



Big decisions: duties to defend and indemnify have been narrowed and broadened by recent New Jersey Supreme Court rulings, Best's Review

By Christopher J. Tellner
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The New Jersey Supreme Court recently issued companion opinions that are narrow holdings with the potential to significantly impact New Jersey insurance law.

Even though the decisions-in Abouzaid v. Mansard Gardens Assoc. LLC and Passaic Valley Sewerage Commissioners v. St. Paul Fire & Marine Ins. Co.-are narrow, their practical effect on insurers could be great.

As an example, the duty to defend bodily injury claims has been broadened. Further, insurance carriers are now exposed to indemnifying uncovered settlements and judgments if they wrongfully refuse to defend a claim. However, nonmonetary settlements and judgments will not be indemnified...