

PRACTICE CONTACTS

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Zelle has a very active reinsurance practice that spans the full breadth of reinsurance disputes present in today's market. The reinsurance industry is becoming ever more complex, with new alternative risk-sharing opportunities and evolving regulations that affect both domestic and foreign transactions. Zelle attorneys closely follow the emerging legal issues and market forces in the reinsurance business, backed by extensive experience in disputes relating to both broker and direct reinsurance markets.

Zelle's reinsurance practice has included the representation of ceding companies, reinsurers, retrocessionaires and reinsurance intermediaries in litigation, arbitration, and in specific claim analysis. The firm's representation has involved disputes over all types of reinsurance arrangements, not only facultative and treaty reinsurance, but also reinsurance "facilities," fronting agreements, and programs involving captive insurers. These disputes have concerned the broadest range of issues, including rescission, aggregate extension clauses, fraud and collusion, negligent misrepresentation, bad faith, punitive damages, automatic and optional reinstatements, cutoff, declaratory judgment expenses, "follow the fortunes", late notice, offset, claim allocation, number of occurrences, extra-contractual damages, ex gratia settlements, and the right to associate. Zelle attorneys are also actively involved as mediators and arbitrators in reinsurance disputes.

REPRESENTATIVE MATTERS

Represented insurer in arbitration against its reinsurer concerning liability for underlying multi-billion dollar property damage and time element claims made following destruction of the World Trade Center complex on September 11.

Represented reinsurer in \$73.5 million reinsurance claim involving business interruption coverage for lost sales of a high-end computer server. The reinsurance dispute involved the proper allocation of reinsurance coverage to the various reinsurers on the risk during the direct policy term.

Represented cedent in a reinsurance arbitration over whether a loss involving an amoxidation reactor was a reinsured boiler and machinery loss, an uninsured property loss, or a combination of the two.

Represented fronted reinsurer against ceding insurer in arbitration over a

Reinsurance

primary reinsurance program for industrial energy and chemical risks throughout the world. Case involved rescission/reformation claims based on negligent and intentional misrepresentation, broker negligence/malfeasance, loss reporting, presentation material accuracy, and reinsurer/retrocessionaire duty of inquiry.

Represented retrocessionaires in arbitration with ceding reinsurer over an accident and health reinsurance program involving disputed application of follow-the-fortunes/settlements doctrine, allocation of claims/losses, and number of occurrences questions.