

No Coverage under Claims-Made Policy for Previously Reported Potential Claim

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A New York appellate court held that no coverage was available under a claims-made legal malpractice policy for a lawsuit arising out of actions occurring prior to the inception date of the policy and as to which a prior insurer had been notified. *Rosenbaum v. Chicago Ins. Co.*, 2003 WL 21294008 (N.Y. App. June 5, 2003). The court reached this result based on an exclusion in the policy barring coverage where the policyholder gave notice to a prior insurer of alleged negligence that could give rise to a claim. In so ruling, the court rejected the policyholder's argument that the "New York Amendatory Endorsement" required a different result. The court explained that the endorsement, "which makes the policy applicable to claims made and reported to Chicago during the policy period, any subsequent renewal thereof, or during any applicable Extending Reporting period simply amends the main policy form's coverage clause to add the term any subsequent renewal thereof, thereby clarifying that coverage will not be lost merely because a claim is made during one policy period but reported during the subsequent renewal period. Plaintiff's broader interpretation of this endorsement provision is manifestly unreasonable, since it would negate all of the main policy form's conditions to, and exclusions from, coverage."

For more information, please contact us at 202.719.7130.