

Texas Supreme Court Reinforces the Eight-Corners Rule, Or Does It?

“In *Richards v. State Farm Lloyds* ... the Texas Supreme Court answered a certified question posed by the Fifth Circuit Court of Appeals; namely, whether the absence of a clause requiring a carrier to defend claims that are “groundless, false or fraudulent” means that the “eight-corners” rule does not apply when determining the existence of a duty to defend. The Texas Supreme Court held that the eight-corners rule applies regardless of whether the underlying policy obligates a carrier to defend claims that are groundless, false or fraudulent,” write Alissa K. Christopher and Gregory S. Hudson in Cozen O’Connor’s ***Recent News & Publications***.

“Ten-year-old Jayden Meals died in an ATV accident while under the supervision of his paternal grandparents Janet and Melvin Richards. Jayden’s mother filed suit against the Richards, alleging that they negligently failed to instruct or supervise Jayden in his operation of the ATV. The underlying petition, however, contained no allegations regarding where the fatality occurred and no allegations regarding the custody relationship between Jayden and his paternal grandparents.”

“State Farm Lloyds provided a homeowner’s policy to the Richards. It agreed to defend the Richards under a reservation of rights and separately initiated a declaratory judgment proceeding in federal court.”

Read the article.