

Bond Case Briefs

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INSURANCE - MAINE

City of South Portland v. Maine Municipal Association Property & Casualty Pool

Supreme Judicial Court of Maine - March 28, 2017 - A.3d - 2017 WL 1149607 - 2017 ME 57

City and code enforcement officer brought action against liability insurer, a public self-funded pool, to recover for breaching duty to defend them in federal civil rights suit to challenge ordinance that prohibited bulk loading of crude oil on marine tank vessels.

The Superior Court entered summary judgment in favor of insurer. City and officer appealed.

The Supreme Judicial Court of Maine held that coverage was barred by exclusion for loss or liability from impairment of title, diminution of value, or inability to realize or obtain full value or use.

Coverage for pipeline owner's civil rights claim against city for compensatory and nominal damages from ordinance that prohibited bulk loading of crude oil on marine tank vessels was barred by public self-funded pool's exclusion for loss or liability from impairment of title, diminution of value, or inability to realize or obtain full value or use. Owner alleged that ordinance reduced current market value of pipelines and hindered ability to engage in interstate and international commerce, and owner's right to nominal damages for violation of constitutional rights turned on alleged impairment of property rights in the pipeline.