



→ Peter H. Klee

Partner
501 West Broadway
19th Floor
San Diego, CA 92101

T: +1.619.338.6624
F: +1.619.515.4122
pklee@sheppardmullin.com

Peter Klee is a partner in the Business Trial Practice Group in the firm's San Diego office.

Areas of Practice

Peter's focus is defending insurance companies and their affiliates that are sued in individual actions and class actions for bad faith, fraud, unfair competition and other torts. He has handled over 1,000 such cases throughout the country over the past 25 years. His client list includes most of the major insurance carriers doing business in California, including Allstate, Fireman's Fund, Infinity, Mercury, and Unum/Provident.

Peter has handled numerous jury trials in both state and federal court, and consistently obtained favorable results for his clients in these contested proceedings. Peter is a member of ABOTA and a Fellow of the American College of Trial Lawyers, which limits its membership to the top 1% of trial lawyers in the United States and Canada. Peter is top-ranked (Band 1) by *Chambers USA* and has also been recognized as one of California's Top 100 Attorneys by the *Los Angeles Daily Journal* and one of San Diego's Top 10 Attorneys by *Super Lawyers*. Peter is a co-author of the Rutter Group's Insurance Litigation California Practice Guide, which is California's leading treatise on insurance law.

Peter is also a frequent lecturer on insurance issues, and he has conducted training seminars for insurance organizations as well as lawyers.

Honors

Martindale-Hubbell® AV Rating

Fellow, American College of Trial Lawyers (honoring top 1% of trial lawyers in the United States and Canada)

Associate, American Board of Trial Advocates (ABOTA)

Top Ranked California insurance attorney by *Chambers USA* (ranked for 11 consecutive years, 2009-2020)

Recognized as one of California's "Top 100 Attorneys" by the *Daily Journal* in 2007

Recognized as one of San Diego's "Top 10 Attorneys" by *Super Lawyers*

Recognized as one of San Diego's "Top Attorneys" by *The San Diego Daily Transcript* in 2012-2014

Best Lawyers in America - Most Recent Listing: 2021 (Insurance Law)

Best Lawyers' 2016 and 2019 San Diego "Lawyer of the Year" (Insurance Law)

San Diego Super Lawyers - Most Recent Listing: 2015-2020

Southern California Super Lawyers - Most Recent Listing: 2014 (Insurance Coverage)

Super Lawyers: Business Edition - 2012 (Insurance Coverage)

Super Lawyers: Corporate Counsel - Most Recent Listing: 2010 (Insurance Coverage)

One of the 500 lawyers in America selected as "New Stars" for 2006 by *Lawdragon*

Originate! 2008 Rainmaker of the Year

Recognized as one of the *Daily Journal's* "Top 10 Leading Rainmakers - 2009"

Experience

Representative Matters

- *Chu v. Mercury Casualty* – Defended Mercury in a jury trial. Plaintiff Chu, a Mercury insured, was at fault for an automobile accident that caused a traumatic brain injury to a passenger in his vehicle. Chu alleged that Mercury improperly denied coverage for the brain injury claim and unreasonably failed to settle it for the policy's \$15,000 limits, which resulted in a large judgment against Chu. After a court ruled that the claim was covered, Chu sued Mercury for damages in excess of \$10 million. Result: Defense verdict. This case was selected by the *Daily Journal* as a "Top Defense Verdict" for 2017.
- *QBE Insurance v. ACM* – Represented QBE in a binding arbitration against ACM, a third party administrator. QBE alleged that ACM's mishandling of a liability claim ACM adjusted on behalf of QBE resulted in QBE having to settle extra-contractual claims brought against it for \$15 million. QBE sought indemnity from ACM for the full amount of the settlement as well as other damages. Result: In a unanimous decision, the three-arbitrator panel awarded QBE \$18.5 million in damages.
- *Dorroh v. Deerbrook* – Defended Deerbrook in a "bad faith failure to settle" case, in which it was alleged that Deerbrook's unreasonable failure to settle a catastrophic injury claim against its insured for the policy's \$15,000 limits resulted in a judgment against the insured in excess of \$30 million (inclusive of interest). Result: Defense verdict by summary judgment with published decision at 223 F.Supp.3d 1081 (E.D. Cal. 2016).
- *Du v. Deerbrook* - Defended Deerbrook in a jury trial. Plaintiff alleged that Deerbrook refused to settle a claim against its insured for the policy's \$100,000 limits. Because the claim was not settled, the insured was ultimately found liable for a \$5 million judgment. Deerbrook was sued for the amount of the judgment based on a "bad faith refusal to settle" theory. Result: Defense verdict. This case was selected by the *Daily Journal* as a "Top Defense Verdict" for 2010.
- *21st Century Ins. Co. v. Superior Court* - Defended 21st Century in a class action alleging that it improperly asserted contractual reimbursement rights to recover med pay benefits it had paid. Result: Defense verdict with published California Supreme Court decision at 47 Cal.4th 511 (2009).
- *Purscell v. Tico Ins. Co.* – Defended Infinity in a "bad faith failure to settle" case in which it was alleged that Infinity should be liable for a significant excess verdict rendered against its insured. Result: Defense verdict by summary judgment with published decisions at 790 F.3d 842 (8th Cir. 2015) and 959 F.Supp.2d 1195 (W.D. Mo. 2013).
- *Maystruk v. Infinity Ins. Co.* - Defended Infinity in a class action alleging that it violated anti-steering laws by reducing coverage if a policyholder had the vehicle repaired at a non-approved repair shop. Result: Defense verdict with published decision at 175 Cal.App.4th 881, 96 Cal.Rptr.3d 494 (2009).

- *Norman v. Western General Ins. Co.* – Defended Western General in a jury trial. Plaintiffs claimed that Western General improperly denied their insurance claim and rescinded the insurance policy based on a misrepresentation in the insurance application. Result: Defense verdict.
- *Pureco v. Allstate Ins. Co.* – Defended Allstate in a “bad faith failure to settle” case in which it was alleged that Allstate should be liable for a \$5 million excess verdict against its insured because it failed to accept a \$100,000 policy limit settlement demand. Result: Defense verdict by summary judgment.
- *Caserta v. State Farm* - Defended State Farm in a 5-week jury trial. Plaintiff alleged that State Farm wrongly accused him of submitting a fraudulent theft claim and that his Navy career was ruined by the accusations. Result: Defense verdict.
- *Burton v. Allstate* - Defended Allstate in a jury trial. Plaintiffs, who lost their home in a wildfire catastrophe, alleged that they were underinsured as a result of their Allstate agent’s misrepresentations and negligence. Result: Defense verdict.
- *Williams v. Interinsurance Exchange* - Defended the Interinsurance Exchange in a class action alleging that it charged illegal installment fees. Result: Defense verdict with published decision at 148 Cal.App.4th 1218 (2007).
- *Drommi v. Allstate* - Defended Allstate in a 6-week jury trial. Plaintiff alleged that Allstate mishandled her earthquake claim and wrongfully rescinded an offer to pay her over \$400,000 in policy benefits. Result: Defense verdict.
- *Bryan v. State Farm* - Defended State Farm in a jury trial of a claim for malicious prosecution. Result: Defense verdict.
- *Richmond v. Allstate* - Defended Allstate in a class action alleging that Allstate violated the law by systematically paying less than the “stated value” on stated value boat policies. Result: Defense verdict.
- *Spears v. Allstate* – Defended Allstate in a jury trial. The plaintiff alleged that Allstate mishandled and undervalued his claim for structural damage to his home. Result: Defense verdict.
- *Payne v. Infinity* - Defended Infinity in a “bad faith failure to settle” case in which it was alleged that Infinity should be liable for a \$14 million excess verdict rendered against its insured. Result: Defense verdict by summary judgment.
- *Grayson v. Allstate* - Defended Allstate in a “bad faith failure to settle” case in which it was alleged that Allstate should be liable for a \$2.5 million excess verdict rendered against its insured. Result: Defense verdict by summary judgment.
- *Aronson v. State Farm* - Defended State Farm in a bad faith trial arising out of an uninsured motorist claim. Plaintiff alleged that State Farm acted in bad faith by refusing to offer any money at all for a claim that an arbitrator later determined to be worth over \$500,000. Result: Defense verdict.
- *Sparer v. Allstate* - Defended Allstate in a jury trial. Plaintiff alleged that Allstate mishandled his earthquake claim by using unlicensed engineering experts and ignoring the opinions of licensed engineers. Result: Defense verdict.
- *Aceves v. Allstate* – Defended Allstate in a trial brought by plaintiffs who claimed that Allstate had unfairly denied their claim for earth movement damage. Result: Defense verdict with published decision at 68 F.3d 1160 (9th Cir. 1995).
- *Diamond v. Allstate* - Defended Allstate in a jury trial. Plaintiff sued for fraud and bad faith, claiming that Allstate misrepresented the policy’s coverage and wrongfully denied his claim. Result: Defense verdict.

- *Weiner v. Allstate* - Defended Allstate in a 5-week jury trial. Plaintiff alleged that Allstate wrongfully denied his claim for earthquake damage. Result: Defense verdict.
- *Carniglia v. Merrill Lynch Realty* - Defended Merrill Lynch in a jury trial. Plaintiff claimed that real estate broker Merrill Lynch knowingly failed to disclose serious construction defects that existed in a residential property purchased by plaintiff. Result: Defense verdict.
- *Lan v. Allstate* - Defended Allstate in a jury trial. Plaintiff claimed that Allstate mishandled and underpaid his property damage claim. Result: Defense verdict.
- *Rhodes v. Allstate* – Defended Allstate in a trial brought by an insured who claimed that Allstate had improperly denied her claim and made misrepresentations. Result: Defense verdict.
- *Morton v. Allstate* – Defended Allstate in a jury trial. Plaintiffs alleged that Allstate had mishandled its defense of a lawsuit brought against them. Result: Defense verdict.

State and Federal Published Decisions

- *21st Century Insurance Co. v. Superior Court (Quintana)*, 47 Cal.4th 411 (2009)
- *Maystruk v. Infinity Insurance Co.*, 175 Cal.App.4th 881 (2009)
- *Allstate Ins. Co. v. Superior Court (Delanzo)*, 151 Cal.App.4th 1512 (2007)
- *Interinsurance Exchange of the Automobile Club v. Superior Court (Williams)*, 148 Cal.App.4th 1218 (2007)
- *Palacin v. Allstate Ins. Co.*, 119 Cal.App.4th 855 (2004)
- *Basich v. Allstate Ins. Co.*, 87 Cal.App.4th 1112 (2001)
- *Turner v. State Farm Fire & Cas. Co.*, 92 Cal.App.4th 681 (2001)
- *Fraley v. Allstate Ins. Co.*, 81 Cal.App.4th 1282 (2000)
- *Nager v. Allstate Ins. Co.*, 83 Cal.App.4th 284 (2000)
- *Singh v. Allstate Ins. Co.*, 73 Cal.App.4th 135 (1998)
- *Purscell v. Tico Ins. Co.*, 790 F.3d 842 (8th Cir. 2015)
- *Du v. Allstate Ins. Co.*, 697 F.3d 753 (9th Cir. 2012)
- *Guebara v. Allstate Ins. Co.*, 237 F.3d 987 (9th Cir. 2001)
- *Hamilton v. State Farm Fire & Cas. Co.*, 270 F.3d 778 (9th Cir. 2001)
- *Aceves v. Allstate Ins. Co.*, 68 F.3d 1160 (9th Cir. 1995)
- *Dorroh v. Deerbrook Ins. Co.*, 223 F.Supp.3d 1081 (E.D. Cal. 2016)
- *Premier Pools Management Corp. v. Colony Ins. Co.*, ___ F.Supp3d ___ (E.D. Cal. 2018).
- *Cohan v. Provident Life and Acc. Ins. Co.*, 140 F.Supp.3d 1063 (D. Nev. 2015)
- *Myers v. Allstate Indem. Co.*, 109 F.Supp.3d 1331 (C.D. Cal. 2015)
- *Morris v. Allstate Ins. Co.*, 16 F.Supp.3d 1095 (C.D. Cal. 2014)
- *Purscell v. TICO Ins. Co.*, 959 F.Supp.2d 1195 (W.D. Mo. 2013)
- *Keshish v. Allstate Ins. Co.*, 959 F.Supp.2d 1226 (C.D. Cal. 2013)
- *O'Keefe v. Allstate Indem. Co.*, 953 F.Supp.2d 1111 (S.D. Cal. 2013)
- *Maynard v. State Farm Mut. Auto. Ins. Co.*, 499 F.Supp.2d 1154 (C.D. Cal. 2007)

- *Cook v. Allstate Ins. Co.*, 337 F.Supp.2d 1206 (C.D. Cal. 2004)
- *Farmer v. Allstate Ins. Co.*, 311 F.Supp.2d 884 (C.D. Cal. 2004)
- *Adams v. Allstate Ins. Co.*, 187 F.Supp.2d 1207 (C.D. Cal. 2002)
- *Adams v. Allstate Ins. Co.*, 187 F.Supp.2d 1219 (C.D. Cal. 2002)
- *Ricotta v. Allstate Ins. Co.*, 211 F.R.D. 622 (S.D. Cal. 2002)
- *Scheffler v. Allstate Ins. Co.*, 196 F.Supp.2d 1003 (C.D. Cal. 2002)
- *Smith v. Allstate Ins. Co.*, 160 F.Supp.2d 1150 (S.D. Cal. 2001)
- *Campanelli (House) v. Allstate Ins. Co.*, 85 F.Supp.2d 980 (C.D. Cal. 2000)
- *Campanelli (Giakoumakis) v. Allstate Ins. Co.*, 97 F.Supp.2d 1211 (C.D. Cal. 2000)
- *Campanelli (Noah) v. Allstate Ins. Co.*, 119 F.Supp.2d 1073 (C.D. Cal. 2000)
- *Charlin v. Allstate Ins. Co.*, 19 F.Supp.2d 1137 (C.D. Cal. 1998)
- *Charlin v. Allstate Ins. Co.*, 33 F.Supp.2d 858 (C.D. Cal. 1998)
- *Brown v. Allstate Ins. Co.*, 17 F.Supp.2d 1134 (S.D. Cal. 1998)
- *Hill v. Allstate Ins. Co.*, 962 F.Supp. 1244 (C.D. Cal. 1997)
- *Vashistha v. Allstate Ins. Co.*, 989 F.Supp. 1029 (C.D. Cal. 1997)
- *Griffin v. Allstate Ins. Co.*, 920 F.Supp. 127 (C.D. Cal. 1996)
- *Freudenberger v. Allstate Ins. Co.*, 941 F.Supp. 940 (S.D. Cal. 1996)
- *Allstate Ins. Co. v. Madan*, 889 F.Supp. 374 (C.D. Cal. 1995)
- *Richmond v. Allstate Ins. Co.*, 897 F.Supp. 447 (S.D. Cal. 1995)
- *Castro v. Allstate Ins. Co.*, 855 F.Supp. 1152 (S.D. Cal. 1994)
- *Cuevas v. Allstate Ins. Co.*, 872 F.Supp. 737 (S.D. Cal. 1994)
- *Aceves v. Allstate Ins. Co.*, 827 F.Supp. 1473 (S.D. Cal. 1993)
- *Lally v. Allstate Ins. Co.*, 724 F.Supp. 760 (S.D. Cal. 1989)

Representative Clients

- Allstate Insurance Company
- Fireman's Fund Insurance Company
- Infinity Insurance Company
- Mercury Insurance Company
- QBE Insurance Company
- Unum/Provident Group of Insurance Companies

Articles

- Court does a *Du-Over* in bad faith failure to settle case
Daily Journal, 10.11.2012
- *Howard v. American National Fire Insurance Co.*: Unsettling Case Concerning an Insurer's Duty to Settle
10.07.2010

- The Day After *Hanif/Nishihama* Is Overruled
09.09.2010
- Protecting Expert Records
08.27.2010
- Court Reverses Course, Allows Defendants in Insurance Bad Faith Lawsuits to Recover Costs After Making Joint \$998 Offer to Husband and Wife Plaintiffs
07.22.2010
- Keeping it Confidential
Legal Strategy Review, Summer 2009
- Protecting Privileged, Attorney-Client Communications: Vigilance Required
02.12.2009
- California Court of Appeal Stirs Up Controversy Over the "Genuine Dispute" Doctrine
12.09.2008
- Update on *Everett v. State Farm*
07.31.2008
- New Case Law Establishes Important Defenses for Insurers Handling Uninsured/Underinsured Motorist Claims
11.06.2007

Media Mentions

Business Interruption Insurance: The Defendants' position
Daily Journal, 05.01.2020

Chu v. Mercury Casualty Company
Daily Journal, 02.21.2018

Sheppard Mullin Takes In 10 McKenna Attys In Calif.
Law360, 04.07.2014

Speaking Engagements

"How To Avoid Extra-Contractual Liability," Property Casualty Insurers Association of America, 30th General Counsel Seminar, Los Angeles, July 2019

"Underinsurance Litigation In California – Defending Against The Next Wave," Property Casualty Insurers Association of America, 29th General Counsel Seminar, San Diego, 2018

"Demands, Scams and Setup Plans: How to Defend Against the Playbook for Opening Up a Liability Policy," Association of California Insurance Companies' 28th General Counsel Seminar, San Diego, July 2017

"Cutting-Edge Insurance Trends," The Rutter Group, Los Angeles, April 2017

- "Recent Case Law Update," The Seminar Group's Annual Insurance in the Construction Industry Seminar, San Diego CA, March 2017
- "The ABC's of Bad Faith Trials: An Intensive Overview of Trying a Bad Faith Case," The Shernoff Insurance Bad Faith Seminar, Los Angeles CA, October 2016
- "Industry Civil War: Disputes Between Primary and Excess Insurers," Association of California Insurance Companies' 27th General Counsel Seminar, Las Vegas, July 2016
- "Insurance Litigation Update 2016," The Rutter Group, Los Angeles, December 2015
- "Lawsuits Involving Institutional Issues and How to Fight Them," Association of California Insurance Companies 26th General Counsel Seminar, Las Vegas, NV, July 2015
- "Insurance Litigation Update 2015," The Rutter Group, Los Angeles, December 2014
- "50 Shades Of Insurance Fraud – How To Use It As A Sword And Shield," Association of California Insurance Companies 25th General Counsel Seminar, Las Vegas, NV, July 2014
- "Recognizing The Red Flags To Avoid Bad Faith Set Ups," American Conference Institute 28th National Advanced Forum on Bad Faith Litigation, San Francisco, CA, July 2014
- "Excess vs. Primary Insurers: Protecting Your Position As Excess Carrier," In-House Insurance Company Webinar, July 2014
- "Preparing for the Inevitable Bad Faith Lawsuit – How to Win the Lawsuit You Know is Coming," Association of California Insurance Companies 24th General Counsel Seminar, Las Vegas, NV, July 2013
- "Proven Methods to Avoid 'Wasting' a Policy When There Are Multiple Investigations and Competing Demands," American Conference Institute 25th National Advanced Forum on Bad Faith Litigation, San Francisco, CA, July 2013
- "Critical Issues In Insurance Litigation," The Rutter Group, San Francisco, CA, May 2013
- "Excess Verdicts," CLM Orlando Insurance Bad Faith Mini-Conference, Orlando, FL, January 2013
- "Defending against Allegations of Bad Faith in False or Suspicious Homeowner and Auto Claims," Southern California Chapter I.A.S.I.U. 1-Day Fraud Seminar, Ontario, October 2012
- "Excess Verdicts - How To Keep The Liability Cap On, And How To Limit Exposure When It's Off," Association of California Insurance Companies 23rd Annual General Counsel Seminar, Las Vegas, NV, July 2012
- "Class Actions' Emerging Threats From Other States," Association of California Insurance Companies 22nd Annual General Counsel Seminar, Las Vegas, NV, July 2011
- "Liability Insurer's Obligation to Pay for Medial Services at Billed Rates," Association of California Insurance Companies (ACIC) 21st Annual General Counsel Seminar, Las Vegas, NV, July 2010

"Automated Claims Handling in a Litigious World," 20th Annual ACIC General Counsel Seminar, Las Vegas, NV, August 2009

"Litigating Underinsurance Claims," Association of California Insurance Companies General Counsel Seminar, Las Vegas, NV, July 2008

"Hot Topics in Insurance Coverage and Bad Faith Litigation in California," Lorman Education Services, San Diego, CA, December 2002

"Fundamentals of Insurance Litigation," Continuing Education of the California Bar, San Diego, CA, April 2001

"Anatomy of a Bad Faith Case," Orange County Bar Association, October 2000

"Mediation Strategies of Trial Masters," International Academy of Mediators, Spring Educational Conference, San Diego, CA, April 1999

"Liability Policy Limits: How to Keep the Lid On," American Conference Institute Forum on Bad Faith and Punitive Damages, San Francisco, CA, March 1998

"Bad Faith Suits Arising From Earthquake, Fire and Other Property Claims," American Conference Institute Forum on Bad Faith and Punitive Damages, San Francisco, CA, March 1997

"Avoiding Bad Faith Claims," American Conference Institute Forum on Bad Faith and Punitive Damages, San Francisco, CA, March 1996

"Arson Investigations," Insurance Committee for Arson Control, 7th Annual National Arson Investigation Training Seminar, Amelia Island, FL, January 1996

Practices

Litigation

Insurance Litigation

Industries

Insurance

Education

J.D., University of California, Berkeley - Boalt Hall, 1983

A.B., University of California, Berkeley, 1979, *Phi Beta Kappa*

Admissions

California

Languages

French