

Bond Case Briefs

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INSURANCE - ALABAMA

St. Paul Fire and Marine Insurance Company v. Town of Gurley

United States District Court, N.D. Alabama, Northeastern Division - September 8, 2015 - Slip Copy - 2015 WL 5286915

St. Paul Fire and Marine Insurance Company sought a declaratory judgment that it had no duty to defend the Town of Gurley from the claims and damages asserted in underlying litigation between the and M & N Materials, Inc.

M & N sued the Town for inverse condemnation and other causes of action after the Town annexed property on which M & N had planned to operate a rock quarry and subsequently implemented regulations prohibiting this use.

St. Paul had issued a Public Entity Composite Policy to the Town. The Policy contained Public Entity Management Liability Protection ("PEML") and Public Entity General Liability Protection ("PEGL").

The court held that St. Paul had a duty to defend the Town against M & N's claims. The court reserved the issue of indemnification, pending the outcome of the trial.