

Hinshaw Lawyers Author Article on Eleventh Circuit Case Addressing Sublimit Coverage

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Hinshaw lawyers Rory Jurman, Viviana Loshak, and James Wyman authored an article titled “Appellate Win Provides Needed Clarity on Sublimited Insurance Coverage,” published in Law.com’s *Insurance Coverage Law Center*. The article focuses on *StarStone National Insurance Co. v. Polynesian Inn, LLC, et al.*, (No. 19-13769), in which the U.S. Court of Appeals for the Eleventh Circuit affirmed summary judgment for insurer StarStone National Insurance Co. against its insured, a hotel operator. The court held that the subject excess liability insurance policy issued by StarStone to the hotel operator did not cover the underlying incident involving a murder and attempted murder on the property of one of the operator’s hotels. [Jurman, Loshak, and Wyman represented StarStone](#) at the trial and appellate level of the case.

The excess liability policy had limits of \$3 million liability per occurrence. It excluded coverage for claims that were subject to a sublimit of liability in the primary policy, which limited liability coverage for assault or battery liability to \$25,000. The district court granted StarStone summary judgment, finding that the primary policy’s assault or battery liability coverage was a sublimit of liability, and that StarStone’s excess liability policy did not provide coverage.

The Eleventh Circuit held that “the definition of ‘sublimit’ advanced by StarStone and adopted by the district court, i.e. that a sublimit caps a carrier’s exposure, or existing coverage, at an amount less than the otherwise applicable policy limit, is consistent with the ordinary meaning of that term, as reflected in legal and non-legal dictionaries.” The court added that, “Florida courts commonly adopt the plain meaning of words contained in legal and non-legal dictionaries.”

Jurman, Loshak, and Wyman explain that the Eleventh Circuit’s opinion provides guidance in what the court “deems to be a ‘reasonable interpretation’ of a policy provision” and “sends a clear message and signal to policyholders that not all proposed interpretations of a policy provision will be sufficient to create an ambiguity in a policy; it is only when there are two or more reasonable interpretations of a policy.”

[Read the full article on the Law.com website](#) (subscription required)

“Appellate Win Provides Needed Clarity on Sublimited Insurance Coverage” was published in Law.com’s *Insurance Coverage Law Center* on July 7, 2020.

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