

## **Rosalin Rogers and Mark L. Thompson v. Catlin Ins. Co. LTD (UK)**

Year: 2017

Court: Colorado Supreme Court

Case Number: 2016SC916

Many states have enacted statutes requiring and incentivizing insurance companies to promptly pay policy benefits owing to policyholders (and those who stand in their shoes). In Colorado, insurers who fail to promptly pay benefits owed or improperly deny coverage are liable not only for the policy benefits themselves, but must pay pre-judgment interest on the money wrongfully withheld. The issue in this case is whether a prevailing garnishor, entitled to policy benefits as a third party, is entitled to prejudgment interest where an insurer improperly denies coverage and forces the garnishor into years of litigation. In a brief drafted by Colorado policyholder attorneys Damian Arguello and Fannie I. Minot, UP reminded the Court that the promise of insurance protection, whether owed in a first party property damage case or a third party personal injury matter, must be honored. Where an insurer wrongfully denies coverage, then has a judgment entered against them, they must pay more than just the money that should have been paid in the first place. They are liable for the time-value of money or pre-judgment interest for the time there were wrongfully deprived of insurance proceeds that were rightfully theirs. If pre-judgment interest is not owed, insurers are incentivized to hold on to the money while they litigate [here, ultimately unsuccessful coverage defenses. UPdate 12/13/18: In a split decision the Colorado Supreme Court ruled for the policyholder on the prejudgment interest award in garnishment actions issue and against the policyholder on the mandate interpretation issue. While the Court didn't expressly reference UP's brief in their opinion, they did cite two of the cases that UP provided in our brief.

UP's brief was authored pro bono by Damian J. Arguello, Esq. and Fannie I. Minot, Esq. of the Colorado Insurance Law Center