IN THE SUPREME COURT STATE OF CALIFORNIA

NO. S062139

	
KRANSCO; INTERNATIONAL INSURANCE COMPANY; TRANSCO SYNDICATE NO. 1, LTD; AND AGRICULTURAL EXCESS AND SURPLUS INSURANCE COMPANY,) Court of Appeal No. A070954) First Appellate District) Division One)
Plaintiffs and Respondents,) On Appeal From) San Francisco County) Superior Court No. 939603
AMERICAN EMPIRE SURPLUS LINES INSURANCE COMPANY,) Hon. Carlos Bea))
Defendant and Appellant.) RECEIVED) DEC 8 - 1997
) CLERK SUPREME COURT

AMICUS CURIAE BRIEF OF UNITED POLICYHOLDERS IN SUPPORT OF PLAINTIFF AND RESPONDENT KRANSCO

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I. INTEREST OF AMICUS CURIAE

Amicus curiae United Policyholders ("United Policyholders" or "Amicus") is a non-profit corporation dedicated to educating policyholders about their rights and duties under their insurance polices. United Policyholders' activities include organizing meetings, distributing written materials, and responding to requests for information from individuals, elected officials, and governmental entities. These activities are limited only to the extent that United Policyholders exists exclusively on donated labor and contributions of services and funds.

Amicus curiae has a vital interest in seeing that the standard form liability insurance policies sold to countless policyholders, including policyholders in California, are interpreted properly and consistently by insurance companies and the courts. As a public interest organization, United Policyholders seeks to assist and to educate the public and the courts on policyholders' insurance rights and their efforts to have them enforced throughout the country. Thus, United Policyholders has a direct and vital interest in the resolution of the comparative bad faith doctrine at issue herein.

II. STATEMENT OF ISSUES

Amicus relies on the Statement of Issues of Plaintiff and Respondent Kransco.

III. INTRODUCTION AND SUMMARY OF ARGUMENT

The significant issue in this appeal is whether an insurance company
whose bad faith refusal to settle has exposed its policyholder to a substantial verdict in