

## **BILL CARAVETTA PREVAILS ON DEFENSE OF BAD FAITH CLAIM, JUDGE RULES ON MOTION FOR SUMMARY JUDGMENT**

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***Ingram Harrison v. RTW*** – This was a workers' compensation/bad faith lawsuit brought by Plaintiffs Kenneth Ingram and

Wiley Harrison, both truck drivers for M3 Transportation. While transporting Department of Defense cargo for M3 Transport, Plaintiff Kenneth Ingram and Wiley Harrison's commercial truck malfunctioned. While traveling to the M3 terminal in a rental car on June 6, 2011, Plaintiffs were struck head-on by an oncoming vehicle. Both Plaintiffs sustained serious injuries. Great American Insurance Company, M3 Transport's insurer, received notice from Plaintiff that both were asserting workers' compensation claims for wage and medical benefits arising out of the accident. RTW Incorporated was retained by Great American as the third-party administrator of the claims, and on August 30, 2011, the claims adjuster recommended that the claims be denied because Plaintiffs were not in the course and scope of their employment at the time of the accident.

Plaintiffs sought review by the Industrial Commission of Arizona. The Industrial Commission determined that Plaintiffs' claims were compensable and that they were entitled to benefits. On February 22, 2013, M3 Transport filed a special action for review of the Industrial Commission's decision, which was affirmed by the Arizona Court of Appeals on December 26, 2013. Plaintiffs filed their Complaint against Great American and RTW alleging bad faith and punitive damages on grounds that there was no legal justification or reasonable basis for defendants' alleged improper denial of their workers' compensation claims. Plaintiffs claimed that RTW, the third-party administrator, was engaged in a joint venture with Great American Insurance and, therefore, RTW was liable for bad faith. Prior to oral argument on defendant RTW's motion for summary judgment, a settlement conference was held in Los Angeles, California. Plaintiffs' collective demand against RTW and Great American was \$17 million. RTW refused to settle the case. Great American settle the case for an undisclosed amount. On September 21, 2016, Judge Stephen P Logan, United States District Court Judge, entered summary judgment in RTW's favor, holding that RTW was not engaged in a joint venture with Great American.

The Court held there was no evidence that RTW advertised, marketed, sold, billed or collected premiums, received a commission on collected premiums, issued certificates of coverage, solicited the sale of Great American's policy with M3. RTW was found to have solely handled claims for Great American and there was no joint venture.

[Bill Caravetta](#) concentrates his practice on both national and state-wide bad faith class action litigation, bad faith litigation, insurance coverage disputes, coverage opinions and complex civil litigation. Bill has substantial experience in advising corporate risk managers on insurance coverage issues, indemnity agreements and risk transfer options through commercial contracts.