

Introduction

The Pennsylvania mind, as minds go, was not complex; it reasoned little and never talked; but in practical matters it was the steadiest of all American types; perhaps the most efficient; certainly the safest.

—Henry Adams, in *the Education of Henry Adams* (1918)

Insurance coverage is a practical topic, but that does not mean that it is either simple or static. As in most areas of the law being developed through judicial opinions, liability coverage law presents itself as a movement rather than a condition, a voyage rather than a safe harbor. A multitude of factors has stepped up the pace for anyone working in this field. A change in the kinds of claims being reviewed—including environmental cleanup costs, unusual financial losses, employment disputes, and even criminal misconduct—has presented challenges to policyholders, agents, insurers, and, inevitably, to the courts.

Insurance coverage law has evolved into a distinct, specialized field of law. A number of treatises on insurance coverage law have been published and numerous periodicals are devoted exclusively to this area of the law. Most of the available literature, however, treats the area of insurance coverage law on a national basis, surveying, reviewing, and reporting on cases decided in virtually every state. Yet there is probably no other area of the law that is more state specific than insurance coverage law. Even though most insurance policies use standardized language and forms developed by the Insurance Service Office (ISO), an insurance industry trade association, and even though the reported insurance coverage cases often involve frequently recurring fact situations, there is little uniformity among the states. A standard pollution exclusion contained in a CGL policy may be held to preclude coverage in one state and to afford coverage in another state on the very same set of facts. The circumstances under which the conduct of one insured may be imputed to an additional insured under the same policy differ from state to state. What events trigger coverage or constitute an “occurrence” differ widely from state to state. And the rules governing the interpretation of insurance policies and the extent to which a court is permitted to look beyond the language of the policy itself and to consider extrinsic evidence to determine the intended meaning of the

language are entirely state specific. Thus, the myriad of insurance coverage decisions reported in other states are frequently of limited use to a Pennsylvania practitioner advising a client or litigating a case under Pennsylvania law.

When Lynette Norton wrote the first edition of this book, Pennsylvania insurance jurisprudence was in its infancy. Many more cases now exist and are decided monthly, if not weekly or daily, in courts throughout Pennsylvania. This book attempts to collect and categorize important insurance coverage opinions in Pennsylvania in a format designed for easy reference and to give the practitioner a starting point for his/her research, but cannot reference every case given the thousands of insurance cases that now exist and the time that may expire between revising a particular chapter and ultimate publication. This book also traces precedent and describes the paths being taken as our courts cross new frontiers. There also are occasional references to decisions in other states where they help to illustrate trends, expand analyses, or underscore the uniqueness of Pennsylvania law.

The main focus of this book is liability coverage and the policy most often discussed is the commercial general liability (CGL) policy. Many of the principles of law developed in these cases apply equally to other kinds of policies. Moreover, there are also sections in this book addressing other types of policies: automobile insurance, homeowner's insurance, professional liability insurance, and directors and officers liability insurance. Additionally, many opinions cited for general principles or to demonstrate trends involve policies other than CGL policies. Throughout this book, the emphasis is on third-party claims, although first-party claims are addressed at times.