

# Wash. Supreme Court Reverses, Finds \$1.7 Covenant Settlement Reasonable

“An insurer that refused a \$399,000 settlement offer may have to pay more than \$1.7 million because of a settlement that was made separately between its policyholder and an aggrieved customer, under a unanimous decision by the Washington Supreme Court on Thursday. The high court overturned a decision by the Court of Appeals and reinstated a judgment by a Spokane County Superior Court judge,” reports Jim Sams in Claims Journal.

“The Court of Appeals had decided that the trial court erred by approving a covenant settlement far in excess of the actual damages. In finding an abuse of discretion, the Court of Appeals majority misapprehended parts of the record and substituted its assessment of the competing damages evaluations for the trial court’s assessment, the Supreme Court said. The American Property Casualty Insurance Association and the National Association.”

***Read the article.***