

London Market Insurance Claims Experience



K&L Gates has been representing policyholders in connection with coverage claims against Lloyd's, Equitas, and the London Insurance Market for over 25 years. These claims have involved asbestos, pollution, toxic torts, product liability, business interruption, business torts, construction defects, and professional liability, among others. Our firm's lawyers have litigated such claims against London insurers in federal and state courts and in domestic and international arbitration proceedings. Our firm has represented scores of policyholders in connection with claims settlements with Lloyd's and London Market insurers totaling many billions of dollars in claims payments. K&L Gates represented the policyholders in connection with negotiating the three largest asbestos coverage settlements entered into by Equitas (Halliburton - \$575 million; Honeywell - \$472 million; and Babcock & Wilcox - \$415 million). More recently, K&L Gates has represented policyholders in negotiating some of the largest settlements of claims with Berkshire Hathaway entities, which have taken financial responsibility for long-tail claims on historical Lloyd's policies.

Many of K&L Gates' insurance coverage lawyers, resident in both the United States and in the UK, have substantial experience in litigating and resolving coverage disputes that are governed by "Bermuda Form" policies—which call for arbitration in London, pursuant to the English Arbitration Act (albeit applying New York law). The insurers issuing these Bermuda Form policies to our clients are based in Bermuda, as well as in the major insurance markets in the U.S., London, Ireland, and/or continental Europe. K&L Gates lawyers have conducted multiple Bermuda Form arbitration hearings in London for its clients engaged in the energy, chemical, automotive, health care, and hospitality industries, to name a few. These arbitrations have involved environmental claims, product liabilities, employment practices and first-party property damage losses, among others. In addition, K&L Gates lawyers have served as arbitrators in Bermuda Form arbitration proceedings and, thus, they can bring additional perspective to the table. Moreover, K&L Gates has published papers and articles regarding Bermuda Form coverage arbitrations in London, and has hosted numerous webinars and seminars that have included leading international arbitrators and barristers regularly involved in such arbitration proceedings. Because we have coverage lawyers on the ground in London who interact seamlessly with our London international arbitration lawyers, we are familiar with all the key players in this arena, providing our clients with a significant advantage at the time of appointment of Tribunal members; selection of barristers, if needed; and addressing the many procedural and substantive hurdles that may arise. Although the results of our clients' Bermuda Form arbitration proceedings are necessarily confidential, we have a long track record of obtaining successful awards and settlements resulting from these proceedings.

In settling claims with London Market Insurers, K&L Gates lawyers are well schooled in both qualitative and quantitative analysis of claims. K&L Gates lawyers frequently employ such techniques as probabilistic cost estimation models, decision-tree analyses, and insurer allocation spreadsheets to develop settlement values for clients' coverage claims. K&L Gates is also quite familiar with the analytical models and techniques employed by London Market Insurers, and their representatives, for claims-settlement analyses. Thus, K&L Gates lawyers can "speak the same language" with their London Market counterparts when negotiating settlement of claims.

K&L Gates lawyers have developed strong relationships with London Market brokers, experts, consultants, and insurance archaeologists, to quickly enlist as necessary the assistance of other professionals to help address a client's needs. Moreover, K&L Gates lawyers, and particularly, solicitors in K&L Gates' London office, have worked with a core group of English barristers who are experts in matters relating to insurance generally and Lloyd's and London Market issues specifically, so that relevant English law questions may be addressed efficiently and so that client matters involving English court proceedings may be handled seamlessly.

Several K&L Gates lawyers devote substantial portions of their practices to pursuing coverage claims against London Market Insurers and, thus, offer clients significant efficiencies in such work. Over the years, these lawyers have developed positive working relationships with the key decision makers for London Market Insurers as well as with their regular outside counsel. Many K&L Gates clients have benefited from those relationships in the prompt and favorable resolution of their claims.

Finally, K&L Gates has a dedicated group of lawyers and other legal professionals who assist policyholders particularly in pursuing claims against London Market insurers that are insolvent or otherwise operating under English Schemes of Administration or Schemes of Arrangement. This group includes both English solicitors in our London office and lawyers in our offices in the United States, who can advise clients of their legal rights and obligations regarding various active and proposed schemes and can assist them in presenting, negotiating, and settling claims with representatives of insolvent London insurers.

In short, K&L Gates' insurance coverage practice group provides a full complement of services to corporate clients requiring assistance with coverage claims in the London Market.