

## Our Analysis Solved a Stressful Problem for a Local Engineering Firm

### The Challenge:

A local engineering firm was served with a suit and subsequently submitted the claim to their professional liability carrier. The carrier issued a denial on the claim citing the exclusion for claims that the insured was aware of that occurred prior to the effective date of the policy. Upon receiving the denial letter in our office we began our internal investigation to determine if the denial was justified and if not justified, to develop a strategy to get the claim covered.

### The Strategy:

Knowing that the claim was denied by the carrier because it occurred prior to the effective date of the policy and was known to the insured our first step was to verify that the policy did in fact have this exclusion. Upon reviewing the policy we did confirm the existence of the exclusion.

However, in order for the exclusion to apply the insured would have had to have had knowledge of the claim on

or prior to effective date. Our strategy became to lay out a timeline showing the development of the claim and to prove that on the effective date, our insured could not reasonably believe that a claim would have arisen out of the circumstance. To create the timeline we carefully reviewed all correspondence between the insured and the claimant and presented it in chronological order, demonstrating that at the time of binding coverage the insured had no reason to believe this would escalate to a claim.

### The Results:

After receiving the dispute letter from Hardenbergh Insurance Group we were immediately notified that the claim would be re-opened to determine if in fact the insured had prior knowledge of the claim. After diligently following up with the carrier for several weeks, we were notified that the carrier did in fact agree with us that at binding the insured did not have prior knowledge of the claim. The carrier agreed to assume defense of the claim.



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