

Successful Result in Michigan Court of Appeals for Novara Law Insurance Client

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Novara Law's Appeals team, led by Partner Kaitlyn Cramer, recently obtained a successful result in the Michigan Court of Appeals that resulted in over a half of a million dollars in savings for an insurance client.

The case involved a pedestrian who was struck by a motor vehicle in 2015 and made a claim with a different insurer. Nearly four years later, that insurer brought a claim against Novara's client, arguing it was in priority as it insured the motor vehicle at issue. However, the insured had made several material misrepresentations, leading to a rescission of the policy.

The trial court agreed that rescission was appropriate, but held that it could not be applied due to the innocent third party doctrine – essentially, it would not be equitable to enforce the rescission against the injured party and the insurer who had already paid his claim for four years.

On appeal, the Court of Appeals agreed with the trial court that the innocent third party doctrine would apply to the case, even though the party seeking to avoid the rescission was an insurer, not an injured party, but agreed with our Novara team that the balancing of factors for that analysis should have fallen in our client's favor. The fact that the other insurer had paid for several years meant that the injured party still had an alternative avenue of recovery, and therefore, it was equitable to rescind the policy. This appeal was the result of several years of litigating the claim.

[Link to opinion>>](#)

PROFESSIONALS

Kaitlyn A. Cramer

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