

STATE OF LOUISIANA
COURT OF APPEAL, FIRST CIRCUIT

CALVIN J. HILL, INDIVIDUALLY AND
AS THE EXECUTOR OF THE SUCCESSION
OF ELNORA JOHNSON HILL

NO. 2019 CW 1090

VERSUS

DEC 27 2019

TMR EXPLORATION, INC., PARK
EXPLORATION, INC., AND VITOL
RESOURCES, INC.

In Re: New Hampshire Insurance Company, National Union Fire Insurance Company of Pittsburgh, PA., and AIG Specialty Insurance Company, applying for supervisory writs, 18th Judicial District Court, Parish of West Baton Rouge, No. 41245.

BEFORE: HIGGINBOTHAM, PENZATO, AND LANIER, JJ.

WRIT GRANTED IN PART, DENIED IN PART. The portion of the trial court's June 24, 2019 ruling granting the plaintiffs' "Motion for Partial Summary Judgment Regarding Insurance Coverage Provided by the Defendant Insurers" against relators, National Union Fire Insurance Company of Pittsburgh, PA., New Hampshire Insurance Company, and AIG Specialty Insurance Company, is reversed. The plaintiffs failed to prove they are entitled to summary judgment as a matter of law; therefore, the plaintiffs' "Motion for Partial Summary Judgment Regarding Insurance Coverage Provided by the Defendant Insurers" is denied. Further, we reverse the portion of the trial court's June 24, 2019 ruling denying relators' motion for summary judgment as to the plaintiffs' claims for damages under La. R.S. 22:1892, La. R.S. 22:1893, and La. R.S. 22:1973. Statutory penalties are inappropriate when the insurer has a reasonable basis to defend the claim and was acting in good-faith reliance on that defense. **Bingham v. State Farm Mutual Auto. Ins. Co.**, 2012-0375 (La. App. 1st Cir. 11/2/12), 2012 WL 5386619, *2 (unpublished) (citations omitted). Relators pointed out the absence of factual support for the plaintiffs' claim for bad faith damages as the evidence showed they had reasonable doubts concerning coverage for the plaintiffs' claims and, therefore, had the right to litigate these claims without being subjected to damages and penalties. **Calogero v. Safeway Ins. Co. of Louisiana**, 99-1625 (La. 1/19/00), 753 So.2d 170, 173 (citations omitted). Therefore, we grant National Union Fire Insurance Company of Pittsburgh, PA., New Hampshire Insurance Company, and AIG Specialty Insurance Company's motion for summary judgment, in part, and dismiss the plaintiffs' claims asserted against them pursuant to La. R.S. 22:1892, La. R.S. 22:1893, and La. R.S. 22:1973, with prejudice. The writ is denied in all other respects.

TMH
AHP
WIL

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FOR THE COURT