



california supreme court allows insured's assignee to recover brandt fees in bad faith litigation

MSK Client Alert

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In *Essex Insurance Co. v. Five Star Dye House, Inc.* 2006 Cal. LEXIS 8229 (Cal. July 6, 2006), the California Supreme Court unanimously disapproved prior case law and held that an insured's assignee can recover attorneys' fees under the *Brandt* decision in an action for tortious breach of the implied covenant of good faith and fair dealing. Under the *Brandt* decision (*Brandt v. Superior Court*, 37 Cal. 3d 813 (1985)), an insured may recover as damages those attorneys' fees that are incurred in a bad faith action against the insurance company and which are attributable to the attorney's efforts to recover policy benefits that the insurer has wrongfully withheld.

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