

Recent New Jersey case on issue of waiver of subrogation provisions, reviewed by insurance law attorney Jared E. Stolz

Insurance law attorney Jared Stolz comments on ACE American Ins. Co. v. American Medical Plumbing, Inc., a recent decision of the Superior Court of New Jersey.

FLEMINGTON, NEW JERSEY, UNITED STATES, April 24, 2019 /EINPresswire.com/ -- Attorney [Jared E. Stolz](#) comments on a case dealing with waiver of subrogation provisions in a widely used form construction contract. The complete article will be available on [Jared Stolz'](#) blog at <https://jaredstolz.law.blog/>

“ACE's insured, Equinox Development Corporation (Equinox Development), contracted in March 2012 with Grace Construction Management Company, LLC (Grace Construction), to build the 'core and shell' of a new health club in Summit. American was a plumbing subcontractor. Sometime in April 2013, after the work under the contract was completed, a water main failed and flooded the health club.”

At the time of the water main failure, Equinox and its subsidiaries were covered by ACE's insurance policy. Thus, ACE paid out almost \$1.2 million for the damages covered by the policy.

“

The court explained that the waiver applies if during construction the Owner insures properties, at or adjacent to the site by policies separate from those insuring the Project”

Jared Stolz, insurance lawyer in New Jersey

“ACE eventually filed suit against American, claiming it was at fault for the water-main break and seeking recovery of its payments to Equinox. American promptly answered, invoking [the form construction contract] A201's subrogation-waiver provisions. Soon thereafter, American filed its motion for summary judgment, which the trial court granted, relying mainly on an unpublished federal district court opinion.”

The court first noted that “[i]n broad terms, A201 requires the owner and contractor to procure, respectively, property and liability insurance; and requires the owner and contractor and its subcontractors (and sub-subcontractors, agents and employees) to waive all rights against each other for damages covered by the required property

JARED ELLIOTT STOLZ FOCUSES ON INSURANCE LAW



**JARED E. STOLZ,
ATTORNEY IN NEW
JERSEY**



Blog of insurance by Jared E Stolz, New Jersey

insurance policy.”

On appeal, ACE laid out several arguments for why its claim was not barred by the subrogation waiver. First, “ACE contends that the subrogation waiver under section 11.3.7 has a spatial limit, applying only to claims for damage to the Work itself but not adjacent property, as well as a temporal limit, applying only to claims arising before construction is complete. Since the bulk of the water damage affected not the health club's ‘core and shell’ but its internal construction and furnishings, and since the claim here arose after the Work was completed, ACE concludes that section 11.3.7 does not restrict it from suing American.” Second, even with respect to subrogation waiver that applies to post-completion insurance, “ACE contends that its insurance policy was not ‘other than’ a policy that insured the Project during construction.”

The court rejected ACE’s argument, explaining that “the waiver applies ‘[i]f during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project.’ The waiver also applies ‘if after final payment, property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period.’” Thus, the court concluded, that ACE’s policy was subject to the subrogation waiver in the form contract. The case is ACE American Insurance Co. v. American Medical Plumbing, Inc., Docket No. A-5395-16T4.

About J. Elliott Stolz, Esq.

[Jared Elliott Stolz](#) is an attorney in New Jersey, focusing on insurance law and litigation. He is the managing partner of Stolz and Associates. Jared Stolz received his undergraduate education at Drew University in Madison, New Jersey and graduated with honors from Seton Hall University School of Law. Jared E. Stolz has been the managing partner of Stolz and Associates since 2004, specializing in providing individual and customized attention to insurance carriers needs on substantial coverage disputes. Mr. Stolz has nearly two decades of experience in the insurance industry and strives to offer the clients a combination of tried and true legal analysis along with tactic, brought to it by today’s technology, with a focused eye on expenses. He has represented prominent clients in numerous noteworthy cases with published opinions and has published and given seminar on insurance law topics.



Jared E Stolz, attorney in Flemington, New Jersey



Jared Stolz, insurance lawyer in New Jersey

Bio on law firm website:

<http://www.stolzlaw.com/about-us/about-the-founder/>

LinkedIn Profile:

<https://www.linkedin.com/in/jared-stolz-18088012>

Blog: <https://jaredstolz.law.blog/>

Attorney Profile:

<https://solomonlawguild.com/jared-stolz%2C-new-jersey>

News: <https://hype.news/jared-stolz-esq>

News:

<https://attorneygazette.com/jared-stolz%2C-new-jersey#991b3c34-b5d9-4d08-be41-b22cd3ce1795>

Videos:

<https://www.youtube.com/channel/UC4JMr8Lydcx0FqRit17cBWg>

https://www.youtube.com/watch?v=HO_F3bolshC8

<https://www.youtube.com/watch?v=n7yA3fUImhc>

Lilly Shebey, Administrative Assistant
Stolz & Associates, LLC
+1 856-232-1600

[email us here](#)

Visit us on social media:

[LinkedIn](#)



Jared Stolz, attorney in New Jersey



Jared Stolz, attorney in New Jersey

This press release can be viewed online at: <http://www.einpresswire.com>

Disclaimer: If you have any questions regarding information in this press release please contact the company listed in the press release. Please do not contact EIN Presswire. We will be unable to assist you with your inquiry. EIN Presswire disclaims any content contained in these releases. © 1995-2019 IPD Group, Inc. All Right Reserved.