

Pennsylvania Superior Court Rejects Breach of Oral Contract Claim Against Insurance Agent

PLUS Blog

Posted on January 26, 2026, by plushq
Dana A. Gittleman & Timothy G. Ventura

While the majority of claims against insurance agents and brokers sound in tort, creative attorneys attempting to combat a two-year statute of limitations on tort claims or the affirmative defense of contributory negligence, may also plead a breach of oral contract claim. In Pennsylvania, contract claims have a four-year statute of limitations and are not barred by the doctrine of contributory negligence. Insureds' counsel therefore have an incentive to try to plead tort and contract claims, both procedurally and substantively.

In *Egan v. Allstate Property and Casualty Insurance Company and Jack Ruane*, 2025 WL 3095965 (Pa. Super. Nov. 4, 2025), the Pennsylvania Superior Court rejected Mr. Egan's claim that he justifiably relied on alleged oral promises made by his insurance agent. Mr. Egan asserted that he told his Allstate captive agent, Mr. Ruane, the key terms he wanted in his policy, including replacement cost coverage.

Allstate and Mr. Ruane argued that no consideration supported any alleged oral contract and, more importantly, that Mr. Egan could not reasonably rely on oral representations that conflicted with the written insurance policy later issued to him. The written policy provided coverage at less than replacement cost value. The court

agreed, holding that the written contract controlled and that any contradictory oral statements could not form the basis for justifiable reliance.

Moreover, the court concluded that the consideration requirement was not met by Mr. Egan's continued payment of premiums, stating that the continued payment "did not constitute consideration for a new, oral contract." *Id.* at *4. The court did not squarely address Mr. Ruane's argument that he did not receive consideration because the policy was issued on a direct pay basis.

The Superior Court affirmed the trial court's ruling, which sustained the defendants' preliminary objections, concluding that Mr. Egan could not establish justifiable reliance on the alleged oral contract where the parties later entered into a written contract that explicitly contradicts the oral promise.

The court's ruling provides valuable insight into the viability of claims of breach of oral contract against insurance agents, particularly when the policy—the written contract—is issued thereafter, which is often the case. Implicit in the court's ruling is the duty to read, which we typically argue in support of a contributory negligence affirmative defense. The court's conclusion that the written terms of the policy

contradicted the purported oral terms presupposes that Mr. Egan read, or had a duty to read, the written policy, and could not have justifiably relied on previous statements that conflicted with the terms of the policy.

While not a direct proclamation regarding a party's duty to read their insurance policy, the court's ruling strengthens existing case law in favor of insurance agents and brokers on both negligence and breach of contract claims. It's important to note that while this Superior Court decision is unpublished and non-precedential, it may still be cited as persuasive authority.



Dana A. Gittleman is a shareholder in the Professional Liability Department in the Philadelphia office of Marshall Dennehey. Dana chairs the firm's Real Estate E&O Liability Practice Group. She defends claims and lawsuits brought against insurance agents and brokers, attorneys, financial entities, large product manufacturers, lenders, directors and officers, real estate, and other professionals. She may be reached at DAGittleman@mdwcg.com.

Timothy G. Ventura is a shareholder in the Professional Liability Department in the Philadelphia office of Marshall Dennehey. Tim chairs the firm's Insurance Agents & Brokers Liability Practice Group. He defends claims and lawsuits brought against insurance agents and brokers, attorneys, financial entities, large product manufacturers, lenders, directors and officers, real estate, and other professionals. He may be reached at TGVentura@mdwcg.com.