

Supreme Court Sides with Liability Insurer in Baker Sterchi's Appeal of Bad Faith Verdict

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In an opinion handed down on January 27, the Supreme Court of Kansas affirmed a previous decision of the Court of Appeals reversing a judgment against a liability insurer. The plaintiff had taken a multi-million dollar judgment against the insured, who had only minimum coverage and assigned his claim against the insurer to the plaintiff. Following a bench trial, the District Court found that the insurer had breached its duty of good faith and reasonableness in allegedly failing to settle, thus causing the excess judgment. While refusing to hold the insurer owed no duty to the insured before the plaintiff asserted her claim, the Supreme Court agreed with the argument made by Baker Sterchi at trial and at all levels on appeal that the District Court's factual finding of causation was not supported by competent evidence. Additionally, the Supreme Court held that there was substantial competent evidence supporting the District Court's finding that it was reasonable and no duty was breached in the insurer's alleged failure to contact the plaintiff before she asserted a claim. The adverse judgment was reversed with direction to the District Court to enter judgment for the insurer. The case is *Granados v. Wilson*, No. 123684.

Baker Sterchi Cowden & Rice LLC - James P. Maloney and Kevin D. Brooks

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