WALKER WILCOX
WALKER WILCOX MATOUSEK LLP

WWM WINS SUMMARY JUDGMENT IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY

WWM attorney Robert Conlon won summary judgment on behalf of WWM's client, a professional liability insurance carrier, in the United States District Court for the District of New Jersey. WWM's client declined coverage for a third-party claimant's lawsuit for legal malpractice against one of the insured law firm's attorneys on the basis that the lawsuit related back to another claim against the attorney made outside of the policy period and, thus, did not constitute a "Claim" made during the policy's term of coverage. In response to the denial, the insured attorney and law firm filed a declaratory judgment action against WWM's client in New Jersey state court alleging that the client breached the insurance contract by declining coverage for the claim. WWM successfully removed the matter to the United States District Court for the District of New Jersey and thereafter the insureds filed a motion for summary judgment. WWM's client also filed a cross-motion for summary judgment.

Judge Peter Sheridan, in his 20-page Memorandum and Order, found that (1) the "interrelated wrongful act" provision contained within the policy was "clear and unambiguous"; and (2) the malpractice lawsuit filed during the policy period and the prior claim constituted a single "Claim" that fell outside of the coverage of the policy. The Court rejected the insureds' contention that the policy's prior firm endorsement required unconditional coverage for the lawsuit.

Judge Sheridan granted the client's cross-motion for summary judgment, denied the insureds' motion, and specifically determined that the underlying legal malpractice lawsuit is excluded from coverage by the policy's "interrelated wrongful act" provision. In light of this determination, the Court held that WWM's client has no duty to defend or indemnify the insureds in connection with the underlying legal malpractice lawsuit. *Robert A. Gladstone, Esq., et al. v. Westport Insurance Corporation*, Civil Action No. 10-652 (PGS) (Dist. NJ Nov. 16, 2011).