



The Voice

And The Defense Wins

Published 11-25-15 by DRI

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After a six-day trial in Lane County, Oregon, [Matthew Hedberg](#) and [Bryana Blessinger](#) of **Bullivant Houser Bailey** in Portland, Oregon, secured a defense verdict for their client Allstate Insurance Company on a first-party property claim. The insured plaintiff, a wholesale distributor of automotive parts, sued Allstate for \$1 million in business personal property coverage for alleged damages to its inventory.

According to plaintiff, two discrete water intrusion incidents—a broken pipe and roof leak—caused rust, corrosion, and packaging damage to approximately 60 percent of its inventory. Allstate investigated the claim and denied coverage after it concluded that, to the extent any damage occurred during the policy period, such damage was caused by long-term exposure to high levels of moisture and humidity, and was not caused by a Covered Cause of Loss.

Plaintiff filed suit against Allstate, seeking \$900,000 in general damages for Allstate's alleged breach of contract, and an additional \$100,000 in consequential damages arising from plaintiff's "Negligent Adjustment of the Loss" tort claim. After a partial summary judgment in favor of Allstate as to the tort claim, the case proceeded to trial on plaintiff's breach of contract claim.

The case was tried before a 12-person jury in Oregon state court from August 11 through August 19, 2015. The Bullivant team defended Allstate by arguing that the named perils policy did not provide coverage for the damage to plaintiff's inventory. After the jury deliberated, the jury returned a defense verdict.

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