

Patriot Cleaning Services v. Certain Underwriters at Lloyd's London

Year: 2016

Court: California Supreme Court

Case Number: S233277

In a theft case, UP submitted a letter supporting review on two grounds: First, the trial and appellate courts erred in allowing a motion for summary judgment to survive despite a reasonable inference (in this case that the doors to a van could have been opened without “visible signs of forced entry” e.g., broken locks or windows) in favor of the non-moving party, the policyholder. Second, when a court is confronted with an ambiguous term in an insurance policy, particularly an exclusion which is to be construed narrowly, it must apply the doctrines of reasonable expectations and contra proferentem. In other words, if a policy term is susceptible to more than one competing, reasonable meaning, the interpretation urged by the insured should prevail. In this case, as described above, the business policy at issue contained an exclusion for theft if there were not “visible signs of forced entry” which, again, the carrier interpreted to mean broken locks or windows. The policyholder submitted evidence that the doors may have been opened by use of a “slim jim” (a flexible metal strip with a hooked end that slides between a car window and the rubber seal to open a locked door) and the carrier presented no evidence that this had not occurred, but nevertheless applied the exclusion. Thus, UP urged the court to reverse on the grounds that summary judgment was inappropriate where legal and factual disputes exist.

UP Executive Director Amy Bach, Esq. and Staff Attorney Dan Wade, Esq.