CAIIA Status Report

JANUARY 2011

# Insurance Law News

*Submitted by Smith, Smith & Feeley, LLP - Irvine, CA*

## Policy's "Anti-*Montrose*" Endorsements Do Not Eliminate Insurer's Duty to Defend Insured in "Continuous and Progressively-Deteriorating" Property Damage Case

A general liability policy's "anti-*Montrose*" endorsements did not eliminate an insurer's duty to defend an insured subcontractor in a construction defect case involving "continuous and progressively-deteriorating" property damage. (*Pennsylvania General Ins. Co. v. American Safety Indemnity Co.* (2010) 185 Cal.App.4th 1515)

### Facts

D.A. Whitacre Construction, Inc. (Whitacre) was a framing subcontractor. Whitacre purchased general liability policies through Pennsylvania General Insurance Company (Pennsylvania General) for the period of October 1998 through December 2001. During the time the Pennsylvania General policies were in force, Whitacre both started and completed framing work on a residential construction project. After the last Pennsylvania General policy expired, and after Whitacre completed its framing work on the project, Whitacre purchased a general liability policy through American Safety Indemnity Company (ASIC) for the period of December 2001 through December 2002.

In subsequent construction defect litigation involving Whitacre, various parties alleged that Whitacre's framing work on the project was deficient and had caused continuous property damage to the project. However, it was unclear when that property damage had first started.

Whitacre tendered its defense to both Pennsylvania General and ASIC. Pennsylvania General agreed to defend Whitacre under a reservation of rights and ultimately paid all the defense and settlement costs on behalf of Whitacre. ASIC declined Whitacre's tender on the ground that the ASIC policy contained "anti-*Montrose*" endorsements under which coverage was triggered only if both the "occurrence" (i.e., the causal act) and the "property damage" (i.e., the result) happened "during the policy period." ASIC asserted that since the "occurrence" (i.e., Whitacre's negligent work) took place before inception of the ASIC policy, the ASIC policy was not potentially triggered.

After the underlying construction defect litigation was settled, Pennsylvania General filed a lawsuit against ASIC seeking equitable contribution from ASIC for a portion of the defense and indemnity costs that Pennsylvania General had paid on behalf of Whitacre. The trial court entered summary judgment in favor of ASIC, concluding that ASIC's policy excluded

*continued on page 3*

PUBLISHED MONTHLY BY
California Association of
Independent Insurance Adjusters

An Employer Organization of Independent Insurance Adjusters

## Inside This Issue



***Status Report* Now Available by E-mail**

If you would like to receive the *Status Report* via e-mail please send your e-mail address to *info@caiia.org*.

CAIIA Newsletter
CAIIA Office
P.O. Box 168
Burbank, CA 91503-0168
Web site - http:\\www.caiia.org
Email: info@caiia.org
Tel: (818) 953-9200
(818) 953-9316 FAX

Editor: Sterrett Harper
Harper Claims Service, Inc.
Tel: (818) 953-9200

**California Association of Independent Insurance Adjusters, Inc**

**PRESIDENT'S OFFICE**
P.O. Box 282
Ukiah, CA 95482
707-462-5647
Email: info@caiia.com
www.caiia.com

**PRESIDENT**
Phil Barrett
barrettclaims@sbcglobal.net

**IMMEDIATE PAST PRESIDENT**
Sam Hooper
hooper@hooperandassociates.com

**PRESIDENT ELECT**
Jeff Caulkins
jeff.c@johnsrickerby.com

**VICE PRESIDENT**
William "Bill" McKenzie
walshadj@sbcglobal.net

**SECRETARY TREASURER**
Tanya Gonder
tanya@casualtyclaimsconsultants.com

**ONE YEAR DIRECTORS**
Kearson Strong
kearson@claimsconsultantsgroup.com

Richard Kern
rkern@sgdinc.com

Art Stromer
artstromer@hotmail.com

**TWO YEAR DIRECTORS**
Debbie Buse
ncadj@sbcglobal.net

Corby Schmaultz
cschmaultz@jbaia.com

Michael Hale
cics@carterclaims.com

**OF COUNSEL**
Nancy DePasquale
WILLIS & DePASQUALE, LLP
725 W. Town & Country Rd., Ste. 550
Orange, CA 92868
714-544-6000 • Fax 714-544-6202
ndepasquale@wdlegal.net

# PRESIDENT'S MESSAGE

There is a relatively contentious issue that comes up in our convention board meetings from time to time. It is the proposition that all personnel who handle insurance claims in California should be required to be licensed. Personally, I think it is the public's business to make this decision, but I agree with some of the sentiments behind the notion, the hypothesis for which may go like this; If all adjusters were required to be licensed, we would have more professionalism amongst adjusters. Fewer mistakes, less unethical conduct and claims would be handled with better consistency and efficiency.

But I also see the promotion of mandatory licensing for all adjusting personnel to be a transgression on the prerogative of the electorate, Who are we, as adjusters to tell the public that they would be better served if all Independent claims personnel were required to be licensed? Isn't that issue better left to the public and their elected officials? But this is just one man's view of the subject within the context of the large picture and I would be remiss not to acknowledge the validity of some of the numerous arguments that the other view within our membership takes in concluding we should promote and advocate mandatory licensing.

But you don't need a license to aspire to and conduct yourself as a professional. Your experience and conduct is what earns you your reputation as a competent adjuster who can consistently strike the proper target in resolving claims. The market for our services comprehends this even if some court cases in recent years have insulted us by concluding that adjusters are not bona fide professionals.

I think if some legislator ever put forth a bill for mandatory adjuster licensing, we in the CAIIA wold have a rightful interest in advising the legislature with our perspective, and should make all efforts to do so. But, in my opinion, to initiate such a proposition would look and feel too much like a move for self-serving industry protection. So I say, let the public and their representatives initiate this of their own independent volition and initiative. But we better be there to educate them about our business if that time ever comes.

To sum it up, licensing is mere vanity compared to what we at the CAIIA really stand for; advocating, promoting and nurturing all of the the resources and skills that help its members and other claims personnel attain the essence of professionalism. While the public, courts and legislature may not think so highly of us, we only need to remember that the market will always appreciate the indispensable skills that only a seasoned, well-meaning and ethically minded adjuster can bring. The mere possession of a license can never distinguish us in the important sense. So in conclusion, for this New Year, 2011, let's simply renew our resolution to continue on with what the CAIIA has always done in promoting the substance of professionalism and let the public worry about whether or not we should all be qualified through State licensing.

**PHIL BARRETT**
*President - CAIIA 2010-11*

# Insurance Law News

*Submitted bySmith, Smith & Feeley, LLP - Irvine, CA*

*continued from page 1*

coverage for the claims asserted against Whitacre in the construction defect litigation because Whitacre's work was completed before the inception of ASIC's policy. Pennsylvania General appealed.

**Holding**

The Court of Appeal reversed, holding that ASIC's policy did potentially cover Whitacre's alleged liability in the underlying construction defect litigation, and that ASIC therefore was obligated to pay a portion of the costs of defending and indemnifying Whitacre in the construction defect litigation.

The appellate court acknowledged that the ASIC policy contained two endorsements that were apparently intended to circumvent the "continuous injury" trigger of coverage set forth in Montrose Chemical Corp v. Admiral Ins Co. (1995) 10 Cal.4th 645. The first endorsement amended the ASIC policy's definition of "occurrence" by adding the following italicized language: "'Occurrence' means an accident, including continuous or repeated exposure to substantially the same general harmful conditions that happens during the term of this insurance. 'Property damage' ... which commenced prior to the effective date of this insurance will be deemed to have happened prior to, and not during, the term of this insurance." (Italics added.) The second endorsement, entitled "Pre-Existing Injury or Damage Exclusion," stated: "This insurance does not apply to: … any 'occurrence', incident or 'suit' ... (a) which first occurred prior to the inception date of this policy ...; or (b) which is, or is alleged to be, in the process of occurring as of the inception date of this policy ... even if the 'occurrence' continues during this policy period."

ASIC argued that in light of these endorsements, coverage under the ASIC policy was triggered only if both the "occurrence" (i.e., the causal act) and the "property damage" (i.e., the result) happened "during the policy period." The appellate court disagreed, stating that the ASIC policy's endorsements do "not clearly and unambiguously limit coverage" to claims in which both the causal act and the property damage occur during the policy period. According to the appellate court, the ASIC policy limited coverage to property damage that first occurred during the policy period, but there was a factual dispute as to when the property damage in the underlying construction defect litigation first occurred. As such, ASIC had a duty to participate with Pennsylvania General in defending Whitacre in the underlying construction defect litigation.

**Comment**

The ASIC policy endorsements were obviously designed to circumvent the "continuous injury" trigger rule set forth in the Montrose decision. However, as the appellate court correctly noted, under the ASIC endorsements, "the appropriate focus is on when the damages caused by the negligent causal acts of the insured first commenced, … not on when the insured completed its work." Because it was unclear when property damage first began, the trial court erred in granting summary judgment in ASIC's favor. The claims against Whitacre in the underlying construction defect litigation were potentially covered under both the Pennsylvania General and ASIC policies.

# Weekly Law Resume

*Submitted by Low, Ball & Lynch, Attorneys at Law - San Francisco, CA*

## Duty to Defend - Definition of "Suit"

*Ameron International Corporation v Insurance Company of the State of Pennsylvania* California Supreme Court (November 18, 2010)

California is one of the few jurisdictions which has adopted a "bright line" or literal approach for determination of whether any particular administrative proceeding is a "suit" for purposes of triggering a duty to defend in an insurance policy where that phrase was not otherwise specifically defined in the policy. This case considered whether an action before an administrative law judge, with witnesses, subpoenas and testimony, was a "suit" triggering the duty to defend.

Ameron Internatonal Corporation manufactured concrete siphons used by Peter Kiewit Son's Company on an aqueduct project in Central Arizona. Kiewit contracted with the Department of Interior on the project. In 1990, the Bureau

*continued on page 4*

# Weekly Law Resume

*Submitted by Low, Ball & Lynch, Attorneys at Law - San Francisco, CA*

*continued from page 3*

discovered defects in the siphons requiring replacement of many of them at a cost of $116 million. In 1995, the Bureau's contracting officer issued two decisions finding that Kiewit was responsible for the defects, and seeking $42 million in reimbursement from Ameron and Kiewit.

Under the terms of the agreement with the Bureau providing for private contractual remedy, Kiewit and Ameron challenged the contracting officer's decision to the Department of Interior's then existing Board of Contract Appeals (IBCA). The proceedings that followed through the IBCA included 22 days of trial before an administrative law judge, the calling of numerous witnesses and the submission of evidence under subpoenas. The proceedings concluded when Ameron and Kiewit settled the Bureau's claims against them for $10 million.

When the Bureau had initially taken action against Ameron and Kiewit, Ameron tendered to its various liability insurers, all of whom declined to participate in the ICBA hearing. At the time of settlement with the Bureau, one carrier paid Ameron certain sums, and another offered to pay an amount that Ameron deemed insufficient. The remaining carriers generally failed or refused to pay the cost of defending or indemnifying Ameron in the litigation before the IBCA. Ameron brought suit against the carriers for their failure to defend it, alleging causes of action including breach of contract and breach of the covenant of good faith and fair dealing

The trial court sustained the carriers' demurrers, dismissing the complaint. It relied on the California Supreme Court's rule in Foster-Gardner, Inc. v. National Union Fire Ins. Co. (1998) 18 C4th 887, wherein the Supreme Court held that an environmental protection agency's pollution remediation order was not a "court proceeding initiated by the filing of a complaint," and therefore not a "suit" requiring a duty to defend under an insurance liability policy.

The Court of Appeal reversed in part, holding that some of the policies had a definition of "suit" which included "civil proceedings," and hence there was a duty to defend the ICBA proceedings. However, based on Foster-Gardner, the Court of Appeal refused to hold that those policies which had no definition for the phrase "suit" would be required to defend the ICBA proceedings.

The Supreme Court chose not to extend its decision in Foster-Gardner, holding that it was not applicable to the IBCA proceedings. The Supreme Court agreed with Ameron that the IBCA proceeding was a "suit" as a reasonable insured would understand the term. First, the court noted the "quasi-judicial" forum, including the swearing of witnesses, cross-examination of the same, and that all evidence was subject to "the generally accepted rules" of admissibility. As such, a reasonable policy holder would recognize the proceedings as a suit and would expect to be defended, and, if necessary, indemnified by its insurer.

Further, and perhaps more importantly, the court pointed out that in Foster-Gardner, an insurer's duty to defend depends on the allegations in the complaint and that this link was crucial. The Court held that the pollution remediation order in Foster-Gardner did not provide sufficient notice to a carrier of the parameters of the action against the insured, and did not amount to a complaint. In contrast, the rules under the Contract Dispute Act, which had established the IBCA, set up a process wherein the factual issues were framed for adjudication by the pleadings, including a complaint from the contractor and the government's answer. Under the Code of Civil Procedure, a complaint must contain a "statement of facts constituting the cause of action, in ordinary and concise language." This requirement forces the parties to give fair notice of their claims to opposing parties so they can defend. The Court held that the ICBA pleading requirements served the same process, and were sufficient to give the carrier sufficient information as to the nature of the dispute so that it could determine its defense duties.

The Court of Appeal's ruling that policies that had no definition of "suit" would not have a duty to defend triggered by the ICBA proceedings was overruled, and the matter was remanded to the trial court for proceedings consistent with that ruling.

**COMMENT**

Although the Court could have overruled Foster-Gardner, as one concurring opinion suggested, it chose to find it not applicable. The Court in fact looked at the nature of the proceedings where the duty to defend was claimed, and held that if these were sufficiently like a civil action to put a carrier on notice as to the claims being raised, there will be coverage.

*continued on page 5*

# Weekly Law Resume

*Submitted by Low, Ball & Lynch, Attorneys at Law - San Francisco, CA*

*continued from page 4*

## Employment Law - Penalties for Unpaid Wages - Statute of Limitations

*Jorge A. Pineda v. Bank of America, N.A.* California Supreme Court (November 18, 2010)

This case presented two issues for the California Supreme Court. First, does a different statute of limitations apply when an employee seeks to recover only Labor Code § 203 penalties, as opposed to when an employee seeks both final wages and penalties? Second, are Labor Code § 203 penalties recoverable as restitution under California's Unfair Competition Law (Business and Professions Code § 17200, et seq.)? The California Supreme Court's answer to both questions was "No." As such, a single, three-year statute of limitations period applies to all court actions filed to recover wages not paid in a timely manner.

Plaintiff Jorge A. Pineda was employed by defendant Bank of America. He gave two weeks' notice of his resignation, which occurred on May 11, 2006. Defendant did not pay the plaintiff his final wages on his last day, as required under Labor Code § 202, but instead paid him on May 15, 2006, four days late. Plaintiff filed this action on October 22, 2007, seeking to represent a class of former Bank of America employees whose final wages were untimely paid. The complaint asserted two causes of action. The first cause of action alleged that the defendant failed to timely pay the plaintiff and class members' final wages as required by Labor Code § 201 (applying to employees who are terminated) or Labor Code § 202 (applying to employees who quit) and sought penalties pursuant to Labor Code § 203. Plaintiff's second cause of action alleged that the defendants' failure to timely pay final wages violated California's Unfair Competition Law, and sought restitution of unpaid Labor Code § 203 penalties.

The trial court granted Bank of America's motion for judgment on the pleadings. It concluded that a one-year statute of limitations (Code of Civil Procedure § 340(a)) applied when, as in this case, an employee filed an action seeking only Labor Code § 203 penalties (Code of Civil Procedure § 338(a) specifies a three-year statute of limitations for final wages not paid on time under the Labor Code). The trial court also concluded that Labor Code § 203 penalties are not recoverable as restitution under California's Unfair Competition Law. The Court of Appeal affirmed in all respects.

The Supreme Court reversed the Court of Appeal's decision on the statute of limitation question. The Court concluded that a different statute of limitations does not apply when an employee seeks to recover only Labor Code § 203 penalties, as opposed to when an employee seeks both final wages and penalties. When an employee sues to recover both unpaid final wages and the resulting Labor Code § 203 penalties, the suit is governed by a three-year limitations period that would apply had the employee sued to recover only the unpaid wages. The Court agreed with the plaintiff's argument that the Legislature intended for a single statute of limitations to govern the filing of any and all suits for Labor Code § 203 penalties, regardless of whether a claim for unpaid final wages accompanies the claim for penalties.

The Court also ruled that an employee may not recover Labor Code § 203 penalties as restitution under California's Unfair Competition Law, which would have allowed for an even longer statute of limitations. The Unfair Competition Law prohibits "any unlawful, unfair or fraudulent business act or practice . . . ." (Business and Professions Code § 17200.) While private individuals can sue under the Unfair Competition Law, courts can issue orders only to prevent unfair competition practices and "to restore to any person in interest any money or property . . . which may have been acquired by means of such unfair competition." Thus, a private plaintiff's remedies are "generally limited to injunctive relief and restitution." The Court determined that Labor Code § 203 penalties are not recoverable as restitution.

### COMMENT

A three-year statute of limitations period governs employee claims under Labor Code Section § 203, regardless of whether an employee seeks both wages and penalties or simply penalties alone. Further, Labor Code Section § 203 penalties are not recoverable under the Unfair Competition Law. In light of this decision, and because it effectively triples the class-wide exposure of employers, employers will likely want to re-examine their procedures for generating paychecks.

*continued on page 6*

# Weekly Law Resume

*Submitted by Low, Ball & Lynch, Attorneys at Law - San Francisco, CA*

*continued from page 5*

## School District Not Liable for Employee's Sexual Misconduct

*C.A., a minor et al., v. William S. Hart Union High School District, et al.* Court of Appeal, Second District, Division One (November 5, 2010)

This case addresses the pleading requirements for proceeding with a complaint against a school district and its employee for the alleged sexual molestation of a student.

C.A., a minor, filed a complaint through a guardian ad litem, naming as defendants the William S. Hart Union High School District (the "School District"), the head guidance counselor and advisor at the high school (an employee of the School District) and the public high school, alleging eleven causes of action, including negligence, negligent supervision, negligent hiring, sexual battery, assault, and sexual harassment. The complaint alleged that the guidance counselor sexually harassed, abused and molested C.A. on a number of occasions from January, 2007 to September 14, 2007. The complaint further alleged that the School District "knew that [the guidance counselor] had engaged in unlawful sexually-related conduct with minors in the past, and/or was continuing to engage in such conduct," but failed to take reasonable steps to prevent further unlawful sexual conduct by the guidance counselor.

The School District filed a demurrer to the complaint. The School District argued that it could not be held liable in the absence of an authorizing statute or enactment, that it could not be held vicariously liable for the guidance counselor's actions, and that allegations of negligent hiring, training, and supervision did not apply against a public entity defendant. The School District also demurred on behalf of the high school, which was not an independent public entity. The trial court sustained the demurrer without leave to amend.

The Court of Appeal upheld the decision of the trial court. The Court of Appeal noted that except as otherwise provided by statute, a public entity is not liable for an injury, whether such injury arises out of an act or omission of the public entity or a public employer or any other person. California Government Code § 815(a). The exception to this rule is set forth in California Government Code § 815.2(a), which provides that "a public entity is liable for injury proximately caused by an act or omission of an employee of the public entity within the scope of his employment if the act or omission would, apart from this section, have given rise to a cause of action against that employee or his personal representative." This means that a public entity employer such as the School District is vicariously liable for the torts of its employees committed within the scope of the employment.

Here, the Court of Appeal noted that where the facts would not support an inference that the employee acted within the scope of his employment, and where there is no dispute over the relevant facts, the question of whether the employee acted within the scope of employment becomes a question of law. The Court noted that while the prospect of sexual misconduct is "conceivable," it does not satisfy the requirement of establishing foreseeability, even under the broad meaning that concept is given in the respondeat superior context. The Court of Appeal ruled that the alleged sexual misconduct of the guidance counselor could not be considered within the scope of her employment.

The Court also noted that C.A. had not set forth, or identified, any statute that would allow a direct action for negligence against the School District. Because the complaint did not allege any statutory basis for the negligence causes of action, the Court of Appeal ruled that the trial court was correct in sustaining the demurrer as to the allegations of direct, rather than vicarious, liability for negligence. C.A. relied heavily on the "special relationship" between the School District and its minor students, implying that the relationship itself created an affirmative duty. While acknowledging that a special relationship does exist, the Court of Appeal found that such a relationship does not eliminate the requirement of a statutory basis for tort liability against a public school district.

### COMMENT

While a public entity is vicariously liable for the torts of its employees committed within the scope of the employment, California courts have consistently held that acts of sexual misconduct committed by the public entity's employee fall outside the scope of employment, and do not subject the public entity to respondeat superior. Further, this case also reinforces the concept that unless the plaintiff can rely upon a statute establishing a cause of action against the public entity, the plaintiff's complaint will be susceptible to a demurrer.

# When You Need To Know What Really Happened

*Submitted by Garrett Engineers - Long Beach, CA*

## Failed Brakes?

Per the insured, she was driving her vehicle when suddenly the brakes had no pressure, and the brake pedal went to the floor. The emergency brake did not stop the vehicle, and putting the vehicle in park did not stop her vehicle. Accordingly, she rear-ended the vehicle in front of her. Her brake pads were reportedly replaced six months prior to the accident.

GEI was assigned to inspect the vehicle to identify any manufacturing, mechanical, or service defects or failures in the brake system that could have caused or contributed to this accident and to research any recalls for this make, model, and year of vehicle.

The vehicle sustained major damage to the body, including the front bumper, hood, left front fender, radiator support, and the left headlamp. The ignition key was not with the vehicle, preventing operation of the engine to inspect the function of vacuum brake booster.

The vehicle was equipped with all-wheel disc brakes and an anti-lock brake system (ABS). The right front wheel was removed for inspection and measurement of the rotor and pads. The brake rotor measured 1.048 inches, which exceeded the minimum thickness of 1.024 inches.

The outer brake pad had .156 inches of friction material remaining, which was above the minimum thickness of .039 inches. The other wheels gave similar measurements. The rear brake pads were nearly new in thickness and had been recently replaced. The brake fluid was checked for contamination using a FASCAR test strip and found to be dirty but serviceable.

The fluid level in the reservoir was above the minimum fluid level line. No leaks were found at the master cylinder, brake lines, nor in any of the four brake caliper assemblies. The un-depressed measurement from the top of the brake pedal to the floor was 4.5 inches.

When depressed, the distance changed to 3.25 inches. The pedal was depressed twenty-five times and held in the depressed position for two full minutes. The pedal measurement remained a constant 3.25 inches at all times.

The vehicle was moved, by hand, on a downgrade to check the function of the brake system. While the vehicle was moving, the brake pedal was depressed and the vehicle stopped immediately. The emergency brake system was foot-operated with the smaller pedal located at the far left of the driver's floor area and was depressed to activate the emergency brake system. The rear wheels would then not rotate, and the vehicle could not be moved by hand, indicating no malfunctions with the emergency brake system. When the gear selector was in the "park" position of the automatic transmission, the vehicle would not move, indicating no defects with the internal transmission components regarding the parking pawl component, which prevents movement of the vehicle when park is engaged.

Asearch on the National Highway Traffic Safety Administration website was performed for recalls and none were found that pertained to this particular make, model, and year of vehicle.

In summary, all mechanical components of the brake system were in proper working order, and the brake rotors and pads were in good condition. No evidence of any manufacturing, mechanical, or service defects or failures in the brake system were found that could have caused or contributed to the accident.

# Oh no, here we go again.

1. The fattest knight at King Arthur's round table was Sir Cumference. He acquired his size from too much pi.
2. I thought I saw an eye doctor on an Alaskan island, but it turned out to be an optical Aleutian .
3. She was only a whiskey maker, but he loved her still.
4. A rubber band pistol was confiscated from algebra class, because it was a weapon of math disruption.
5. No matter how much you push an envelope, it'll still be stationery.
6. A dog gave birth to puppies near the road and was cited for littering.
7. A grenade thrown into a kitchen in France would result in Linoleum Blownapart.
8. Two silk worms had a race. They ended up in a tie.
9. A hole has been found in the nudist camp wall. The police are looking into it.
10. Time flies like an arrow. Fruit flies like a banana.
11. Atheism is a non-prophet organization.
12. Two hats were hanging on a hat rack in the hallway. One hat said to the other: 'You stay here; I'll go on a head.'
13. I wondered why the baseball kept getting bigger. Then it hit me.
14. A sign on the lawn at a drug rehab center said: 'Keep off the Grass.'
15. The midget fortune-teller who escaped from prison was a small medium at large.
16. The soldier who survived mustard gas and pepper spray is now a seasoned veteran.
17. A backward poet writes inverse.
18. In a democracy it's your vote that counts. In feudalism it's your count that votes.
19. When cannibals ate a missionary, they got a real taste of religion.
20. If you jumped off the bridge in Paris , you'd be in Seine .
21. A vulture boards an airplane, carrying two dead raccoons. The stewardess looks at him and says, 'I'm sorry, sir, only one carrion allowed per passenger.'
22. Two fish swim directly into a concrete wall. One turns to the other and says 'Dam!'
23. Two Eskimos sitting in a kayak were chilly, so they lit a fire in the craft. Unsurprisingly it sank, proving once again that you can't have your kayak and heat it too.
24. Two hydrogen atoms meet. One says, 'I've lost my electron.' The other says 'Are you sure?' The first replies, 'Yes, I'm positive.'
25. Did you hear about the Buddhist who refused Novocain during a root canal? His goal: transcend dental medication.
26. There was the person who sent ten puns to friends, with the hope that at least one of the puns would make them laugh.

No pun in ten did.