Wisconsin Supreme Court Holds That Three-Day 7,442-Acre Forest Fire Constituted A Single "Occurrence"

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In *Secura Ins., A Mutual Company v. Lyme St. Croix Forest Company, LLC, et al.*, 2018 WI 103 the Wisconsin Supreme Court issued its first unanimous decision of the 2018-19 term and held that coverage under a CGL policy was subject to the policy's "per occurrence" limit rather than the "aggregate" limit because the forest fire at issue was a singular event. The case related to the "Germann Road" Forest Fire, which burned 7,442 acres and 23 homes between May 16 and 19, 2013 in Douglas and Bayfield Counties. The fire began in a piece of logging equipment owned by a logging company which had a CGL policy with $2 million aggregate/$1 million per occurrence limits. The policy also contained an endorsement limiting per-occurrence limits for property damage due to a fire arising from logging operations to $500,000. The plaintiff-insurer argued on summary judgment that the fire was a single occurrence and that the $500,000 policy limit applied, rather than the $2 million aggregate limit.

The circuit court rejected the insurer's argument and concluded that "although there was one uninterrupted cause of the fire, each 'seepage' of the fire onto another's property constitute[d] a separate occurrence for purposes of the policy." The court of appeals affirmed the circuit court's finding that there were multiple occurrences. *Secura Ins.*, No. 2016AP299, unpublished slip op., ¶ 17.

In reversing the court of appeals, the supreme court found that, under the "cause theory," the fire was a single occurrence and that coverage was capped at the policy's $500,000 per occurrence limit. The court stated, "[i]f cause and result are 'so simultaneous or so closely linked in time and space as to be considered by the average person as one event,' then only a single occurrence has taken place." *Lyme St. Croix*, 2018 WI 103, ¶ 21 (citing *Wilson Mut. Ins. Co. v. Falk*, 2014 WI 136, 360 Wis. 2d 67, ¶ 66, 857 N.W. 2d 156 (internal cite omitted)).

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