

The Doe Run Resources Corp. v. American Guarantee and Liability Insurance Co. et al

Year: 2017

Court: Missouri Supreme Court

Case Number: No. SC96107

Insurance companies have the burden to draft express and clear exclusions when they desire to limit the coverage they sell to their policyholders. Pollution exclusions in particular must be clear and unambiguous. These exclusions have caused an enormous amount of litigation and confusion in the courts. Thus, courts have adopted limiting principles. In Missouri, the rule is that an insurance company that seeks to exclude from coverage what it knows to be its policyholder's major source of liability, must do so with specific and clear language. Put another way, Missouri has rejected insurance company attempts to use vague and non-specific exclusion to bar coverage for a policyholder's main source of liability (e.g., "pollutant" can't possibly mean gasoline in a policy issued to a gas station) . UP reminded the Court that this is well-settled law in Missouri and an attempts by insurers to undermine the duty to defend – a bedrock principle of insurance law – in this way, should be resisted.

UP's brief was authored pro bono by Michael T. Sharkey, Esq. and Timothy W. Burns, Esq. of Perkins Coie LLP