



News

Hinshaw's Larry Golub Discusses Significance of California Supreme Court's Pro-Policyholder Ruling Involving Late Notice Claims

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Hinshaw partner Larry Golub recently discussed the California Supreme Court's ruling in *Pitzer College v. Indian Harbor Insurance Co.* with Judy Greenwald of *Business Insurance*. The questions to be determined by the California Supreme Court were (1) whether California's notice-prejudice law is a fundamental policy, and (2) whether that policy overrides the consent provision in the insurance policy at issue. The Ninth Circuit had referred the questions to the court in an insurance coverage case, in which the policyholder had not provided notice "as soon as practicable" for legal and environmental remediation expenses. The insurer sought to deny coverage due to the late notice and the policyholder's failure to obtain consent before beginning remediation.

The California Supreme Court held that the state's notice-prejudice rule—under which California policyholders can proceed with their claims despite late notice, unless the insurer can prove substantial prejudice—was a fundamental policy that "protects insureds against inequitable results that are generated by insurers' superior bargaining power." The court also held that the notice-prejudice rule is applicable to the consent provision, but only applicable to first-party coverage.

Golub said the court's decision "clearly favors" policyholders, adding that "the notice-prejudice rule is a tough hurdle for insurance companies to meet in those cases it applies." He anticipated the Ninth Circuit would now apply the advice it received from the California Supreme Court to the issues before it.

[Read the full article on the *Business Insider* website](#)

"California Supreme Court rules late notice no bar to insurance claims," was published by *Business Insurance* on August 30, 2019

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