St. Paul Mercury Ins. Co. v. American Bank Holdings, Inc.

Year: 2015
Court: U.S. Court of Appeals for the 4th Circuit
Case Number: 15-1559

UP addressed two issues in its brief: (1) under Maryland law, an insurer must show actual prejudice in order to escape coverage for a valid claim that is reported after the policy deadline; and (2) duty to defend principles applicable to the insurer should not be applicable to the policyholder under a defense cost reimbursement policy, i.e., the insurer cannot assign the duty to defend to the policyholder, then second guess the quality of the defense when defense costs are sought later. The later is an issue of first impression in Maryland. Both of these issues, and the relevant law and the underlying public policy support a reversal of the District Court's ruling that forfeited the policyholder's coverage.

UP's brief was authored pro bono by Lorelie S. Masters, Esq., and Christopher R. Healy, Esq., of Perkins Coie and UP Executive Director Amy Bach, Esq. and Staff Attorney Dan Wade, Esq.

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