

Trials & Litigation

Judge sanctions insurer \$50K because its lawyer couldn't settle dog-bite case for \$750K

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By [Martha Neil](#)

A Nevada judge imposed a \$50,000 contempt sanction on an insurer because the company sent a representative to a settlement conference who lacked authority to settle a dog-bite case for \$750,000.

The plaintiff in the case, landscaper James Moberly, fell backward after being bitten several times by a German shorthaired pointer in the 2011 incident, aggravating a previous spinal condition, the [Reno Gazette-Journal](#) reports. Moberly was, his lawyer says, the fourth person bitten by the dog, and a fifth person was also bitten before the dog was euthanized.

Other individuals bitten by the dog were also present Friday when the judge sanctioned American Family Insurance in the Washoe County case.

Attorney Peter Neumann, who represents Moberly, was close to a \$750,000 settlement on April 30 with defendants James, Dianne and Stacie Mathis, Judge Janet Berry said during Friday's hearing. But the potential deal stalled because attorney Jake Kelsey, who represented American Family, had no authority to settle at that level, the judge said, finding that the insurer acted in bad faith by failing to send a representative with higher authority to the settlement hearing.

Other counsel for the insurer said at Friday's hearing that Kelsey was authorized to settle the case for \$600,000 or less.

"American Family Insurance is very disappointed with the court's actions," the company said in a written statement emailed to the newspaper. "A company representative with settlement authority that we believed was fair and sufficient to resolve the case participated in the settlement conference and attempted to settle this matter through good-faith negotiations. We will review the court's ruling and consider our legal options."

The article doesn't say what policy limits applied to the insurance at issue in the case. A trial is set for early next month.

Moberly had \$75,000 in medical bills and is seeking \$850,000 in punitive damages, the Gazette-Journal reports.

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