

BAD FAITH BLOG

Washington Jury Verdict Finding Title Insurer Did Not Act in Bad Faith Affirmed

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Summary: Plaintiff sued title insurer upon learning of burdensome recorded easement after purchase of property. Plaintiff sought recovery for breach of contract as well as under the Consumer Protection Act, The Insurance Fair Conduct Act, negligence, and breach of the duty of good faith. Prior to filing suit, Plaintiff sought \$125,000 based on diminution in value of the property due to the easement. Title insurer accepted coverage but disagreed as to damage caused by the easement. Title insurer hired expert appraiser who determined diminution in value was \$25,000 and title insurer immediately offered to pay that amount. Plaintiff then demanded \$100,000 settlement. Title insurer then mailed check to Plaintiff for \$25,000, which was rejected and returned by Plaintiff.

Millies v. Landamerica Transnation

Suit was then filed, and at trial title insurer included evidence of a second appraisal concluding diminution in value was \$37,500. Trial resulted in a defense verdict for title insurer based on tender by title insurer of reasonable payment.

The Washington Supreme Court affirmed the verdict of the jury, including its conclusion that title insurer acted in good faith. After noting the facts on this issue were vigorously disputed, the Court concluded substantial evidence existed to support the jury's verdict. This evidence included testimony from two of title insurer's claim representatives that investigation of the claim was prompt once the claim was submitted, that title insurer hired an expert to evaluate the claim and made an offer to settle based on the expert's evaluation, and that title insurer tendered payment to the insured after attempting settlement with the insured. Title insurer also presented testimony at trial from an expert witness, an insurance attorney, that title insurer's actions were in good faith "as compared to other insurance companies in the business." This evidence was sufficient to support jury's determination that title insurer acted in good faith.

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