

Peterson v. Western National Mutual Insurance

Year: 2019

Court: Supreme Court of Minnesota

Case Number: A18-1081

In its brief, UP weighed in on Minnesota's bad faith statute, § 604.18, in order to protect Minnesota policyholders when an insurance company does not complete a reasonable investigation of a claim. UP weighed in to avoid a narrow reading of the statute which would not allow insurers to be held liable under for bad faith if they are able to provide any evidence whatsoever in support of coverage denial—effectively rendering the statute meaningless.

Instead, UP argued that Minn. Stat. § 604.18, subd. 2(a) supports the Court of Appeals' application of the *Anderson* framework, which is to say that insurance companies are required to conduct a reasonable claims investigation or risk facing liability. UP supports this argument with legislative history and elaborates on the Court of Appeals correct analysis and proper application of this standard.

UP further argued that the Court of Appeal's decision properly balances the rights of policyholders with that of insurers.

UPDATE: UP and our volunteer drafters secured a win for Minnesota policyholders and bad faith causes of action! See the opinion, attached.

This brief was drafted pro bono by Timothy Johnson and Karly A. Kauf of Smith Jadin Johnson, PLLC