

Insurance Agent Found to Have No Duty to Re-Evaluate and Raise Business Risk Policy Limits

In a lawsuit, Provizer & Phillips, P.C., successfully defended for an independent insurance agency, the Michigan Court of Appeals, in *Simone Mauro v Lucido Insurance Agency, Inc, et al*, 2010 WL 5175203 (12/21/10) (unpublished), rejected a claim by a developer-builder that his agent was obligated to contact him and reevaluate the insufficient policy limits on his builders risk coverage prior to the annual renewal of the policy.

The Court held that the agency had no duty to contact the plaintiff and discuss the limits at renewal and that a vague reference at the time coverage was placed that they would review limits at renewal was not an express agreement to do so.

The Court, following the published decision of Pressey

Enterprises Inc v Barnett-France Ins Agency, 271 Mich App 685, 687 (2006), rejected plaintiff's argument that this vague casual reference was sufficient to apply an exception to the general rule that agents have no duty to advise its clients regarding the adequacy of coverage, *Harts v Farmers Ins Exchange*, 461 Mich 1 (1999).

The decision is also significant in applying the general rule of *Harts*, supra, to an independent insurance agent when plaintiff argued the rule applied only to captive agents.

If you wish to see a copy of the decision or have any questions, please Randall E. Phillips at Provizer & Phillips, P.C., 30200 Telegraph Road, Suite 200, Bingham Farms, Michigan 48025, (248) 642-0444; rphillips@p-ppc.com or www.provizer-phillips.com.