

## **Smith v. Citadel Insurance Company, et al.**

Year: 2019

Court: Supreme Court of Louisiana

Case Number: 2019-CC-0052

In an important win for policyholders, the Louisiana Supreme Court on October 21, 2019 affirmed that the prescriptive period for bad faith claims in Louisiana is in fact 10 years, not one. Congratulations to Louisiana policyholders and our amicus brief drafters Andrew Veazey, Esq. with the Lafayette LA firm of Veazey, Felder & Renegar, LLC and Michael DeBarros with the Baton Rouge, LA firm of Kean Miller. In its brief, UP argued that a ten-year prescriptive period applies to bad faith claims against insurers in Louisiana, as opposed to a one-year prescriptive period. UP succinctly sets out in its brief, and then elaborates, that the ten-year period: is consistent with well-settled Louisiana law that insureds are protected by a ten-year prescriptive period for these claims; better aligns with an insurer's continuing duty of good faith and fair dealing, which extends throughout the litigation process; discourages unnecessary litigation in the way of protective suits by policyholders against their insurers for bad faith (potentially before their claim is even settled); deprives insurers of immunity which would otherwise apply to any bad faith action once a year has run from the first act of bad faith; provides policyholders access to courts to sue for acts of bad faith occurring one year after the insurer denies coverage; and is consistent to the rule of strict construction against prescriptive statutes in favor of maintaining an action to enforce the obligation sought to be extinguished. This underlying duty of good faith and fair dealing flows directly from contractual obligations of the insurance contract, and should be contrasted with a claim in tort. Without a ten-year prescriptive period, this duty to the insured that acts as a safeguard would be severely hampered and could eliminate protection for unsuspecting insureds.

This brief was drafted pro bono by G. Andrew Veazey of Veazey Felder & Renegar