

THE UNIVERSITY OF CHICAGO LAW REVIEW

VOLUME 13

DECEMBER 1945

NUMBER 1

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CASE NOTES

Insurance—Liability Insurer's Duty to Settle—[Illinois]. The defendant insurance company issued a public liability policy to the plaintiff country club, with liability limited to \$10,000 for bodily injuries to any one person. An invitee on the plaintiff's premises sustained injuries on a toboggan slide and brought suit against the plaintiff. Before trial the insurance company refused an offer by the injured party to settle for \$3,500. The claimant recovered a judgment for \$20,000. Before appeal she offered to settle for \$8,000, and was again refused. The judgment was affirmed by the Appellate Court.¹ The defendant paid the claimant \$10,815. The plaintiff paid the balance due on the judgment and sued to recover that amount from the defendant. The trial court instructed the jury that "when defendant . . . arbitrarily and unreasonably refused to compromise . . . it failed to exercise good faith." The jury found for the plaintiff. On appeal, *held*, the trial court should have left to the jury the question whether the refusal to settle was in "bad faith." Judgment reversed

¹ Halladay v. Olympia Fields Country Club, 295 Ill. App. 622, 15 N.E. 2d 345 (1938).