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Designated Animal Exclusion Does Not Apply to Bar Coverage

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Ruch v. Morales, 2023 N.J. Super. Unpub. LEXIS 1521 (App. Div. Sept. 8, 2023)

September 8, 2023, the Appellate Division of the New Jersey Superior Court held that a designated animal exclusion in a landlord's liability policy did not apply to bar coverage for a dog bite case. The exclusion applied to loss "arising out of or caused directly or indirectly by any Designated Animal owned by the insured or for which the insured is responsible," with "Designated Animal" defined to include specific breeds as well as those dogs "with a past history of bites or attacks." The injured plaintiff alleged that the dogs had escaped the leasehold because the fence at the property was negligently maintained by the insured landlord. The dogs were owned by the tenant and not the insured landlord, so the insurer necessarily argued that the exclusion applied because the landlord was alleged to be responsible to take precautions that the dogs would not escape. The court held that the exclusion did not apply because the undefined term "responsible" is ambiguous in that the word can mean both responsible for the dogs' care or responsible for the dog's actions, with the landlord not responsible for the dogs' care as a non-owner.