

Professional Services Coverage Not Applicable to Injury Pre-Dating Endorsement's Effective Date

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The Missouri Court of Appeals has held that an insurance policy's professional services exclusion barred coverage for loss resulting from a beauty salon's rendering of professional services. *Henslee v. Cameron Mut. Ins. Co.*, 2009 WL 2437827 (Mo. Ct. App. Aug. 11, 2009). The court rejected the claimant's argument that a policy endorsement issued after the loss provided coverage for her injury.

In October 2006, the salon purchased an insurance policy that expressly excluded professional services coverage. In December 2006, the claimant's scalp was severely burned during a hair treatment at the salon. Two months later, the insurer issued an endorsement, with an effective date of February 1, 2007, which added professional services coverage to the salon's policy. On May 2, 2007, the claimant won a judgment against the salon and sought to recover under the salon's insurance policy as a garnishee. The insurer denied coverage for the claimant's injury, citing the professional services exclusion in existence at the time of the accident. The trial court granted summary judgment in favor of the insurer, and the claimant appealed.

On appeal, the claimant argued that the professional services endorsement should apply to her loss because: (1) the endorsement provided retroactive coverage for professional services; and (2) the trigger of coverage under the policy was the judgment ultimately against the insured, not the accident or injury to the claimant.

The Court of Appeals rejected the claimant's assertion that the endorsement should be given retroactive effect, noting that the endorsement expressly included a February 1, 2007 effective date. The court held that "[t]he date the endorsement or rider was issued determines not only the nature of the coverage but also defines the period of coverage under its terms."

The Court of Appeals also rejected the claimant's trigger-of-coverage argument, declaring that such an interpretation "would turn insurance law on its head." The court found inapplicable a provision of the policy obligating the insurer to pay "those sums that the insured becomes legally obligated to pay as damages." According to the court, this provision described only the "sums" to be paid "if the policy applies" and the policy did not apply "if the loss from risk occurred before the effective date of the endorsement." The Court of

Appeals thus held that the relevant trigger was the claimant's December 2006 injury, not the entry of judgment against the insured. Since the injury pre-dated the extension of coverage, the court entered judgment in favor of the insurer.