

Exclusion For 'Assumption Of Liability In Contract' Does Not Apply to Breach of Professional Services

In what it described as a case of first impression, the Northern District of California ruled that a professional liability policy that excluded the insured's "assumption of liability obligations in a contract or agreement" did not extend to breach of warranty or false advertising claims arising out of a genetic data testing company's marketing and sale of a personal genome service, reports **Mary McCutcheon** of **Farella Braun + Martel LLP**.

She writes **in the article** on the firm's website that *Ironshore Specialty Ins. Co. v. 23andMe, Inc.* is noteworthy by the fact that the insurer challenged coverage on this ground.

"While this issue apparently has never been decided in the context of a professional liability policy, both case law and custom and practice recognize that the same phrase used in a general liability policy applies only to liabilities 'assumed,' i.e. created by, a contractual indemnity agreement," according to McCutcheon.

Read the article.