

[Keeping the Faith in Pennsylvania](#)

In a landmark decision, the Pennsylvania Supreme Court recently affirmed in [Rancosky v. Washington National Ins. Co.](#) that a policyholder victimized by unreasonable conduct by an insurance company does not need to also show the conduct was malicious or intentional. The holding, which upheld the arguments advanced in UP's "friend of the Court" brief, preserves a policyholder's remedies when an insurance company withholds insurance benefits recklessly or without a reasonable basis. Put another way, the Pennsylvania Supreme Court refused to make it even harder than it already is for an individual to file a bad faith lawsuit against an insurance company.

The decision is significant for Pennsylvania policyholders because the Court rejected the insurance company's argument that the prevailing standard for bad faith was too low. The insurance company advanced an argument that the "reckless" and "without a reasonable basis" standard was too low - policyholders must instead show that the insurance company acted with malice or intentional ill will. However, the Court rejected that argument, finding that malice or intentional ill will are merely factors that a Court *may* consider, but are not a requisite elements for a bad faith claim.

The decision ensures that Pennsylvania policyholders preserve the leverage they have under existing law to hold an insurance company accountable for failing to pay a claim when benefits are owed. In addition, the decision stems the tide of so-called "tort reform" that we are seeing wash over many [courts](#), [legislatures](#), and [legal forums](#). The insurance industry has launched an all out war on the ability of policyholders to hold their insurance company accountable when they do not pay a claim. In Pennsylvania, at least, we won an important battle in this war. Keep the faith!

For a deeper dive into policyholders' legal rights throughout the United States, read: the Rutgers Law School/United Policyholders' [Essential Protections for Policyholders Report](#).