

New Jersey Appellate Division Upholds Judgment Against Insurance Company For Negligent Valuation of Policy

In Loyle Lanes Bowling Center v. Greater New York Mutual, 2017 N.J. Super. Unpub. LEXIS 2215, the plaintiffs owned a bowling alley that a fire destroyed. The plaintiffs alleged that a Brouwer Hansen and Izdebski Insurance Associates' ("BHI") employee negligently provided incorrect advice that their policy was sufficient to cover the cost of rebuilding the entire bowling alley, should the need arise. The need arose, but there were not enough funds to cover the cost of rebuilding the structure. The total cost amounted to \$6.4 million, while the insurance appraisal from the policy was \$3.65 million.

At trial, the plaintiffs tried to admit a copy of the appraisal report into evidence, along with two notes from a meeting with the appraiser which were not produced in discovery. After a Rule 104 hearing, the trial judge concluded that the plaintiffs did not intend to deceive anyone by withholding these two notes, nor did the notes substantially alter the case. The jury awarded the plaintiffs \$1,998,808.00 on malpractice claims against BHI.

The Appellate Division concurred with the trial court's ruling, specifically stating that the appraisal report had been produced in discovery, and that BHI knew it was partially prepared by one of the plaintiffs, but chose not to depose him during discovery. The Appellate Division upheld the award of the jury, as well as the denial of BHI's request for a new trial and motion for a mistrial.