



News

Scott Seaman Discusses Insurance Cases to Watch in Second Half of 2020

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Hinshaw attorney Scott Seaman, a Chicago-based partner and co-chair of the firm's global Insurance Services Practice Group, was quoted by Jeff Sistrunk of *Law360* in an article entitled "Insurance Cases To Watch In The Second Half of 2020." The article discusses key insurance coverage decisions expected in the second half of this year.

One of those cases is *J.P. Morgan Securities Inc. et al. v. Vigilant Insurance Co. et al.*, case number APL-2020-00044, in the Court of Appeals of the State of New York. At issue is whether J.P. Morgan Securities Inc. is entitled to insurance coverage for a \$140 million portion of a settlement that predecessor Bear Stearns paid to the U.S. Securities and Exchange Commission. The case centers on the application of the U.S. Supreme Court's 2017 decision in *Kokesh v. SEC* to the policies in question.

Seaman said that the 2018 decision by the New York Appellate Division, First Department, which absolved Bear Stearns' primary and excess insurers from any obligation to cover the sum, was "entirely correct" because, although *Kokesh* was "not a state law determination on coverage, the U.S. Supreme Court's characterization of the disgorgement remedy is legally sound and represents the most authoritative view on the issue."

Another case is *Citizens Property Insurance Corp. v. Manor House LLC*, case number SC19-1394, in the Supreme Court of Florida. Here, Florida's high court is set to decide whether a policyholder alleging breach of its insurance contract but not bad faith is entitled to recover damages that fall outside the policy but were caused by the insurer's failure to fulfill its obligations.

Seaman said he hoped the court will "reject the invitation to transmogrify what may not even be bad faith damages into breach of contract damages," adding it would be "improper and improvident" to do so "as it would make first-party claims more difficult to resolve."

[Read the full article on the Law360 website](#) (*subscription may be required*).

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