

Office Depot, Inc. v. AIG Specialty Ins. Co.

Year: 2017

Court: U.S. Court of Appeals, 9th Circuit

Case Number: 17-55125

Insurance policies rarely, if ever, exclude coverage for negligent or reckless conduct. In fact, individual consumers and businesses purchase liability insurance for liabilities arising precisely from such conduct. In contrast, intentional acts undertaken with the intent to injure, are rarely insured. California courts look at whether the conduct is so reprehensible, that as a matter of public policy, it cannot be insured. An insured's negligent or reckless speech or conduct does not meet this high bar (and is thus uninsurable) merely because the speaker or actor, when acting recklessly, did so while intending to induce reliance on the insured's words or actions. UP reminded the Court that it must follow California Supreme Court precedent, which holds that statutory prohibitions on indemnification for fraud or negligent misrepresentation, do not apply to insurance. In addition, UP pointed out the Court's error in confusing the duty to defend with the duty to indemnify. See also:

https://norcalrecord.com/stories/511308261-united-policyholders-weighs-in-on-insurance-dispute-betwee n-office-depot-and-aig

UP's brief was authored pro bono by David B. Goodwin, Esq. and Elizabeth S. Pehrson, Esq. of Covington and Burling LLP

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