

Susman Godfrey Wins Partial Summary Judgment for Alley Theatre in Pro Bono Insurance Lawsuit over Coverage of Hurricane Harvey Damage

Susman Godfrey has secured a partial summary judgment win for Houston's historic Alley Theatre in an insurance coverage lawsuit the firm handled pro bono. The suit claimed the theatre was not properly reimbursed by Hanover Insurance Company for claims related to business interruption losses sustained during Hurricane Harvey.

In its decision, the U.S. District Court for the Southern District of Texas sided with Alley Theatre on issues involving coverage limits for business interruption losses caused by Hurricane Harvey. The court sided with the insurer on issues related to sprinkler leakage and named storm coverage.

"We are grateful the court acknowledged Alley Theatre's right to recover its business interruption losses under the policy," said Susman Godfrey partner [Chanler Langham](#), who led the firm's team handling the case. "This historic building and the theatre company it houses play a vital role in Houston's arts community, and the impact of Hurricane Harvey was significant. It is good to see Alley Theatre's claim for business interruption losses will not be hampered by a flood coverage limit that only applies to property damage."

U.S. District Court Judge Lee Rosenthal found Alley Theatre's interpretation "gives effect to the Policy as a whole," and concluded "the \$3 million Flood Endorsement Limit does not apply to lost-business income that results from flood damage." Instead, the \$5 million limit for business interruption losses applies.

The Tony Award-winning Alley Theatre is the oldest professional theatre company in Texas and the third-oldest resident theatre in the country. For 49 years it has occupied a distinctive multi-turreted building at 615 Texas Ave. That building suffered devastating destruction during Hurricane Harvey in August 2017, incurring millions in losses from property damage, lost income and expenses.

In addition to Langham, the Susman Godfrey team includes managing partner [Neal S. Manne](#) and partners [Bill Merrill](#), [Jonathan J. Ross](#) and [James T. Southwick](#).