

WILLIAM SHERNOFF

SHERNOFF BIDART ECHEVERRIA LLP



PIONEER SPIRIT William Shernoff's father was a small-town lawyer. "I grew up feeling that lawyers should help ordinary people with problems." Shernoff spent three years with the U.S. Army JAG Corps before entering private practice to represent plaintiffs with personal injury claims. "Then I got into insurance bad-faith cases."

TRAILS BLAZED Shernoff began his insurance work in 1974. He represented a construction worker who became disabled after falling off a roof after the insurance company refused to compensate him for the accident. "Eventually, *Egan v. Mutual of Omaha* went all the way to the California Supreme Court, which established the first party tort of insurance bad-faith cases in 1979. It's the most-cited civil case in California at 6,000 times. Basically, the ruling said that if an insurance company turns out to be the enemy with unreasonable claims handling, it's not just a breach of contract—it's a tort of insurance bad faith. That started a wave of cases all over the country, and over 40 states now have adopted it. Certain people and publications have given me credit for pioneering this tort." Shernoff has focused on insurance bad-faith law ever since.

FUTURE EXPLORATIONS Insurance companies will continue to have some institutionally bad practices. "Insurance bad-faith cases will be one of the only deterrents to unreasonable claims handling. Unreasonable claims handling is rapidly spreading to all different types of insurance. They come up with a thousand reasons to not pay a claim."