Duty to Defend Obligation Affirmed in Suit Against Insurer

The 1st District Appellate Court recently delivered a resounding victory for corporate and individual insurance policyholders in Illinois, reaffirming that insurers that have a duty to defend claims or suits brought against their insureds will not be rewarded by Illinois courts for refusing to honor that obligation in a timely fashion.

In *Allied World Specialty Insurance Co. v. John Sexton Sand & Gravel Corp.*, 2019 IL App (1st) 182468U, the court first rejected Allied World's reasons for refusing to honor its duty to defend the underlying lawsuit.

The court emphasized that, where the policy at issue requires the insurer to defend its insured against any claim or suit brought against the insured, such obligation is triggered so long as the allegations against the insured reflect even a mere potential for coverage under the policy.

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