



Southeast News

West Virginia High Court: Insurer Not Liable in Underage Drinking Case

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The West Virginia Supreme Court says a homeowner's insurance company should not be held liable for paying damages stemming from a fatal alcohol-related accident involving underage drinkers.

In its unanimous ruling, the court said Jeff Corra's policy with American Modern Home Insurance Co. does not cover damages sought by the families of two men who were killed and a woman who was injured after leaving a party at Corra's Wood County home in 2006.

The woman and one of the men were 18. The second man was 20. The driver of the vehicle was 19 at the time.

Corra was later convicted of four counts of knowingly providing alcohol to underage persons. The Supreme Court is now considering his appeal.

American Modern Home sued in federal court, saying it did not have a duty to defend Corra or pay damages. The Supreme Court was asked by a federal judge to determine if the company was liable under West Virginia law.

The issue was whether the drinking and subsequent accident could be considered an "occurrence" as defined by Corra's homeowners policy. The policy defined occurrence as "an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results, during the policy period in ... bodily injury or property damage."

Chief Justice Elliott "Spike" Maynard wrote that absent language to the contrary, an occurrence does not include instances where an injury or damage "is allegedly caused by the homeowner's conduct in knowingly permitting an underage adult to consume alcoholic beverages on the homeowner's property."

Although the court ruled American Home was not obligated, Maynard added a footnote to the ruling that said he believed there are still factual issues yet to decide at trial which could determine if American Home should defend Corra.

"Therefore, although a majority of the Court does not presently share this view, the author believes that the insurer should be required to provide a defense to Mr. Corra," Maynard wrote.

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