# CHAPTER 1. CONTRACT PRINCIPLES

## I. INTRODUCTION

- § 1:1 Scope and organization of treatise
- § 1:2 Contract principles
- § 1:3 Government regulation

## II. TERMS OF INSURANCE CONTRACT

- § 1:4 Statutes
- § 1:5 Director of insurance approves policy forms
- § 1:6 Public policy
- § 1:7 The doctrine of reasonable expectations
- § 1:8 Documents comprising insurance contracts
- § 1:9 Oral contracts—Binders
- § 1:10 Group policies
- § 1:11 What law governs
- § 1:12 —Historical analysis
- § 1:13 Restatement view
- § 1:14 —Application of restatement in Missouri
- § 1:15 The Kansas connection
- § 1:16 Other jurisdictions

## III. CONSTRUCTION OF POLICY PROVISIONS

- § 1:17 General canons of judicial construction
- § 1:18 —Intent of the contracting parties
- § 1:19 —Consider policy as a whole
- § 1:20 —Providing coverage rather than defeating coverage
- § 1:21 —Definitions and dictionaries
- § 1:22 —Ambiguous terms generally
- § 1:23 —Whether ambiguous or not
- § 1:24 —Terms ruled unambiguous
- § 1:25 —Terms ruled ambiguous
- § 1:26 —Applicable statutes read into policies
- § 1:27 —Consider the policy as a whole
- § 1:28 —Typed and printed provisions
- § 1:29 —Punctuation used in terminology
- § 1:30 —Position or sequence of language
- § 1:31 —Parties' own construction
- § 1:32 —Administrative agency's construction considered

§ 1:33	—Conflicting clauses
§ 1:34	—Reasonableness of the construction
§ 1:35	Extrinsic evidence
§ 1:36	Precontractual negotiations
§ 1:37	Reasonable expectations of the parties to the insurance
	contract
§ 1:38	Court or jury
§ 1:39	Each coverage as separate contract
8 1.40	Reformation

# CHAPTER 2. FORMATION OF INSURANCE CONTRACTS

# I. INTRODUCTION

§ 2:1 Generally

# II. AGENTS AND BROKERS

$\S~2:2$	Definitions and regulations
§ 2:3	Agent for insured or insurer or both
$\S~2:4$	Actual authority
$\S 2:5$	Apparent authority
§ 2:6	Ratification
$\S 2:7$	Notice to agent
§ 2:8	Duration of agency
§ 2:9	Termination of independent insurance agent
$\S 2:10$	Determination of agency
$\S 2:11$	Liability of agents to applicants and insureds

# III. THE INSURANCE CONTRACT

$\S 2:12$	Application for insurance
$\S 2:13$	Binders
$\S 2:14$	Acceptance or rejection by insurer
$\S 2:15$	Group insurance
$\S 2:16$	Notice of rejection
$\S 2:17$	When insurance is effective
§ 2:18	Expiration of coverage

# IV. RIGHT TO RENEW COVERAGE

§ 2:19	Generally
§ 2:20	Contractual obligations
§ 2:21	Statutory limitations on nonrenewal
§ 2:22	—In general

- § 2:23 Insurer—Independent insurance producer contracts
- § 2:24 Residential property insurance
- § 2:25 Automobile insurance
- § 2:26 No statutory causes of action in insureds

## V. REINSTATEMENT OF COVERAGE

§ 2:27 Generally

## VI. PAYMENT OF PREMIUMS

- § 2:28 In general
- § 2:29 Notice of premium due
- § 2:30 To whom paid
- § 2:31 Payment by mail
- § 2:32 Payment by check
- § 2:33 Duress by lender

# CHAPTER 3. CANCELLATION, AVOIDANCE, AND TERMINATION

# I. INTRODUCTION

§ 3:1 Generally

## II. CANCELLATION BY INSURER

- § 3:2 In general
- § 3:3 Statutory regulation
- § 3:4 —In general
- § 3:5 —Property policies
- § 3:6 —Automobile policies
- § 3:7 —Commercial casualty policies
- § 3:8 —Whether cause of action created
- § 3:9 Notice of cancellation
- § 3:10 Notice by mail—When effective—Proof
- § 3:11 Refund of unearned premium

## III. CANCELLATION BY INSURED

- § 3:12 In general
- § 3:13 Cancellation after liability attaches
- § 3:14 Attempted wrongful cancellation

## IV. AVOIDANCE

§ 3:15 In general—Separate coverages

§ 3:16	Misrepresentation and breach of warranty—Definition
§ 3:17	—In general
§ 3:18	—Material misrepresentation
§ 3:19	—Breach of warranty
§ 3:20	—Miscellaneous bases
§ 3:21	Affirmative defense
§ 3:22	Statutory limitations
§ 3:23	Materiality of misrepresentation
§ 3:24	Election of rescission
§ 3:25	Necessity of tender—Deposit
§ 3:26	Waiver of misrepresentation
§ 3:27	Rights of third parties
§ 3:28	Actions and defenses
§ 3:29	Breach of policy conditions—Promissory warranties

# CHAPTER 4. INVOKING AND MAINTAINING COVERAGE

## I. INTRODUCTION

§ 4:1 Generally

# II. SUFFICIENCY OF PERFORMANCE BY INSURED

3 4:2	In general
§ 4:3	Substantial Performance
3 4:4	Prejudice
§ 4:5	Incapacity or impossibility
§ 4:6	Scope of requirement of prejudice for insurer to avoid coverage
4:7	Prejudice to insurer
§ <b>4</b> :8	—Prejudice to insurer must be actual
4:9	—Prejudice to insurer may be presumed
4:10	Excuses for nonperformance by insured

# III. NOTICE

§ 4:11 In general
§ 4:12 Commencement of duty
§ 4:13 Sufficiency of method
§ 4:14 By and to whom

# IV. POSTLOSS ISSUES

- § 4:15 Proof of loss
- § 4:16 Forwarding suit papers

- § 4:17 Invoking and maintaining uninsured motorist coverage
- § 4:18 Settlement and release of tortfeasor
- § 4:19 Misrepresentations—False swearing
- § 4:20 Cooperation of insured

## V. OTHER CONDITIONS

- § 4:21 Motor vehicle financial responsibility law and policy conditions
- § 4:22 Miscellaneous conditions
- § 4:23 Insurer—insured privilege; work product

# CHAPTER 5. ACTIONS RELATED TO POLICIES

## I. PRETRIAL PRACTICE AND PROCEDURE

- § 5:1 Standing to maintain action, nonliability, and liability policies
- § 5:2 Conditions precedent to action
- § 5:3 Compulsory arbitration or appraisal
- § 5:4 Statutory limitations of actions
- § 5:5 Contractual limitations of actions
- § 5:6 Courts with jurisdiction and pleading
- § 5:7 Venue
- § 5:8 Parties plaintiff
- § 5:9 Joinder of actions
- § 5:10 Petition
- § 5:11 Subsequent pleadings
- § 5:12 Process and jurisdiction of insurer

## II. TRIAL

- § 5:13 Burden of proof
- § 5:14 Presumptions
- § 5:15 Jury instructions
- § 5:16 Prejudgment interest generally
- § 5:17 Prejudgment interest in contract actions
- § 5:18 Prejudgment interest in tort actions
- § 5:19 Judgment

## III. VEXATIOUS REFUSAL TO PAY

- § 5:20 Applicability of statutes
- § 5:21 Damages recoverable
- § 5:22 When vexatious refusal damages vest
- § 5:23 Pleading
- § 5:24 Proof of claim and insurer's defense

- § 5:25 —Facts indicating vexatious refusal § 5:26 -Facts not indicating vexatious refusal —Evidence relevant to insurer's defense § 5:27 § 5:28 —Vexatious refusal is a jury issue § 5:29 Attorney's fees
- Jury instructions § 5:30

## IV. RECOVERY BY INSURED ON LIABILITY **POLICY**

§ 5:31 Impleading insurer

# V. RECOVERY BY THIRD PARTY ON LIABILITY **POLICY**

- § 5:32 In general
- § 5:33 Garnishment
- § 5:34 —Procedure
- § 5:35 Equitable action

## VI. DECLARATORY JUDGMENT ACTION

- § 5:36 In general
- § 5:37 When available
- § 5:38 Parties
- § 5:39 Stay of action—Intervention—Tort action
- Burdens of proof—Trial—Judgment § 5:40
- § 5:41 Attorney's fees

# VI. CLAIMS OF INSURER BY SUBROGATION, CONTRIBUTION, AND ASSIGNMENT

- Subrogation and contribution § 5:42
- § 5:43 Assignment

## VII. OTHER ACTIONS

- § 5:44 Third party action for insurer's negligent misrepresentation
- § 5:45 Insurer's entitlement to restitution or recoupment from insured for payments on a void policy

# CHAPTER 6. WAIVER AND ESTOPPEL

#### I. INTRODUCTION

- § 6:1 Development of doctrines
- § 6:2 Waiver or estoppel cannot create an insurance contract or coverage

§	6:3	Waiver	and	estoppel	against	public	policy	
•								

§ 6:4 Disclaimer of waiver and estoppel in application or policy

## II. ELEMENTS OF WAIVER

- § 6:5 In general
- § 6:6 Knowledge of insurer
- § 6:7 Prejudice to insured
- § 6:8 Express waiver

## III. ELEMENTS OF ESTOPPEL

- § 6:9 In general
- § 6:10 Necessity of act or statement by insurer
- § 6:11 Knowledge of insurer
- § 6:12 Knowledge of insured
- § 6:13 Reasonable reliance by insured
- § 6:14 Prejudice to insured

# IV. DEFENSES SUBJECT TO WAIVER AND ESTOPPEL

# A. OVERVIEW

- § 6:15 In general
- § 6:16 Misrepresentation by insured
- § 6:17 Prompt payment of renewal premium

#### B. CONDUCT OF INSURER

- § 6:18 Implied waiver or estoppel
- § 6:19 Issuance of policy
- § 6:20 Acceptance of renewal premium
- § 6:21 Failure to promptly rescind, deny liability, or return premium
- § 6:22 Statement of reason for denial
- § 6:23 Investigation or adjustment of loss
- § 6:24 Assumption of defense
- § 6:25 Payment of claim—Restitution
- § 6:26 —Waiver or estoppel
- § 6:27 —Restitution

## C. CORPORATIONS AND INDIVIDUALS

§ 6:28 Waiver by and estoppel of insureds

## CHAPTER 7. LIABILITY INSURANCE

## I. INTRODUCTION

§ 7:1 Overview

## II. STATUS AND RIGHTS OF PARTIES

- § 7:2 In general
- § 7:3 Insurer—Interpleader
- § 7:4 Insured
- § 7:5 Claimant
- § 7:6 Who is insured—In general
- § 7:7 —Phrases defining "additional insured" and "omnibus insured"
- § 7:8 —Residing in insured's household
- § 7:9 Insurable interest
- § 7:10 Severability of insureds

## IV. RISKS INSURED AGAINST

- § 7:11 In general
- § 7:12 Conduct or damage
- § 7:13 Policy period
- § 7:14 "Occurrences" and "claims made"
- § 7:15 Causation
- § 7:16 Occurrence or accident
- § 7:17 Harm expected or intended

## V. LIMITS

- § 7:18 Policy limits
- § 7:19 Offsets against limits of coverage

#### VI. DAMAGES

- § 7:20 Damages covered—Bodily injury, personal injury, property damage
- § 7:21 Contribution by joint tortfeasor as damages
- § 7:22 Punitive damages

#### VII. EXCLUSIONS

- § 7:23 In general
- § 7:24 Coverage by exclusion
- § 7:25 Motor Vehicle Financial Responsibility Law
- § 7:26 —Basic requirements
- § 7:27 —Family exclusion clause
- § 7:28 —Other clauses
- § 7:29 Uninsured motorist coverage
- $\S~7{:}30$  Injury or damage arising from ownership, maintenance, or use of a motor vehicle
- § 7:31 Insured's employees
- § 7:32 Business pursuits

§ 7:33 Da	amage to	property in	insured's	care.	custody.	or	control
-----------	----------	-------------	-----------	-------	----------	----	---------

#### VIII. OTHER INSURANCE

- § 7:34 In general
- § 7:35 Stacking coverage
- § 7:36 Conflicting excess and escape clauses
- § 7:37 Primary coverage or proration
- § 7:38 Umbrella insurance

# IX. INSURER'S DUTIES WHEN COVERAGE INVOKED

- § 7:39 In general
- § 7:40 Unfair Claims Settlement Practices Act
- § 7:41 Duty to investigate
- § 7:42 Duty to defend
- § 7:43 —Reservation of rights
- § 7:44 Duty (right) to settle
- § 7:45 Defendant ad litem for deceased insured
- § 7:46 Claimant's settlement with insured tortfeasor excepting liability insurance coverage
- § 7:47 Missouri Public Entity Risk Management Fund
- § 7:48 Missouri Property and Casualty Insurance Guaranty Association
- § 7:49 Sovereign and governmental immunity and liability insurance
- § 7:50 Legal Expense Fund
- § 7:51 Tort Victims' Compensation Fund

# CHAPTER 8. INSURER'S LIABILITY FOR BAD-FAITH REFUSAL TO SETTLE

# I. INSURER'S DUTIES WHEN COVERAGE INVOKED

- § 8:1 Action for bad-faith refusal to settle—Elements
- § 8:2 —Nature of action—Assignability
- § 8:3 —Establishing bad faith

# CHAPTER 9. MOTOR VEHICLE LIABILITY INSURANCE

## I. INTRODUCTION

§ 9:1 Terminology

§ 9:2	Statutory and administrative control
§ 9:3	Motor Vehicle Financial Responsibility Law—Exclusions—
8.0.4	Minimum limits—Certificate of insurance (Form SR-22)
§ 9:4	Proof of financial responsibility—Insurance card
II. R	REQUIRED TERMS
§ 9:5	Owner's policy
§ 9:6	Operator's policy
§ 9:7	Vehicles loaned for demonstration or during repairs
§ 9:8	Uninsured motorist coverage
§ 9:9	Additional statutory regulation—Application; refusal to write; renewal; and cancellation
§ 9:10	Liability insuring agreement
III.	COVERAGE
A	. OWNERSHIP
§ 9:11	Ownership or title to vehicle
§ 9:12	Categories of insureds covered—Insureds, named insureds, and additional insureds
§ 9:13	Nonowned vehicles
§ 9:14	Temporary substitute vehicles
§ 9:15	Newly acquired vehicles
§ 9:16	Omnibus insureds
§ 9:17	Ownership, maintenance, or use of a motor vehicle
В	. PERMISSIVE USERS
§ 9:18	Negligent entrustment
§ 9:19	Express or implied permission
§ 9:20	Reasonable belief of permission
§ 9:21	Who can grant permission to use—In general
§ 9:22	Who can grant permission—Second permittees; rental vehicles
§ 9:23	Scope of permission—Minor deviation
§ 9:24	Termination of permission
§ 9:25	Burden of proof
$\mathbf{C}$	. LEGAL RESPONSIBILITY
§ 9:26	One legally responsible
D	. VEHICLES
§ 9:27	Type of vehicle
§ 9:28	Use of vehicle

## E. TERRITORIAL COVERAGE

- § 9:29 Territorial limitation
- § 9:30 Out-of-state coverage

## IV. EXCLUSIONS

- § 9:31 In general
- § 9:32 Named individuals or classes
- § 9:33 Coverage limited by exclusion
- § 9:34 Vehicles transferred pursuant to agreement of sale

# CHAPTER 10. UNINSURED MOTORIST INSURANCE

## I. INTRODUCTION

- § 10:1 In general
- § 10:2 Basic policy agreement
- § 10:3 Statutory requirements
- § 10:4 Regulation of uninsured motorist coverage

#### II. CLAIMS

- § 10:5 Characteristics
- § 10:6 Elements of proof in actions on uninsured motorist claims
- § 10:7 Jury instructions in actions on uninsured motorist claims

#### III. WHO IS INSURED

- § 10:8 Terms of policy
- § 10:9 Statutory requirement
- § 10:10 Who must sustain bodily injury

## IV. WHAT IS AN UNINSURED MOTOR VEHICLE

- § 10:11 Policy provisions
- § 10:12 Statute
- § 10:13 Liability insurer denies coverage
- § 10:14 Liability insurer becomes insolvent
- § 10:15 Hit-and-run vehicle
- § 10:16 Proof of uninsured status
- § 10:17 Policy exclusions

## V. DAMAGES RECOVERABLE

§ 10:18 Causation

- $\S~10:19$  Legally entitled to recover
- § 10:20 Bodily injury—Prejudgment interest—Vexatious delay
- § 10:21 Limits of coverage—Setoffs—Other insurance—Stacking

# VI. INVOKING AND MAINTAINING UNINSURED MOTORIST COVERAGE

§ 10:22 Overview

## VII. RECOVERY

- § 10:23 Restrictions on insured's recovery under policy
- § 10:24 Recovery by insurer—Subrogation and contribution

# CHAPTER 11. UNDERINSURED MOTORIST INSURANCE

#### I. OVERVIEW

- § 11:1 Underinsured motorist coverage—In general
- § 11:2 Actions on underinsured motorist claims
- § 11:3 When a motor vehicle is "underinsured"

## II. DAMAGES RECOVERABLE

- § 11:4 Limits of coverage
- § 11:5 Offsets
- § 11:6 Exhaustion of liability coverage; subrogation

# CHAPTER 12. COMMERCIAL LIABILITY INSURANCE

#### I. OVERVIEW

- § 12:1 Introduction
- § 12:2 Commercial general liability coverage

# II. COVERAGE A — BODILY INJURY AND PROPERTY DAMAGE

- § 12:3 Occurrence format
- § 12:4 Coverage A (bodily injury and property damage)—Claims made format
- § 12:5 Damages covered
- § 12:6 Products—Completed operations hazard
- § 12:7 Fire to rented premises

§ 12:8	Mobile equipment
§ 12:9	Exclusions—In general
§ 12:10	—Liability for harm expected or intended
§ 12:11	—Liability assumed by contract
§ 12:12	-Liability from auto, aircraft, and watercraft
§ 12:13	—Mobile equipment liability
§ 12:14	—Products—Completed operations hazard
§ 12:15	—Employee and related exclusions

# III. COVERAGE B — PERSONAL AND ADVERTISING INJURY LIABILITY

§ 12:17 In general

# IV. SUPPLEMENTARY PAYMENTS COVERAGE

§ 12:18 In general

## V. WHO IS INSURED

§ 12:16 —Other exclusions

§ 12:19	In general
§ 12:20	Business limitation
§ 12:21	Death or extension of named insured—Acquired organization
$\S 12:22$	Other insureds
§ 12:23	Severability of insureds

# VI. LIMITS AND CONDITIONS

§ 12:24	Limits of coverage
§ 12:25	Duty to defend
§ 12:26	Other insurance
§ 12:27	Conditions of coverage
§ 12:28	Discrimination, cancellation, and nonrenewal

# VII. OTHER TYPES OF INSURANCE

§ 12:29	Garage liability policy
§ 12:30	Professional liability insurance
§ 12:31	Owners, landlords, and tenants liability insurance

# CHAPTER 13. PROPERTY DAMAGE INSURANCE

## I. INTRODUCTION

§ 13:1 Overview

## II. WHO IS INSURED

- § 13:2 In general
- § 13:3 Equitable right to proceeds
- § 13:4 Death of insured
- § 13:5 Mortgagees

## III. INSURABLE INTEREST

- § 13:6 In general
- § 13:7 Capacity
- § 13:8 Time

## IV. WHAT PROPERTY IS INSURED

- § 13:9 Real property
- § 13:10 Personal property
- § 13:11 Supplemental coverages

## V. PERILS INSURED AGAINST

- § 13:12 All risk
- § 13:13 Named perils
- § 13:14 Proximate cause
- § 13:15 Exclusions

## VI. AVOIDANCE OF COVERAGE

- § 13:16 Breach of condition
- § 13:17 Misrepresentation—Loss in progress doctrine

## VII. CLAIMS

- § 13:18 How claims are made
- § 13:19 How claims are adjusted—Elections
- § 13:20 How claims are valued

## VIII. VALUED POLICY STATUTES

- § 13:21 Overview
- § 13:22 Real property
- § 13:23 Personal property

## IX. APPRAISAL

§ 13:24 Compulsory appraisal

## X. LIMITS

§ 13:25 Limits of coverage

§ 13:26 Limitation of recovery to insurable interest

#### XI. OTHER FACTORS AFFECTING RECOVERY

- § 13:27 Coinsurance clause
- § 13:28 Other insurance
- § 13:29 Actions to recover
- § 13:30 Subrogation
- § 13:31 FAIR plan

## CHAPTER 14. HOMEOWNER'S INSURANCE

## I. INTRODUCTION

- § 14:1 In general
- § 14:2 Content of chapter

## II. WHO IS INSURED

- § 14:3 In general
- § 14:4 Death of insured

## III. COVERAGES INCLUDED

- § 14:5 In general
- § 14:6 Real property
- § 14:7 Personal property
- § 14:8 Additional property coverages
- § 14:9 Exclusions from property coverage—Causation
- § 14:10 Other property damage provisions
- § 14:11 Liability coverage
- § 14:12 Exclusions from liability coverage
- § 14:13 Coverage limited by premises
- § 14:14 Medical payments to others
- § 14:15 Other personal liability provisions
- § 14:16 Additional liability coverages
- § 14:17 Conditions applicable to both coverages

## CHAPTER 15. LIFE INSURANCE

## I. INTRODUCTIONS

- § 15:1 Overview
- § 15:2 Basic contract

## II. INSURABLE INTEREST

§ 15:3 In general

- § 15:4 Who has an insurable interest § 15:5 Time
- § 15:6 Effect of lack of insurable interest
- § 15:7 Consent of insured

## III. APPLICATION

- § 15:8 Its function
- § 15:9 Representations by applicant
- § 15:10 When coverage is effective—Good health

## IV. POLICY

- § 15:11 Incontestable policy
- § 15:12 Terms of insurance contract
- § 15:13 Payment of premiums
- § 15:14 Waiver of premium
- § 15:15 Nonforfeiture of reserves

## V. BENEFICIARIES

- § 15:16 In general
- § 15:17 Identification of beneficiary
- § 15:18 Change of beneficiary
- § 15:19 Felonious beneficiaries
- § 15:20 Assignment of interests

## VI. DEATH

- § 15:21 Proof of death
- § 15:22 Limited cause of death
- § 15:23 Accidental death
- § 15:24 Suicide as a defense

#### **Table of Laws and Rules**

**Table of Cases** 

**Jury Instructions Index** 

**Index**