

Pistorese v. Transamerica Life Insurance Company

Year: 2014

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

Case Number: 14-35027

Under Washington law, insurance contracts are to be interpreted based on the principle of contra preferentem – ambiguous terms must be strictly construed against the drafter-insurer and in favor of the insured as to effectuate coverage. UP argued in its brief, that in the long-term-care context, unless the policy specifically refers to the type of facility covered in terms of specific requirements, policyholders should be entitled to use such coverage for nursing homes, boarding homes, and other care facilities. Insurers may not rewrite contracts at claim time in order to escape coverage based on arbitrary definitions of terms that are contrary to the policyholder’s reasonable expectations. UP also argued in its brief that public policy favors the purchase and sale of Long Term Care Insurance to alleviate future burdens on families and the government when care is required. Resolving any restrictive or ambiguous terms in policies in favor of the insurer will have a chilling effect as consumers will fear litigating semantics when coverage is needed most. The District Court properly found coverage under the policy at issue and as such UP urged the 9th Circuit to affirm.

UP’s brief was drafted pro bono by Patrick LePley, Esq., Shannon Kilpatrick, Esq., UP Executive Director Amy Bach, Esq., and Staff Attorney Dan Wade, Esq.