



News

Scott Seaman Discusses D&O Coverage in Corporate Bankruptcy Context

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Scott Seaman—Hinshaw partner and Chicago-based co-chair of Hinshaw's Global Insurance Services Practice Group—discussed potential issues in play for directors and officers (D&O) liability policies in corporate bankruptcy cases with *Law360 Insurance Authority*. The article, "D&O Coverage Offers Layered Protection In Bankruptcy," is the latest installment in their series exploring the intersection of bankruptcy and insurance issues.

Seaman stated that one main obstacle that arises is whether D&O policies are considered an asset of the company during bankruptcy proceedings. "Many issues stem from the common situation in which the company is in bankruptcy with claims against it that are subject to an automatic stay and many insurance policies being deemed the property of the bankruptcy estate," he said.

Seaman also discussed how a stay of litigation can affect claims brought against individual board members. He noted that where allowing claims to continue against a company's board of directors would impair the company's ability to effectively reorganize, courts are more receptive to extending that stay to directors and officers. "Another concern is the ability of directors and officers to access insurance proceeds for defense and indemnity," he added.

[Read the full article](#) (*subscription required*)

"D&O Coverage Offers Layered Protection In Bankruptcy" was published by *Law360 Insurance Authority* on September 21, 2022.

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