

Yahoo Inc. v. National Union Fire Insurance Company of Pittsburgh, PA

Year: 2019

Court: California Supreme Court

Case Number: S253593

In its 2019 amicus curiae brief, United Policyholders weighs in on important issues of insurance policy contract interpretation in California. United Policyholder's brief draws the Court's attention to the importance and purpose of standard liability coverage language used in countless insurance policies throughout the state that provides protection to insureds for their "oral or written publication, in any manner, of material that violates a person's right of privacy." United Policyholder's brief also addresses long-standing and important principles of insurance policy interpretation including that grants of coverage are construed broadly, that exclusions are construed narrowly, and that insurance companies are subject to the rule of contra preferentem when they do not use clear language.

In 2022, the California Supreme Court issued its opinion in support of insurance coverage. The decision was a timely and important win for policyholders in an era where insurers have become increasingly bold in drafting exclusions and limitations that defeat the indemnification goal that compels people and businesses to spend considerable sums on insurance products. United Policyholders commends the California Supreme Court for issuing a decision that appropriately applied and upheld several important rules of construction related to liability coverage/duty to defend disputes. The court evaluated whether there was the potential for liability coverage for lawsuits brought against an insured, Yahoo!, for alleged violations of the Telephone Consumer Protection Act and whether the insurer, National Union had a duty to defend those suits.

After careful consideration of ambiguities in the main policy and endorsement language, the court applied the long standing "contra proferentem" doctrine, interpreted the policy in accordance with the reasonable expectations of the insured, and found a potential for coverage giving rise to the duty to



defend. United Policyholders particularly appreciates that the court considered the fact that policy was a manuscript policy but found the language to be standard, not specifically negotiated by the insured, and therefore construed it to support the insured's reasonable interpretation and expectation of coverage.

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