be read from the perspective of an ordinary consumer who would reasonably understand the word "accident" to include unexpected and unintended consequences of intentional acts (e.g., striking a match (without knowing that there was a gas leak that will explode when ignited – the striking of the match was intentional, the explosion would be an unintended consequence resulting from unforeseen circumstances or circumstances outside of the individual's control). In fact, the California Supreme Court has defined an "accident" as "a source and cause of damage to property, within the terms of an accident policy...an unexpected, unforeseen, or undesigned happening or consequence from either a known or an unknown cause." UP urged the Court to resist insurer attempts to overturn decades of important California law and deprive employers of paid-for and expected insurance coverage under their CGL policies for employee intentional torts including negligent hiring. Because the issues in this case have far-ranging impact on the business and policyholder community at large, a number of amicus briefs were filed in addition to United Policyholders'. They include the California Catholic Conference and Association of Christian Schools International, Franciscans and Dominicans and the Los Angeles Unified School District. To read more about the case, see: <http://uphelp.org/builder-gets-help-insurance-fray-calif-high-court>  
[https://www.law360.com/insurance/articles/1016325/calif-high-court-has-a-chance-to-define-accident-?nl\\_pk=6af2dbe4-c085-4575-ae1b-](https://www.law360.com/insurance/articles/1016325/calif-high-court-has-a-chance-to-define-accident-?nl_pk=6af2dbe4-c085-4575-ae1b-)



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