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## **Insurer's Motion for Judgment on the Pleadings Was Denied Because Its Refusal to Accept a Policy Limits Settlement Demand was not Objectively Reasonable**

A Nevada federal district court denied an insurer's motion for judgment on the pleadings, holding that a refusal to accept a policy limits settlement demand on a claim that was likely to exceed the policy's limits and included a full release of all claims was not objectively reasonable.

*AMCO Insurance Company v. Thomas Bacon et al.*

(United States District Court, District of Nevada, March 1, 2017)

Case No. 2:16-CV-00543-JAD-PAL

2017 WL 797204

After Bacon obtained a \$2.6 million judgment against AMCO's insured and an assignment of the insured's rights against the carrier, AMCO filed suit against Bacon seeking a declaration that its refusal to accept Bacon's \$300,000 policy limits demand in the underlying action was not unreasonable because: (1) the demand did not contemplate a full release of all claims, and (2) the information offered in support of the demand did not indicate a substantial likelihood that Bacon would receive an award exceeding the policy limit. Bacon countersued for breach of contract, bad faith and violation of Nevada's Unfair Claims Practices Act. The district court denied AMCO's motion for judgment on the pleadings, holding that Bacon's offer to settle "fully and finally" includes a full release of all claims. The court also concluded that the complaint allegations regarding Bacon's past medical bills and future required surgeries, along with even a modest additional award for pain and suffering and lost wages, could easily exceed the policy's limits. The court further held that issues of fact existed regarding whether AMCO violated the Unfair Claims Practices Act by failing to promptly, fairly and equitably settle Bacon's claim.

To view the opinion, click [HERE](#).

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