

Indiana Supreme Court Opinion Highlights Importance Of Knowing Your Coverage Before You Need It

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In [Groce v. American Family Mutual Insurance Co.](#), No. 48S02-1307-CT-472 (Apr. 3, 2014), the [Indiana Supreme Court](#) has again held that the rule of *caveat emptor*, or let the buyer beware, applies to the purchase of insurance coverage. The Court held that where an agent's failure to obtain the coverage sought by the policyholder is "ascertainable from the policy itself," the two-year statute of limitations on the policyholder's claim against the agent for failure to obtain coverage begins to run when the policyholder receives a copy of the policy. This rule presents three challenges for policyholders: (1) many policyholders renew the same coverage year after year, such that the initial failure to obtain coverage could have happened years before the loss for which the coverage is needed; (2) because most coverage is written on an "occurrence" basis, the coverage may not be needed until years after the policy expires; and (3) many policyholders do not have the time or experience to read and understand complex insurance policy language and determine whether their agent placed what they requested. Indeed, as the Indiana Court of Appeals has noted, "[w]hile the insured is always supposed to read the policy, only a very hardy soul would have plowed through all of the fine print and separate sections in an effort to understand the many terms and conditions listed in the main policy and the convoluted additional thereto." [Nat. Mut. Ins. Co. v. Curtis](#), 867 N.E.2d 631, 636 (Ind. Ct. App. 2007). The rule in *Groce* is subject to an exception where the policyholder reasonably relies on the agent's representations where the agent insists that a particular hazard is covered. So, if you are not a "hardy soul" capable of reading and understanding your insurance policies, it is a good idea to have someone do that for you and/or to obtain assurances from your agent that the coverage you wanted has, in fact, been purchased. Let the buyer beware.... [Barnes & Thornburg](#)

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