

Zelle Hofmann Obtains Summary Judgment in Chinese Drywall Litigation

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On Friday, May 13, a Virginia federal court judge ruled that Nationwide Mutual Insurance Company does not have a duty to defend or indemnify its insured/real estate developer, The Overlook Inc., in connection with underlying litigation alleging property damage and seeking medical monitoring based on the presence of defective Chinese drywall in a Richmond, Virginia townhouse. In a comprehensive and detailed 77-page ruling, Judge Mark S. Davis, held that the pollution exclusions in the liability portions of all 26 Nationwide primary and excess liability insurance policies at issue clearly and unambiguously precluded coverage for the underlying state court lawsuit. The decision is thought to be the most detailed analysis to date of the application of pollution exclusions to third-party liability claims arising out of defective Chinese-manufactured drywall.

The case is *Nationwide Mutual Insurance Co. et al. v. The Overlook LLC et al.*, case number 4:10-cv-00069, in the U.S. District Court for the Eastern District of Virginia. Zelle Hofmann attorneys Catherine Colinvaux, Seth Jackson and Karl Vasiloff represented Nationwide in this action.