

BAD FAITH BLOG

New York's Highest Court Applies Ohio's Bad Faith Law

AUTHOR: SANDBERG PHOENIX

Summary: The New York Court of Appeals affirmed the trial court's denial of Seneca Specialty Insurance Company's ("Seneca Specialty") motion to dismiss. Seneca Specialty relied upon New York's restrictive bad faith requirements for this commercial property loss even though the insured's building was located in Ohio. The prevailing conflicts of law rule provides that whenever the insured risk is located entirely within one state, that state's law will control the litigation.

2015 Freeman LLC v. Seneca Specialty Ins. Co.

To prevail on its motion to dismiss the bad faith claim under Ohio law, Seneca Specialty had to submit "documentary evidence" which "conclusively establish[ed] as a matter of law that its denial of insurance coverage was reasonably justified." Having failed to meet that standard, Ohio law allowed Plaintiff to pursue discovery and seek to recover punitive damages and attorney fees.

By Brett Simon

~~Brett Simon~~ or type unknown