

Scott Seaman Discusses the Biggest Insurance Decisions of Mid-Year 2019 with Law360

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Hinshaw attorney Scott Seaman, a Chicago-based partner and co-chair of the firm's national Insurance Services Practice Group, was quoted by Jeff Sistrunk of *Law360* in an article titled "The Biggest Insurance Decisions of 2019: Midyear Report." The article reviews opinions that caught the attention of leading insurance lawyers in the first half of 2019.

Seaman first discussed a ruling by the Georgia Supreme Court titled *First Acceptance Insurance Co v. Hughes*, in which the court clarified that an insurer can't be sued for failing to settle a claim against its policyholder within policy limits unless it first received a valid settlement offer. According to Seaman, the justices recognized the "sound policy reasons" for requiring a valid settlement offer as a condition for a bad faith action, namely "avoiding unreliable, speculative, self-serving after-the-fact speculation about whether the injured party would have settled and avoiding collusion between the insured and the injured party."

Seaman also discussed two noteworthy Montana Supreme Court decisions, in which the court limited policyholders' ability to enter into "stipulated judgments" with an injured plaintiff.

Seaman noted that the first ruling—*Abbey/Land LLC v. Glacier Construction Partners LLC*—illustrates "the shenanigans" often associated with stipulated judgments, and demonstrates the "importance of allowing insurers latitude to challenge a stipulated judgment and to conduct discovery on the issues of reasonableness and collusion." He also praised the second ruling—*Draggin' Y Cattle Co. v JCCS*—for determining that no presumption of reasonableness applies to a policyholder's stipulated judgment when an insurer does not breach its duty to defend:

"Alleged acts or omissions such as refusing to affirm coverage, not filing a declaratory judgment to resolve issues raised by a reservation of rights letter, misrepresenting policy limits by contending defense costs erode limits are not tantamount to breaching the duty to defend."

[Read the full article on the Law360 website](#) (subscription may be required)

“The Biggest Insurance Decisions of 2019: Midyear Report” was published by *Law360*, June 18, 2019.

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