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Insurer's Policy Misrepresentation Claims Are Time-Barred

Dickie, McCamey & Chilcote ("DMC") Harrisburg attorneys Charles E. Haddick, Jr. and Charlene N.A. Akraši successfully defended a western Pennsylvania insurance brokerage from a \$15 million professional liability claim in the U.S. District Court for the Middle District of Pennsylvania.

U.S. District Court Judge Matthew Brann granted summary judgment to DMC's client, Ebensburg Insurance Agency, on claims made by American Builders Insurance Company alleging that Ebensburg was negligent and made misrepresentations in an application for workers' compensation insurance prior to a catastrophic loss involving one of the applicant's employees.

In *American Builders Insurance Company v. Ebensburg Insurance Agency, et al.*, the Court found that the insurer was aware of potential claims against the agency as early as 2015, within days of the accident involving the employee. While the insurer filed suit against the applicant/employer in 2017 in the Western District of Pennsylvania, it did not file suit against Ebensburg until 2019 in the Middle District of Pennsylvania, which was well beyond the two-year tort statute of limitations, the Court held.

In granting judgment in favor of Ebensburg, Judge Brann ruled that the Pennsylvania Borrowing Statute required application of the two-year Pennsylvania tort statute of limitations, not a longer limitations period under Georgia law. American Builders Insurance Company is headquartered in Georgia.