

North Carolina Court Rules That Claims Arising Out Of Two Bridge Collapses Are “Related” And Thus Subject To Single Claim Limit

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A North Carolina federal district court ruled that an insurer was obligated to pay only a single claim limit under a liability policy with respect to multiple claims arising from two bridge collapses because claims arising out of the collapses were “related claims.” *Stewart Engineering, Inc. v. Continental Cas. Co.*, 2018 WL 1403612 (E.D.N.C. Mar. 20, 2018).

Stewart, an engineering company, was retained to provide structural design services for two pedestrian bridges. During construction, both bridges collapsed, killing one worker and injuring several others. Numerous individuals thereafter sued Stewart. Stewart sought defense and indemnity from Continental up to the aggregate policy limit of \$5 million. Continental argued that its obligation was limited to the \$3 million per-claim limit. The court agreed and granted Continental’s summary judgment motion.

The court ruled that claims arising out of both bridge collapses constituted “related claims,” defined by the policy as “all claims . . . arising out of: (1) a single wrongful act; (2) multiple wrongful acts that are logically or causally connected by any common fact, situation, event, transaction, advice, or decision.” The court explained that even if the design failures were considered separate wrongful acts, those acts were logically and causally connected based on common circumstances, events and decisions. In particular, there was a single contract for Stewart’s design services for both bridges, and the same engineer of record and project manager supervised both bridges. The court noted that “[a]lthough there may have been some different actors and decisions involved in the design and construction of Bridge 1 and Bridge 2, such differences do not defeat a finding of relatedness.” In so ruling, the court rejected Stewart’s assertion that the related claim provision was ambiguous.

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