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Traub Lieberman Attorneys Win Motion for Judgment on the Pleadings In Favor of Insurer

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Traub Lieberman Partner Jeremy Macklin and Associate Danielle Kegley obtained judgment on the pleadings in favor of Admiral Insurance Company (“Admiral”), in a matter brought before the Chancery Division of the Circuit Court of Cook County, Illinois. In the underlying case, an injured employee sued various companies, and their agents, for injuries he sustained on a construction project. The insureds, one of the defendant companies and its employee, sought coverage for the underlying lawsuit under a professional liability policy issued to that company by Admiral. The policy at issue provided coverage for the company and its employees, for negligent acts or omissions committed in the rendering of “professional services,” defined as services “involving specialized training and skill while in the pursuit of” mechanical and process engineering.

After initially defending the insureds, Admiral filed a declaratory judgment action asking the Court to declare that the company has no duty to defend or indemnify the insureds in the underlying lawsuit and to allow Admiral to immediately withdraw its defense of the insureds. Admiral argued there is no coverage under the professional liability policy, as the underlying lawsuit does not contain allegations that the underlying plaintiff’s injuries arose from the rendering of or failure to render “professional services.” The insureds argued that since they were hired as mechanical and process engineers for the project, that any lawsuits against them must necessarily arise from their “professional services.” Further, the insureds asked the Court to disregard the express allegations in the underlying lawsuit concerning their role on the project as a general contractor.

The Court rejected the insureds’ argument, finding that allegations in the underlying lawsuit—that the insureds failed to supervise and inspect the construction site, failed to implement safety measures, failed to provide a safe workspace, and failed to properly hire, retain, supervise, and train their agents and employees—do not involve the specialized skills of mechanical and process engineering. The Court, therefore, in granting Admiral’s motion for judgment on the pleadings, found that the insuring agreement of the policy was not satisfied, such that Admiral does not have a duty to defend and indemnify the insureds.