

## Eighth Circuit Rules That Insurer Must Defend Civil Rights Suit Based On Wrongful Imprisonment, Notwithstanding That Initial Events Occurred Before Policy Inception

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The Eighth Circuit ruled that an insurer was obligated to defend a county against a civil rights lawsuit stemming from the arrest and imprisonment of an innocent man, notwithstanding that the murder and initial interrogation occurred before the policy inception. *Argonaut Great Cent. Ins. Co. v. Lincoln Cty., Mo.*, 2020 WL 1264213 (8th Cir. Mar. 17, 2020).

On December 27, 2011, Russell Scott Faria’s wife was murdered. Faria voluntarily went to the police station that day and spent more than forty hours there being questioned. He was released from custody on December 29, and then arrested on January 4, 2012. He remained in jail until his trial in November 2013, when he was convicted of murder and sentenced to life in prison. An appellate court granted Faria’s motion for a new trial and in November 2015, he was retried and acquitted. In 2016, Faria sued Lincoln County, the district attorney and a police officer, alleging civil rights violations. Argonaut argued that it had no duty to defend the suit because the relevant conduct occurred prior to the policy’s January 1, 2012 inception and because exclusions for malicious conduct barred coverage. A Missouri district court disagreed and granted the County’s motion for judgment on the pleadings. The Eighth Circuit affirmed.

Under Missouri law, an insurable event occurs when the victim is first damaged. On this basis, Argonaut argued that the operative “occurrence” for coverage purposes was the murder and initial investigation, which occurred prior to the policy’s inception. The court disagreed, finding that the harm first occurred when Faria was formally arrested in January 2012. The court acknowledged that one count of the complaint alleged a constitutional violation based on Faria’s initial “seizure” in December 2011, but emphasized that the remaining counts all involved conduct that occurred in 2012, including the “most pertinent actions”—his arrest and murder charge.

In addition, the court ruled that the complaint alleged “covered wrongful acts” outside the scope of an exclusion relating to “dishonest, malicious, fraudulent or criminal acts . . . or a knowing violation of the law.” Although the underlying complaint alleged numerous malicious acts and knowing violations of law, the court noted that it also alleged reckless and incompetent conduct.

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