



Oregon Court of Appeals Rejects Insured Conditioning His Duty to Cooperate after Loss

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On the Rolling Stones' album *Let It Bleed*, Mick Jagger sang "You can't always get what you want." On July 2, 2014, the Oregon Court of Appeals sang a similar tune when it held that an insured could not condition his obligation to cooperate with his insurer after a loss on requiring the insurer to enter into a confidentiality agreement.

In *Safeco Insurance Company of Oregon v. Masood*, the issue before the court was whether an insured, after filing a claim of loss, may condition compliance with the insurer's information requests on the insurer entering into a confidentiality agreement that imposes limitations on the insurer's use of that information. The Oregon Court of Appeals affirmed the trial court's conclusion that an insured cannot condition his cooperation obligation in the investigation of a loss.

Masood had a homeowner policy with Safeco when a fire occurred at his residence. After the fire, Masood reported a multi-million dollar theft of personal property from an outbuilding on his property. As part of the investigation for the claimed theft loss, Safeco requested that Masood furnish it with a variety of financial information and sought his consent to obtain information from vendors from which he had purchased tangible goods. In response to the demand, Masood drafted a confidentiality agreement that placed restrictions on Safeco's use of his information. Safeco rejected the confidentiality agreement and filed a declaratory judgment action seeking a declaration that Safeco was entitled to the information without conditions. The trial court granted summary judgment in favor of Safeco, and Masood appealed.

The Court of Appeals affirmed, finding that the insured's duty to cooperate includes providing the insurance company with records and documents that it requests. The court found that, under the policy, Safeco only owed Masood the implied duty to act in good faith in requesting and handling personal information, and that additional restrictions, like the ones contained in the proposed confidentiality agreement, would impose restrictions on Safeco not contained in the policy. Because Masood had a contractual duty to cooperate and comply with Safeco's information requests, he could not condition his cooperation on modifying the insurance contract to add a confidentiality agreement.