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First-Party No-Fault; Business Loss; Bad Faith; General Obligations Law;

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First-Party No-Fault. Court holds that attorneys fees may still be awarded for late payment of claim. Finds issue of fact with respect to other claims at issue based on defense of lack of medical necessity based upon review of defendant's peer review report. *Queensboro Medical Rehab, P.C. v. Progressive Cas. Ins. Co.*, 2006 WL 2919434 (New York City Civ. Ct. October 12, 2006). First-Party No-Fault. First Department affirms ruling that provided may withhold payment of claims made before date regulation went into effect establishing defense of fraudulent incorporation. Court rejects arguments that providers had vested right to payment for claims pre-dating effective date of regulation in light of the regulation's remedial purpose of avoiding fraud. *Allstate Ins. Co. v. Belt Parkway Imaging, P.C.*, 2006 WL 2884136 (1st Dept. October 12, 2006). Business Loss. First Department affirms summary judgment in favor of insurer under "local" and a "master" business loss policies for losses stemming from closing and reopening of a store following the September 11 attacks. Court finds "local" policy coverage for loss of business income in applicable once insured's store reopened, regardless of whether business was up to pre-loss levels. Court finds no coverage under language of "master" policy because loss was not the result of an incident on the insured premises. Court also finds no coverage for restriction of access in light of lack of proof that absence of World Trade Center inhibited access to store. Finally, court finds no "loss of attraction" coverage since such coverage limited to a 12-month cap, and store reopened more than a year after the attacks. *Royal Indem. Co. v. Retail Brand Alliance, Inc.*, 2006 WL 2864654 (1st Dept. October 10, 2006). Bad Faith. Second Department reverses trial court's granting of insured's motion for leave to amend complaint to add cause of action for intentional and malicious disregard of insured's rights. Court observes there is no tort for bad faith refusal to comply with an insurance contract. *Johnson v. Allstate Ins. Co.*, 2006 WL 2925211 (2d Dept. October 12, 2006). General Obligations Law. DECISION OF INTEREST. Second Department affirms summary judgment on owner/defendant's action against co-defendant/contractor for contractual indemnification. Court finds contractor failed to raise issue of fact regarding owner's negligence. Court observes that contractual indemnification provision at issue did not violate General Obligations Law 5-322.1 because it authorized indemnification "to the fullest extent permitted by law." *Cabrera v. Board of Education of City of New York*, 2006 WL 2925313 (2d Dept. October 10, 2006).