UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF CALIFORNIA

MacPherson-Pomeroy v. North American Company for Life and Health Insurance

MacPherson-Pomeroy · No. 1:20-cv-00092-KES-BAM · Decided June 20, 2025

SUMMARY

The Eastern District of California partially granted and partially denied North American Company for Life and Health Insurance's motion for summary judgment in an action concerning delayed payment of life-insurance proceeds. The court denied summary judgment on the plaintiff's breach-of-contract, breach-of-covenant, and attorney's-fee claims, finding material disputes regarding the reasonableness of the insurer's investigation and delay. The court granted summary judgment on the plaintiff's punitive-damages claim.

CASE DETAILS

COURT	United States District Court for the Eastern District of California
JURISDICTION	United States District Court for the Eastern District of California
DECIDED	June 20, 2025
DOCKET	1:20-cv-00092-KES-BAM
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved for summary judgment on plaintiff's claims for breach of contract, breach of the implied covenant of good faith and fair dealing, attorney's fees, and punitive damages.
STANDARD OF REVIEW	Summary judgment is appropriate when there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law. The court views the evidence and draws reasonable inferences in favor of the nonmoving party, but need not credit a version of events that is blatantly contradicted by the record.
PRECEDENTIAL VALUE	unknown

TOPICS

life insurance litigation · insurance coverage · breach of contract · implied covenant of good faith · summary judgment

PRACTICE AREAS

insurance | life insurance litigation | contracts | civil procedure | remedies

QUESTIONS PRESENTED

1. Whether North American was entitled to summary judgment on plaintiff's breach-of-contract and breach-of-the-implied-covenant claims based on its eventual interpleader of the insurance proceeds.
2. Whether the evidence presented a genuine dispute regarding the reasonableness of North American's delay in resolving, paying, denying, or interpleading the life-insurance claim.
3. Whether North American was entitled to summary judgment on plaintiff's claim for attorney's fees.
4. Whether North American was entitled to summary judgment on plaintiff's claim for punitive damages.

HOLDINGS

1. An insurer's eventual interpleader filing does not, as a matter of law, absolve the insurer of liability for a prior unreasonable delay in paying, denying, or interpleading the claim.
2. Summary judgment was inappropriate because genuine disputes of material fact existed regarding whether North American reasonably investigated and handled the claim and whether its delay was reasonable.
3. Summary judgment was denied on attorney's fees because entitlement to fees depends on the outcome of plaintiff's underlying claims.
4. North American was entitled to summary judgment on punitive damages because no reasonable juror could find that its alleged delay constituted oppression, fraud, or malice by clear and convincing evidence.

KEY QUOTATIONS

> *"An insurer's eventual interpleader filing does not absolve it of liability for prior unreasonable delay, and an insurer's unreasonable delay may support a claim for both breach of contract and breach of the covenant of good faith and fair dealing."* (at 10)

> *"Whether North American's delay following its confirmation of Casey's death was reasonable cannot be resolved as a matter of law."* (at 10)

FACTUAL BACKGROUND

Casey MacPherson-Pomeroy purchased a life insurance policy from North American, naming Barbara MacPherson-Pomeroy as the primary beneficiary. Casey died in Anguilla after becoming seriously ill from a drink, and North American received proof of death and a death certificate in January 2019. Although North American obtained a death-verification report by July 2019 and MacPherson-Pomeroy was never identified as a suspect, arrested, or charged, North American continued reviewing the claim and did not pay, deny, or interplead the proceeds until after plaintiff sued. North American ultimately interpleaded the funds, which were distributed to MacPherson-Pomeroy, subject to attorney-fee issues.

PROCEDURAL HISTORY

Plaintiff filed the action in California state court on December 16, 2019, and defendant removed it to the Eastern District of California on January 17, 2020. Defendant later filed a counterclaim and third-party complaint for interpleader; the court determined that defendant had a good-faith basis to interplead the insurance proceeds and ordered the proceeds distributed, while reserving the plaintiff's claims concerning delay. The court denied summary judgment on the breach-of-contract, implied-covenant, and attorney-fee claims, but granted summary judgment on punitive damages.

DISPOSITION

other

CASES CITED

- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248, 252 (1986)
- Matsushita Electric Industrial Co. v. Zenith Radio Corp., 475 U.S. 574, 585-88 (1986)
- Vos v. City of Newport Beach, 892 F.3d 1024, 1028 (9th Cir. 2018)
- Soremekun v. Thrifty Payless, Inc., 509 F.3d 978, 984 (9th Cir. 2007)
- Celotex Corp. v. Catrett, 477 U.S. 317, 322-23 (1986)
- T.W. Electric Service, Inc. v. Pacific Electric Contractors Association, 809 F.2d 626, 630 (9th Cir. 1987)
- First National Bank of Arizona v. Cities Service Co., 391 U.S. 253, 289 (1968)
- Scott v. Harris, 550 U.S. 372, 380 (2007)
- Nissan Fire & Marine Insurance Co. v. Fritz Companies, Inc., 210 F.3d 1099, 1103 (9th Cir. 2000)
- Wilson v. 21st Century Insurance Co., 42 Cal. 4th 713, 751 (2007)
- Egan v. Mutual of Omaha Insurance Co., 24 Cal. 3d 809, 817 (1979)
- United Investments Life Insurance Co. v. Grant, No. 2:05-cv-1716-MCE-DAD, 2006 WL 1282618, at *7 (E.D. Cal. May 9, 2006)
- Pinto v. Farmers Insurance Exchange, 61 Cal. App. 5th 676, 688-89 (2021)
- Chateau Chamberay Homeowners Association v. Associated International Insurance Co., 90 Cal. App. 4th 335, 346 (2001)
- Minnesota Mutual Life Insurance Co. v. Ensley, 174 F.3d 977, 981 (9th Cir. 1999)
- Lee v. Crusader Insurance Co., 49 Cal. App. 4th 1750, 1759 (1996)
- Jordan v. Allstate Insurance Co., 148 Cal. App. 4th 1062, 1077 (2007)
- United Investments Life Co. v. Grant, 387 Fed. Appx. 683, 687-88 (9th Cir. 2010)
- Brandt v. Superior Court, 37 Cal. 3d 813, 817 (1985)
- Beck v. State Farm Mutual Automobile Insurance Co., 54 Cal. App. 3d 347, 355 (1976)

OPINION

MacPherson-Pomeroy v. North American Company for Life and Health Insurance
PER CURIAM.

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

BARBARA MACPHERSON-POMEROY,

Plaintiff,

v.

NORTH AMERICAN COMPANY FOR LIFE AND HEALTH INSURANCE, an Iowa corporation; and DOES 1 through 100,

Defendants.

No. 1:20-cv-00092-KES-BAM

ORDER GRANTING IN PART AND DENYING IN PART DEFENDANT’S MOTION FOR SUMMARY JUDGMENT

Doc. 134

This action concerns plaintiff Barbara MacPherson-Pomeroy’s claims for breach of contract and breach of the implied covenant of good faith and fair dealing against defendant North American Company for Life and Health Insurance (“North American”). Doc. 1. MacPherson-Pomeroy alleges that, following her submission of a claim as the beneficiary on her late husband’s life insurance policy, North American failed in its duty to reasonably investigate, evaluate, and determine coverage for the claim, and failed to abide by the contractual terms of the policy, by unreasonably delaying in paying her the insurance proceeds. See generally id. After MacPherson-Pomeroy filed this action in December 2019, North American filed a counterclaim and third-party complaint for interpleader on February 21, 2020. Doc. 14. The interpleader claim was previously resolved by the Court and the insurance proceeds were ordered paid to MacPherson-Pomeroy. See Docs. 149, 154. North American moved for summary judgment on MacPherson-Pomeroy’s claims for breach of contract and breach of the covenant of good faith and fair dealing. Doc. 134. North American argues that its interpleading of the insurance funds absolves it of liability on MacPherson-Pomeroy’s claims. See generally id. For the reasons stated below, North American’s motion is granted in part and denied in part.

I. Relevant Facts and Procedural History

The record, viewed in the light most favorable to MacPherson-Pomeroy, shows the following: In or about June 2013, Casey MacPherson-Pomeroy (“Casey”), MacPherson-Pomeroy’s husband, purchased a life insurance policy from North American, with a face value of $1,000,000 and a policy effective date of July 11, 2013 (“Policy”).[1] Plaintiff’s Opposition to Defendant’s Statement of Undisputed Material Facts, Doc. 137-1 (“SUMF”) No. 1. MacPherson-Pomeroy was the primary beneficiary under the Policy. Id. No. 2. In May 2014, Casey increased the face value of the Policy to $1,500,000 effective July 11, 2014. Id. No. 3. On July 17, 2018, Casey added Melanie Rodriguez and Debanee MacPherson-Udall as contingent beneficiaries under the Policy, with a 75 percent and 25 percent interest, respectively. Id. No. 4. Casey and MacPherson-Pomeroy moved to the island of Anguilla in August 2018. Id. No. 6.

On December 30, 2018, Casey, MacPherson-Pomeroy, and four friends who were visiting them from the United States walked from the MacPherson-Pomeroys' apartment to an outdoor beach bar. Id. Nos. 7–8. While walking home from the beach bar, Casey, MacPherson-Pomeroy, and one of their friends each drank an alcoholic drink from the same plastic cup, which had earlier been left unattended for a short period of time. Id. No. 9. Shortly after arriving home, all three became seriously ill from the drink and they were hospitalized for medical treatment. Id. No. 10. MacPherson-Pomeroy recovered, but she learned several days later that Casey and their friend had died. Id. No. 11. Casey died in Anguilla on December 31, 1 To avoid confusion, this Order refers to Casey MacPherson-Pomeroy as "Casey," and to plaintiff Barbara MacPherson-Pomeroy as "MacPherson-Pomeroy." 2018. Id. No. 12. The Policy was in effect at the time of Casey's death. Id. No. 13. MacPherson-Pomeroy and the three other friends who were also at the bar that evening were detained and questioned by the Royal Anguilla Police Force for two to three days following Casey's death and were then released. Doc. 137-4 at 61; SUMF No. 14; Plaintiff's Additional Material Facts, Doc. 137-3 ("AMF") No. 2. Neither MacPherson-Pomeroy nor the other three individuals were ever identified as suspects, or arrested or charged, in connection with the death. On January 4, 2019, North American was notified of Casey's death. AMF No. 7. That same day, it sent a letter to MacPherson-Pomeroy requesting that she provide a death certificate and complete a claimant's statement. SUMF No. 15. On January 18, 2019, North American received a proof of death signed by MacPherson-Pomeroy along with a death certificate for Casey. Doc. 134-4 at 176–79; id. No. 16. After North American received the death certificate, which reflected that Casey had died outside the United States, it classified the claims investigation as an "escalated claim" because he died in a foreign country. SUMF No. 17. North American then requested and received additional documents from MacPherson-Pomeroy, including an original death certificate, the complete Proof of Death Claimant's Statement, a completed Foreign Death Questionnaire, and a Report of Death of American Citizen Abroad. Id. No. 18; AMF No. 10. Casey's death certificate listed his cause of death as "A. acute pulmonary edema and hemorrhage, B. acute cardiac toxicity with cardiac ischemia, C. seizures, D. hyperthermia," with no manner of death listed. Id. No. 19. On March 13, 2019, Claims Specialist Brad Schaefer sent the claim to his manager for escalated review, pursuant to North American's Escalated Claims Review manual. Id. Nos. 20-21. On April 2, 2019, North American sent a letter to MacPherson-Pomeroy acknowledging receipt of the documents that she provided in February 2019 and requesting additional documentation from the Anguilla hospital where Casey was treated. Id. No. 22. North American did not initially receive the information from the hospital. Doc. 134-4 at 230. On May 9, 2019, in-house counsel for North American contacted a third-party investigation entity, Diligence International Group ("Diligence"), for a quote estimate for a potential investigation by Diligence into Casey's death. Id. No. 23. On May 13, 2019, North American retained Diligence to investigate Casey's death. Doc. 134-4 at 232. Between May 2 and July 2019, North American and Diligence regularly communicated via email on the status of Diligence's investigation. On July 12, 2019, Diligence issued its death verification report, confirming that Casey's death was due to the reasons stated in his death certificate.[2] SUMF No. 27; Doc. 137-4 at 138. Diligence continued to communicate with Anguilla authorities to obtain further information on the Anguilla investigation into Casey's death. Id. In late July 2019, Diligence learned that the Anguilla coroner had initiated an inquest into Casey's death and that the coroner was seeking to have MacPherson-Pomeroy and others testify. Doc. 134-4 at 239. MacPherson-Pomeroy did not return to Anguilla to participate in the inquest hearing held on September 25, 2019. See SUMF Nos. 30, 32. The Anguilla coroner never identified MacPherson-Pomeroy as a suspect. AMF No. 6. Thereafter, from August to December 2019, Diligence sent updates to North American stating that the coroner's inquiry remained open and that MacPherson-Pomeroy had not accepted a subpoena to attend the inquest in Anguilla. Doc. 134-4 at 241–51. From July 2019 through December 2019, North American sent monthly updates to MacPherson-Pomeroy stating that her claim was still under review. See id. at 158–64. In August 2019, MacPherson-Pomeroy retained counsel to communicate with North American and request a more substantive update on the status of her claim. AMF No. 18. In September 2019, North American responded to MacPherson-Pomeroy's counsel that it was unable to provide the requested information "without a court order." Id. No. 19. Despite an additional request by MacPherson-Pomeroy's counsel in November 2019, North American did not provide any further information regarding the status of the claim, other than that the review remained ongoing. Id. Nos. 29–30. North American asserts that it kept the claim open because it had not received a "satisfactory statement" that MacPherson-Pomeroy was not involved with Casey's death.

[2] Neither party provides a copy of Diligence's death verification report. However, MacPherson-Pomeroy attaches an expert report including an event log which quotes a portion of the death verification report as stating that Casey "appears to have passed away due to acute pulmonary edema and hemorrhage, acute cardiac toxicity with cardiac ischemia, seizures and hyperthermia on December 31, 2018 . . . [Casey] seems to have passed away as a result of drug use." See Doc. 137-4 at 138.

SUMF No. 34. However, MacPherson-Pomeroy was never identified as a suspect in connection with Casey's death, and she was never arrested. AMF Nos. 5–6. No charges were ever brought against MacPherson-Pomeroy or anyone else who was in the MacPherson-Pomeroys' group on the evening in question. Id. No. 6. MacPherson-Pomeroy filed the present action in state court on December 16, 2019. Id. No. 39. North American removed the action to this Court on January 17, 2020. Doc. 1. North American filed a counterclaim and third-party complaint for interpleader on February 21, 2020. Doc. 14. North American brought the third-party complaint claim against Melanie Rodriguez and Debanee MacPherson Udall, the contingent beneficiaries on Casey's Policy.[3] Id. On March 31, 2021, MacPherson-Pomeroy filed an unopposed motion for summary judgment as to North American's third-party complaint for interpleader. Doc. 76. MacPherson-Pomeroy's motion argued that there was no evidence that MacPherson-Pomeroy had killed Casey, which would have precluded MacPherson-Pomeroy from having any claim to Casey's life insurance proceeds. Id. at 11; see also Cal. Prob. Code § 252. On April 8, 2022, the Court granted MacPherson-Pomeroy's motion, finding that (1) because it had a good faith belief that there was a colorable adverse claim to the Policy, North American had satisfied the general requirements of an interpleader action, and (2) MacPherson-Pomeroy was entitled to the entirety of Casey's life insurance policy proceeds. See generally Doc. 100. On November 11, 2022, the Court disbursed the interplead funds to MacPherson-Pomeroy, less the sum of attorney's fees at stake in connection with the interpleader action. Doc. 150. On September 5, 2023, the Court awarded some of the remaining deposited funds to North American as an award of attorney's fees; it awarded the remainder to MacPherson-Pomeroy. Doc. 154. On October 6, 2023, the Court disbursed the awarded funds. Doc. 155.

Remaining before the Court is North American's motion for summary judgment, filed August 11, 2022, as to MacPherson-Pomeroy's claims against it for breach of contract and

3 In her answer to the third-party complaint, Melanie Rodriguez confirmed that she was not challenging the payment of policy benefits to MacPherson-Pomeroy. Doc. 21 at 1.

breach of the covenant of good faith and fair dealing. Doc. 134. MacPherson-Pomeroy filed an opposition and North American filed a reply. Docs. 137, 143. The Court held oral argument on June 16, 2025. Doc. 164.

II. Legal Standard

Summary judgment is appropriate if "there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a). A dispute is "genuine" if "a reasonable jury could return a verdict for the nonmoving party." Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). A fact is "material" if it "might affect the outcome of the suit under the governing law." Id. The parties must cite "particular parts of materials in the record." Fed. R. Civ. P. 56(c)(1). The Court then views the record in the light most favorable to the nonmoving party and draws reasonable inferences in that party's favor. Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 587–88 (1986). However, the nonmoving party's version of the facts need not be credited if it is blatantly contradicted by the evidence. Vos v. City of Newport Beach, 892 F.3d 1024, 1028 (9th Cir. 2018). The "purpose of summary judgment is to 'pierce the pleadings and to assess the proof in order to see whether there is a genuine need for trial.'" Matsushita, 475 U.S. at 587 (citations omitted).

"A party seeking summary judgment bears the initial burden of informing the court of the basis for its motion and of identifying those portions of the pleadings and discovery responses that demonstrate the absence of a genuine issue of material fact." Soremekun v. Thrifty Payless, Inc., 509 F.3d 978, 984 (9th Cir. 2007) (citing Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986)). If "the moving party will have the burden of proof on an issue at trial, the movant must affirmatively demonstrate that no reasonable trier of fact could find other than for the moving party." Soremekun, 509 F.3d at 984.

If the moving party meets its initial

burden, the burden shifts to the nonmoving party to produce evidence supporting its claims or defenses and “establish that there is a genuine issue of material fact.” Matsushita, 475 U.S. at 585. The nonmoving party “must do more than simply show that there is some metaphysical doubt as to the material facts.” Id. at 586 (citation omitted). “The mere existence of a scintilla of evidence in support of the [nonmovant’s] position” is insufficient to survive summary judgment. Anderson, 477 U.S. at 252. In the endeavor to establish the existence of a factual dispute, the nonmoving party need not establish a material issue of fact conclusively in its favor. T.W. Elec. Serv., Inc. v. Pac. Elec. Contractors Ass’n, 809 F.2d 626, 630 (9th Cir. 1987). It is sufficient that “the claimed factual dispute be shown to require a jury or judge to resolve the parties’ differing versions of the truth at trial.” Anderson, 477 U.S. at 252 (quoting First Nat. Bank of Ariz. v. Cities Serv. Co., 391 U.S. 253, 289 (1968)). However, “[w]hen opposing parties tell two different stories, one of which is blatantly contradicted by the record, so that no reasonable jury could believe it, a court should not adopt that version of the facts for purposes of ruling on a motion for summary judgment.” Scott v. Harris, 550 U.S. 372, 380 (2007). “If the nonmoving party fails to produce enough evidence to create a genuine issue of material fact, the moving party wins the motion for summary judgment. But if the nonmoving party produces enough evidence to create a genuine issue of material fact, the nonmoving party defeats the motion.” Nissan Fire & Marine Ins. Co. v. Fritz Companies, Inc., 210 F.3d 1099, 1103 (9th Cir. 2000) (citing Celotex, 477 U.S. at 322).

III. Discussion and Analysis

A. Evidentiary Objections

Both parties raise hearsay objections to the evidence cited in the moving papers. See generally Docs. 137-2, 145. “[A]t the summary judgment stage, we do not focus on the admissibility of the evidence’s form. We instead focus on the admissibility of its contents.” Sandoval v. Cnty. of San Diego, 985 F.3d 657, 666 (9th Cir. 2021). That is, though such objections could prove cognizable at trial, only the admissibility of the relevant facts at trial, not the form of these facts as presented in the motion, matters for purposes of a motion for summary judgment. See id. Where “the contents of a document can be presented in a form that would be admissible at trial—for example, through live testimony by the author of the document—the mere fact that the document itself might be excludable hearsay provides no basis for refusing to consider it on summary judgment.” Id. (citations omitted). To the extent that the Court relies upon evidence to which a party objects in deciding the motion for summary judgment, the objections are overruled. To the extent the Court does not, the objections are denied as moot.

B. Breach of Contract and Breach of the Covenant of Good Faith and Fair Dealing

“The law implies in every contract, including insurance policies, a covenant of good faith and fair dealing.” Wilson v. 21st Century Ins. Co., 42 Cal. 4th 713, 751 (2007). “[A]n insurer may breach the covenant of good faith and fair dealing when it fails to properly investigate its insured’s claim.” Egan v. Mutual of Omaha Ins. Co., 24 Cal. 3d 809, 817 (1979). An unreasonable delay in paying a covered claim may also support a claim for breach of contract. See United Invs. Life Ins. Co. v. Grant, No. 2:05-cv-1716-MCE-DAD, 2006 WL

1282618, at *7 (E.D. Cal. May 9, 2006). In evaluating an insurer's liability, "the critical issue is the reasonableness of the insurer's conduct under the facts of the particular case." Pinto v. Farmers Ins. Exch., 61 Cal. App. 5th 676, 688 (2021) (cleaned up) (internal citations omitted). Although typically a question for the jury, the reasonableness of an insurer's conduct is a question of law where "evidence is undisputed and only one reasonable inference can be drawn from the evidence." Id. at 689 (quoting Chateau Chamberay Homeowners Ass'n v. Associated Int'l Ins. Co., 90 Cal. App. 4th 335, 346 (2001)).

MacPherson-Pomeroy alleges that North American breached the covenant of good faith and fair dealing, and thereby breached the contract, by failing to reasonably investigate, evaluate, and determine coverage for the claim. Doc. 137 at 7. Specifically, MacPherson-Pomeroy alleges that North American knew of Casey's death by early 2019 but did not pay out its policy until it was sued nearly a year later in the present action. Id. at 8. North American argues it had a bona fide justification for its delay: the suspicious circumstances surrounding Casey's death in a foreign country. North American asserts that it investigated the claim out of concern it might be exposed to multiple liability, given that California law prevents a beneficiary who feloniously and intentionally kills the insured from collecting on an insured's life insurance policy. See 134-1 at 8–9; Cal. Prob. Code § 252 ("A named beneficiary of a bond, life insurance policy, or other contractual arrangement who feloniously and intentionally kills the principal obligee or the person upon whose life the policy is issued is not entitled to any benefit under the bond, policy, or other contractual arrangement, and it becomes payable as though the killer had predeceased the decedent.").

North American had verifiable proof of Casey's death by February 2019, when it received the original death certificate from MacPherson-Pomeroy. SUMF No. 18. Per its internal policies, because the death occurred abroad, North American then sought additional information from MacPherson-Pomeroy, including hospital records, and escalated the claim to include review by North American's counsel. Id. No. 20. However, to the extent North American sought further confirmation that Casey had in fact died, it confirmed that fact at the latest upon receipt of Diligence's report in July 2019. Id. No. 26.

North American asserts that it continued to leave the claim open after July 2019 because Diligence indicated that the Anguilla coroner was conducting an inquest. But North American does not dispute that MacPherson-Pomeroy, who was also sickened and hospitalized in the incident that killed her husband and their friend, was never identified as a suspect, let alone arrested or charged. AMF Nos. 5–6. At a minimum, there is a material dispute of fact as to whether North American had a reasonable basis to suspect MacPherson-Pomeroy had any involvement in Casey's death. North American does not identify any evidence of any such involvement by MacPherson-Pomeroy. To the extent North American was nonetheless concerned about the potential of multiple liability, it could have filed an interpleader action at any time after July 2019, once it no longer contested liability on the policy, if it had a potential concern as to the proper beneficiary.

North American grounds much of its argument on its asserted good faith belief that it faced the possibility of multiple claims and the fact that it ultimately brought an interpleader claim in a third-party complaint and counterclaim in this action. See generally Doc. 143; see also Minnesota Mut. Life Ins. Co. v. Ensley, 174 F.3d 977, 981 (9th Cir. 1999) ("In light of [insurer's] good faith belief that it faced the possibility of multiple claims, it did not act unreasonably in failing to pay [claimant's] claim."). The Court previously found that North American "had a good faith belief that there [was] a colorable adverse claim to the fund" and that it "satisfied the general requirements of an interpleader action." Doc. 100 at 14. However, North American did not file the interpleader action until February 2020, nearly twelve months after it received Casey's original death certificate, and seven months after it received Diligence's report. North American also brought the interpleader claim only after MacPherson-Pomeroy's December 2019 filing of this action against North American for its delay in paying out on the Policy. While it is undisputed that North American had a basis to interplead the funds, the Court cannot determine as a matter of law that North American's delay in doing so, particularly its delay from July 2019 to February 2020, was reasonable. At the hearing, North American stated that its decision to finally file the interpleader was due to it having "exhausted all avenues" to conclusively determine whether MacPherson-Pomeroy was a person of interest in Casey's death. However, MacPherson-Pomeroy provides an unopposed expert report stating that, in the life insurance industry, upon verification of death, it is standard practice for an insurer to either (1) pay the claim, (2) deny the claim, or (3) interplead the claim, and that North American's delay in doing so was inconsistent with industry standards. See Doc. 137-4 at 125–40. The evidence suggests that North American had such verification of Casey's death as early as February 2019, when it received Casey's death certificate directly from MacPherson-Pomeroy, and at the latest by July 2019, when it received Diligence's death verification report, which corroborated the cause of death listed in the February 2019 death certificate. See SUMF Nos. 18, 26. However, instead of paying out, denying, or interpleading the claim, North American waited for months, even after the coroner's inquest was held in September 2019.

North American asserts that it was unable to resolve MacPherson-Pomeroy's claim because it had not received a satisfactory statement that she had no involvement in Casey's death. Doc. 143 at 6. At the hearing, North American argued that it did not file an interpleader action earlier because it was waiting to see if MacPherson-Pomeroy would be "cleared" by the coroner's inquest so she could be paid directly without North American having to interplead the funds. But North American knew by September 2019 that MacPherson-Pomeroy had not returned to Anguilla to participate in the inquest. MacPherson-Pomeroy's decision not to return to Anguilla to participate in the September 2019 coroner's inquest hearing does not establish that North American's further months-long delay in addressing MacPherson-Pomeroy's claim was reasonable as a matter of law, where North American does not claim that it had any evidence to suggest MacPherson-Pomeroy was a suspect in Casey's death. Cf. Lee v. Crusader Ins. Co., 49

Cal. App. 4th 1750, 1759 (1996) (finding an insurer's conduct reasonable in large part because the claimant was arrested). There is also a material dispute of fact as to whether the thirty-day update letters sent by North American to MacPherson-Pomeroy complied with California law. See Jordan v. Allstate Ins. Co., 148 Cal. App. 4th 1062, 1077 (2007) (holding that, in an action for breach of the covenant of good faith and fair dealing, a plaintiff can recover for noncompliance with the minimum standards for claims resolution set forth in § 2695); see also United Invs. Life Co. v. Grant, 387 Fed. Appx. 683, 688 (9th Cir. 2010) (citing evidence that insurer violated California law as a basis for affirming denial of insurer's motion for new trial). If a claim requires more than forty days to resolve, an insurer "shall specify any additional information that the insurer requires in order to make a determination and state any continuing reasons for the insurer's inability to make a determination." Cal. Code Regs. tit. 10, § 2695.7(c)(1). North American's letters to MacPherson-Pomeroy simply stated that her claim was "currently under review," with no additional information as to what was needed to complete North American's review. At the hearing, North American noted that California law includes an exemption to this requirement where "the claim is being investigated as a possible suspected fraudulent claim," id. § 2695.7(c)(2), but North American does not point to any evidence suggesting that it relied on this provision when sending its generic "review pending" notices every thirty days to MacPherson-Pomeroy.[4] An insurer's eventual interpleader filing does not absolve it of liability for prior unreasonable delay, and an insurer's unreasonable delay may support a claim for both breach of contract and breach of the covenant of good faith and fair dealing. See Grant, 2006 WL

4 In cases of suspected fraud, California law extends the required timeframe to provide such updates from thirty to eighty days. Cal. Code Regs. tit. 10, § 2695.7(k)(1). The fact that North American continued to issue its notices to MacPherson-Pomeroy on a thirty-day basis undermines its argument that it was relying on this provision in limiting the amount of information it provided to her.

1282618, at *7. Whether North American's delay following its confirmation of Casey's death was reasonable cannot be resolved as a matter of law. Whether MacPherson-Pomeroy is entitled to attorney's fees in connection with this action will also depend on the outcome of her claims at trial. See Brandt v. Superior Court, 37 Cal. 3d 813, 817 (1985) ("When an insurer's tortious conduct reasonably compels the insured to retain an attorney to obtain the benefits due under a policy, it follows that the insurer should be liable in a tort action for that expense."). Accordingly, North American's motion for summary judgment as to MacPherson-Pomeroy's claims for breach of contract, breach of the covenant of good faith and fair dealing, and attorney's fees is denied.

C. Punitive Damages

North American also seeks summary judgment as to MacPherson-Pomeroy's claim for punitive damages. California law "does not favor punitive damages and they should be granted with the greatest caution." Beck v. State Farm Mut. Auto Ins. Co., 54 Cal. App. 3d 347, 355 (1976). Under California law, punitive or exemplary damages may be awarded only if "the plaintiff proves by clear and convincing evidence that the defendant committed a tort with oppression, fraud, or malice." Cal. Civ. Code § 3294(a). No evidence suggests that North American acted with "oppression, fraud, or malice" in its alleged disregard for MacPherson-Pomeroy's claim to the Policy. See Grant, 387 Fed. Appx. at 687. There is no evidence of an intent to injure or defraud MacPherson-Pomeroy. While a trier of fact could find that North American's delay was unreasonable, no reasonable juror could find that it rose to the level of egregious conduct required to award punitive damages. Accordingly, North American's motion is granted as to MacPherson-Pomeroy's claim for punitive damages.

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IV. Conclusion and Order

For the reasons explained above:

1. North American's motion for summary judgment, Doc. 134, is GRANTED in part and DENIED in part. The motion is GRANTED as to MacPherson-Pomeroy's claim for punitive damages and DENIED as to all other claims.

IT ISSO ORDERED. _

Dated: _ June 18, 2025 □□

UNITED STATES DISTRICT JUDGE