



The Weekly Update of Texas Insurance News

# TEXAS INSURANCE LAW NEWSBRIEF



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**October 10, 2011**

## **FIFTH CIRCUIT REVIVED SUIT OVER 'YOUR WORK' POLICY EXCLUSION**

On Wednesday, the Fifth Circuit reversed a lower court's decision that the "Your Work" exclusion of a CGL policy precluded coverage for damages to a Mississippi oil refinery's reactor by a caused by a contractor, Cat Tech, LLC. *American Home Assur. Co. v. Cat Tech L.L.C.*, ) \_\_ F.3d \_\_, 2011 WL 4583838 (5th Cir. 2011.) The ruling means that two insurers may be on the hook for some of the damages allegedly caused by Cat Tech, overturning the lower court's finding that the damages were entirely excluded from the policies.

The Fifth Circuit looked at the "your work" exclusion in two policies issued by American Home Assurance and National Union Fire Insurance. After reviewing Texas cases on point, the court found that the "your work" provision excludes coverage only for the damage to that portion of customer's property upon which insured servicing company had performed repair services, defective or otherwise. The court held that the exclusion did not preclude coverage for any damage to customer's property that insured did not repair or service. Finding a fact issue existed as to the extent of the work and the resulting damage, the Fifth Circuit remanded the case to the trial court for further proceedings.

## **HOUSTON MAN PLEADS GUILTY TO INSURANCE FRAUD FOR SELLING BOGUS POLICIES**

Christopher Purser of Houston pled guilty to one count of conspiracy to commit wire fraud in an insurance fraud scheme. The plea capped federal prosecutors' investigation into bogus insurance policies issued by Purser to apartment complexes, condominium associations, bars and restaurants. According to federal investigators, Purser disguised his identity when selling the policies between 2004 and 2006, after Texas insurance regulators banned him from the insurance business in 2003.

Purser's scheme began to unravel when the *Ethan Allen* capsized on Lake George in New York State in 2005, killing 20 of the 47 elderly passengers on board. Shoreline Cruises, Inc., the owner of the boat, submitted the claim on a policy the Purser sold it. According to prosecutors, in response to the claim, Purser backdated documents to make it appear, falsely, that the policy did not cover the claim. In fact, prosecutors found that Purser's insurance company was merely a shell with no assets to cover any claims. Purser could face 20 years in prison.

## **MDJW PARTNER BARRIE BEER TO SPEAK TO WOMEN IN CLAIMS**

Women in Claims, a group designed to bring together women in all facets of the insurance claims industry, will hold its next meeting on November 2, 2011, in Houston, Texas. The group has invited

MDJW Partner Barrie Beer to speak at this luncheon. MDJW is pleased to support Women in Claims. If you are interested in attending, contact any of our lawyers for additional information.

If you wish to discuss legal principles mentioned herein, reply to this e-mail or contact any of our lawyers at Martin, Disiere, Jefferson & Wisdom, L.L.P.  
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