

# Artful Pleading Fails to Circumvent Contractual Liability Exclusion

An article by **Stephen J. Bagge** in the Carlton Fields **PropertyCasualtyFocus** blog describes an Eleventh Circuit's ruling that provides persuasive language for applying contractual liability exclusions under D&O policies to alleged business torts that are related to or dependent on the existence of contractual liability.

"This is significant, in that plaintiffs are increasingly seeking insurance coverage for contractual disputes," Bagge **writes**. "As the court's opinion demonstrates, D&O policies are not intended to insure contracts entered into by insureds: that is why D&O policies routinely contain contractual liability exclusions."

The case was *Bond Safeguard Ins. Co. v. National Union Fire Ins. Co. of Pittsburgh, Pa.*, No. 14-15233 (11th Cir. Oct. 5, 2015), in which the plaintiff sought to recover payments it had made under certain surety bonds.

**Read the article.**