



News

Client Success: StarStone National Insurance Co. Prevails in Highly Contested Sublimit Coverage Case

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Hinshaw recently secured a summary judgment win in the U.S. District Court for the Middle District of Florida for client StarStone National Insurance Co. ("StarStone"). At issue was the application of an Excess Liability Policy, with limits of \$3 million liability per occurrence, which StarStone had issued to its insured, a hotel operator. The insured was seeking coverage for liabilities arising out of the assault and murder of guests on its property. Hinshaw's Rory Eric Jurman and Viviana Loshak represented the insurer in the case.

Under the StarStone excess policy, coverage was excluded for claims that were subject to a sublimit of liability in the primary policy. In the primary policy in this case, assault or battery liability coverage was limited to \$25,000. Jurman and Loshak argued that under the plain and ordinary definition of the term, this limit represented a sublimit of liability. The court agreed, finding that as a matter of law, the primary policy's assault or battery liability coverage was a sublimit of liability, and the StarStone excess liability policy did not provide coverage.

In a [Law360 story](#), Loshak noted the lack of case law involving judicial interpretation regarding the definition of a sublimit in the insurance coverage context. "We're really glad to give carriers some clarity and some guidance on this novel area of the law," she added.

The decision was also featured in a *Business Insurance* story titled "[Hotel's excess insurer off the hook for attempted murder claim](#)." In the story, Jurman called the case a "momentous one" for the insurance industry.

"[The decision] provides guidance as to a now common and hotly contested issue regarding the interpretation of sublimit coverage and it may impact substantially excess insurers' potential liability and uncertainty where insurers needs to drop down to the sublimit coverage," he said. "This decision provides certainty in these uncharted waters."

Other media coverage: [Florida Court Narrows Excess Insurance Carrier's 'Sublimit' Liability](#), *Insurance Coverage Law Center*, September 2, 2019 (*subscription required*).

The case is *StarStone National Insurance Co. v. Polynesian Inn LLC* (M.D. Florida. 2019), Case No. 6:18-cv-1048-Orl-31EJK.

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