LEGAL UPDATES

PUBLISHED: MARCH 3, 2026

Insurers Not Obligated to Defend Meta in Youth Social Media Lawsuits

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On February 27, 2026, the Delaware Superior Court issued a memorandum opinion and order in *Hartford Casualty Insurance Co. et al. v. Instagram, LLC et al.*, granting summary judgment for a group of insurers and denying motions by Meta Platforms, Inc. and Instagram, LLC (collectively, "Meta") to stay or dismiss the Delaware coverage action. The case addresses whether various insurers have a duty to defend Meta in thousands of lawsuits consolidated in California, alleging harm to children from the design and operation of Meta's social media platforms.

Background

The litigation consists of thousands of claims brought by individuals, school districts, and state attorneys general alleging Meta's platforms were purposely designed to increase youth engagement by exploiting psychological vulnerabilities resulting in (among other things) addiction, depression, and self-harm. After Meta tendered these claims to its insurers, most denied coverage, resulting in a declaratory judgment action in Delaware (Meta's state of incorporation) brought by several insurers.

Meta sought to stay the Delaware action until the resolution of the underlying litigation or, in the alternative, under *forum non conveniens* in favor of a parallel action filed in California. Meta also moved to dismiss the Delaware action for failure to state a claim, contending that the insurers had conceded a potential for coverage by agreeing to defend certain claims under a reservation of rights. The insurers sought summary judgment, asserting that the underlying allegations do not trigger a duty to defend under the relevant insurance policies, which are governed by California law.

Court's Analysis and Holdings

Stay and Forum Non Conveniens

The court first addressed Meta's motion to stay the Delaware action under California's "Montrose Stay" doctrine, which requires a stay of coverage litigation if factual determinations in the coverage action could prejudice the insured in the underlying litigation. The court determined that a stay was not justified under either California or Delaware law, because the duty to defend could be decided as a matter of law by comparing the allegations in the underlying complaints with the terms of the insurance policies—a "four corners" analysis—without needing to make factual findings that might conflict with or prejudice Meta in the ongoing litigation.

The court also denied Meta's request for a stay or dismissal based on *forum non-convenience*. Applying Delaware's "Cryo-Maid" factors, it found that Delaware was the appropriate forum because the action was the first-filed, and Meta had not demonstrated the "overwhelming hardship" required to overcome the presumption in favor of the plaintiff's choice of forum. The court noted that most of the evidence and witnesses would be within the control of the parties, and that modern technology minimizes any inconvenience arising from the location of the litigation. It also found that Delaware has a legitimate interest in resolving disputes involving companies incorporated in the state, even where the underlying claims are pending elsewhere.

Insurers' Duty to Defend

On the merits, the court granted the insurers' motion for summary judgment, holding that, under California law, the duty to defend under general liability policies is triggered only by lawsuits alleging an "accident" or "occurrence." It undertook a two-step analysis to determine whether the underlying complaints alleged accidental conduct:

1. **Deliberate vs. Accidental Conduct:** The Court examined whether the underlying complaints alleged anything other than strictly deliberate conduct by Meta. The Court found that the allegations centered on Meta's intentional business decisions to design and implement platform features to maximize user engagement among youth. Even though some complaints included negligence-based causes of action, the Court concluded that the factual allegations reflected only intentional conduct. The Court cited California precedent holding that the presence of negligence claims or labels does not itself create a duty to defend if the underlying conduct is intentional.

2. **Unforeseen or Independent Happenings:** The court then considered whether the complaints alleged any "additional, unexpected, independent, and unforeseen happening" that produced the alleged harm. It found that the alleged injuries—such as addiction, depression, and self-harm—were not the result of unforeseen intervening events or third-party actions but rather were foreseeable consequences of Meta's alleged platform design and business practices.

> The court distinguished situations where an intervening act by a third party might be considered an "accident" under California law, finding that here, the creation and consumption of user-generated content was a direct and intended result of Meta's platform design.

Determining that the underlying allegations do not trigger coverage in the first instance, the court found it unnecessary to address the other arguments raised in the insurers' motion, which included various exclusions and other coverage defenses.

The court also addressed Meta's arguments that the insurers' agreement to defend certain claims under a reservation of rights constituted a concession of coverage. It rejected this argument, noting that defending under a reservation of rights is a standard industry practice and does not create or concede coverage.

Finally, the court rejected Meta's contention that the duty to defend should be triggered by the possibility of future amendments to the underlying complaints, explaining that, according to California law, the duty to defend arises from the facts presently alleged, not from speculation about possible future claims.

Conclusion

The Delaware Superior Court concluded that, based on the allegations as currently pled in the Social Media Litigation, the insurers do not have a duty to defend Meta, as the complaints do not allege accidental conduct as required under the applicable policies and California law. The court's decision also affirms Delaware's willingness to adjudicate insurance coverage disputes involving Delaware-incorporated entities, even when the underlying litigation is pending in another state and governed by the law of another state.

What this means to you?

The ruling underscores the significance of policy wording and the nature of underlying allegations in insurance coverage disputes, especially when claims involve intentional conduct. Organizations and insurers may find this decision instructive as they assess coverage obligations in the context of large-scale litigation.

Contact us

If you have questions regarding the court's decision, please contact Michael Robles, Brian O'Sullivan, Patrick Todd, or your Husch Blackwell attorney. (For more information concerning coverage and reinsurance issues arising from social media litigation, see our recent article "Navigating the Reinsurance Landscape of Social Media Addiction Litigation.")