

[The Los Angeles Lakers, Inc. v. Federal Ins. Co.](#)

Year: 2017

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

Case Number: 15-55777

Fundamental principles of California insurance law ensure that coverage exclusions are construed narrowly to avoid defeating the mutual intentions of the parties and, particularly, the reasonable expectations of the insured. California law does not consider words of an insurance policy (or any contract) in isolation. Rather, the relevant language is construed in context of (a) the exclusion as a whole, (b) the insurance policy as a whole, and (c) the policyholder's reasonable expectation of coverage in an insurance transaction intended to achieve a risk transfer from insured to insurer. Here, UP weighed in to remind the Court that it's role is not to write a better insurance contract for the insurance company than it wrote for itself. Insurance companies are perfectly capable of drafting a precise contract. Interpreting an exclusion broadly (here, statutory claims for invasion of privacy) goes against the important principles of reasonable expectations and contra proferentem (interpreting terms against the drafter of the contract as to afford coverage to the policyholder). Thus, a rehearing en banc as requested is warranted to correct errors in the published opinion.

UP's brief was authored by Timothy P. Law, Esq., Dominic Rupprecht, Esq., Adrienne N. Kitchen, Esq. David E. Weiss, Esq., of Reed Smith LLP