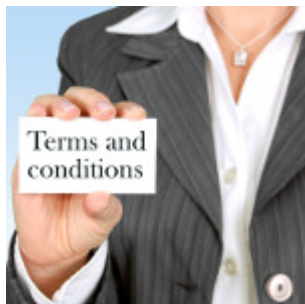


Court Rules Insurer's Privacy Policy Can Give Rise to Breach of Contract Claim



A recent decision from the Northern District of Illinois illustrates the pitfalls that could arise from current insurance industry practices involving the issuance of privacy statements and insurance policies if done without the appropriate precautions, according to a report by Carol J. Gerner and Cinthia Granados Motley for *Claims Journal*.

“The process of issuing an insurance policy, either directly or through an employer group, requires care and deliberate action when it comes to issues of proper integration, documentation and transmittal,” they write.

“In *Dolmage v. Combined Ins. Co. of Am.*, (No. 1:14-cv-3089, N.D. Ill. Feb. 23, 2016), the court denied the defense motion to dismiss a breach of contract claim based on a ‘Privacy Pledge’ document that was included in insurance policy documents provided to employees of Dillard’s department store (Dillard’s). The decision raises a novel theory by plaintiffs and warrants attention given the number of ‘privacy statements’ consumers receive in the mail every day from banks and credit card issuers and the use of third-party vendors in the management of personal data.”

Read the article.