



# IRMI® **Insights**

Insurance and Risk Management Perspectives Available Only from IRMI

## IRMI's Influence in the Courts— Shaping Insurance Law

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*"The reasonableness of [the] interpretation [of the CGL policy] is evidenced by the fact that it is shared by the International Risk Management Institute (IRMI)."*

~William Canby Jr., Senior Judge,  
Ninth Circuit Court of Appeals

**F**or over 40 years, IRMI's influence on insurance coverage litigation is clear—courts across the nation routinely rely and utilize IRMI's suite of products in reaching decisions on insurance coverage issues. Starting in the early 1980s after the launch of IRMI's initial publications, courts have latched onto IRMI's unbiased scholarship regarding the insurance industry. IRMI has influenced nearly 75 decisions from some of the highest courts in the land, including state supreme courts and federal circuit courts. Similarly, insurers and policyholders have cited and relied on IRMI's publications and products in hundreds of briefs and pleadings filed with courts.

Why do these courts rely on IRMI when deciding some of the thorniest insurance coverage issues when these same courts quickly

toss aside other one-sided and biased sources? The answer is simple. IRMI's products are objective and not biased in favor of insurers or policyholders. IRMI's [research staff](#) is composed of attorneys, former underwriters, risk managers, agents and brokers, professors, and other industry professionals with decades of experience and holding impressive professional credentials. Utilizing the insights of this balanced staff, IRMI provides an objective and unbiased discussion of the insurance industry.

IRMI's reputation as the insurance industry's most trusted resource for factual information is recognized by many courts. Indeed, a California court noted that the:

[R]easonableness of [the] interpretation [of the commercial general liability (CGL) policy] **is evidenced** by the fact that it is shared by the International Risk Management Institute (IRMI).

*Keating v. National Union Fire Ins. Co.*, 754 F. Supp. 1431, 1435 (C.D. Cal. 1990), *rev'd on*

*other grounds*, 995 F.2d 154, 155 (9th Cir. 1993) (emphasis added).

## IRMI Provides an Unbiased Perspective

The court’s flattering praise that IRMI publications provide an objective and reasonable interpretation of insurance policies is of crucial importance in virtually all insurance coverage disputes. An example of the importance of IRMI’s reputation is demonstrated by a California appellate court that was tasked with determining whether the standard commercial general liability policy form provided coverage for construction defect claims in California. In reaching its significant decision, the court relied on an IRMI publication and recognized the importance of industry publications in the decision-making process of courts:

Insurance industry publications [like IRMI’s] are particularly persuasive as interpretive aids ... Ultimately, the test is whether coverage is “consistent with the insured’s *objectively reasonable expectations*.”

*Prudential-LMI Commercial Ins. Co. v. Reliance Ins. Co.*, 22 Cal. App. 4th 1508, 1512–13 (1994).

The California court then adopted the position supported by the IRMI publication.

In addition to IRMI’s publications, courts and litigants rely on all of the other facets of

IRMI’s mission of bringing unbiased information to the insurance industry. IRMI’s [Glossary of Insurance & Risk Management Terms](#) is often used as an aid in deciding complex coverage issues. Some courts rely on the IRMI [Glossary](#) for the basic concepts of our industry, such as what do the terms “endorsements” and “underinsurance” mean. Other courts utilize the [Glossary](#) for the more esoteric insurance terms, such as “trip lease” or “side-track agreement.” For courts and practitioners today, IRMI is the authoritative go-to word reference for the insurance industry.

### The IRMI Mission

IRMI helps save lives and livelihoods by empowering our customers with education and information for managing and insuring risk.

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## IRMI Provides Historical Context

Similarly, courts and litigants alike turn to IRMI’s unparalleled collection of current and past insurance forms, such as those promulgated by Insurance Services Office, Inc. (ISO). The appeal of these historical forms to courts and litigants is often based on the persuasive value of

showing how a coverage form has changed over the years. For example, after the expert in a court case testified that IRMI is “the leading publication for coverage analysis,” she demonstrated at trial the power of IRMI’s extensive insurance forms database:

**[Question to Expert:]** In terms of the [ISO] CG 00 01 [Form] and its coverage of executive officers for claims by co-employees, are you familiar with how long that coverage would have been provided under the CG 00 01?

### About IRMI®

For over 40 years, International Risk Management Institute, Inc. (IRMI), has been a premier provider of practical and unbiased risk management and insurance information to corporations, law firms, government, and the insurance industry. This information is developed by the most experienced research and editorial team in insurance reference publishing in partnership with a host of industry practitioners who work with us. We take great pride in giving you up-to-date, objective, and practical strategies, tactics, and solutions to help you succeed and prosper in a changing insurance and risk management environment. You can obtain this information in the books, reference services, and newsletters we publish in a variety of print and electronic formats, our online continuing education courses, and our webinars and conferences.

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**[Expert's Answer:]** I went back and looked, and IRMI provides a great resource because they compare edition dates of forms. I went all the way back to 1973.... And the coverage for executive officers and the intent for executive officers has not changed that entire time. They have made a couple minor clarifications on co-employees, but in terms of executive officers, it's been the intent all the way back to [1973] [to provide coverage for executive officers].

*Deters v. USF Ins. Co.*, 2011 Iowa App. LEXIS 37 (Ct. App. 2011).

Based in part on this expert's testimony about IRMI's products, a nearly \$1 million bad faith award was upheld on appeal.

### Conclusion

IRMI's important role as an objective source for courts and litigants is growing. In the past 10 years alone, courts' reliance on IRMI products shot up by a staggering 40 percent. With its ever-growing publications, expansive database of insurance forms, glossary, continuing education programs, professional certifications, and industry conferences, IRMI is poised to play an even larger role in the courts. This is being recognized by insurance coverage practitioners around the country as more and more of them realize that a subscription to IRMI's online publications is essential to maintaining their competitive edge.

## IRMI in the Courts

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