

# No Coverage for Claim Made Outside Policy Period Shortened By Cancellation

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A federal court in Puerto Rico has held that an insurer had no obligation to provide coverage for a lawsuit that was filed after the date on which its policy had been cancelled. *Rodriguez v. Hospital Metropolitan Cabo Rojo*, 2010 WL 624143 (D.P.R. Feb. 17, 2010).

The case arose out of the death of a patient at a hospital. On July 18, 2008, the deceased patient's family brought a wrongful death action against the hospital and others. On June 9, 2009, the hospital filed a third-party complaint for indemnification against the doctor who treated the patient as well as the insurer that issued a claims-made professional liability policy to the doctor for the period of February 2, 2009 to February 2, 2010. In response, the insurer argued that the hospital's claim against it could not be sustained because the policy had been cancelled by the doctor's family on May 27, 2009 due to his death. The insurer pointed to the language in the policy that stated that coverage did not apply to any claim that occurred or was first made against an insured after the termination of the policy. The insurer also noted that the insured's family did not purchase "tail" coverage, which would have extended the reporting period for a claim made after the cancellation of the policy.

The court granted the insurer's motion to dismiss. In doing so, the court recognized the distinction between an "occurrence" policy and a "claims-made" policy. The court found that the claims-made period of the policy at issue here ended on the date that the policy was cancelled. Accordingly, the court concluded that the claim by the hospital fell outside the scope of coverage afforded by the policy issued to the doctor and therefore the insurer had no duty to indemnify.