



News

Scott Seaman Discusses Significance of Fourth Circuit's Towers Watson Bump-Up Exclusion Ruling

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Scott Seaman, Chicago-based partner and Co-Chair of Hinshaw's Insurance Services Group, was quoted in a recent *Law360 Insurance Authority* story analyzing the Fourth Circuit's decision in *Towers Watson & Co. v. National Union Fire Insurance Co. of Pittsburgh, Pa. et al.* This case was closely watched because it involves the application of the "bump-up" exclusion in directors and officers (D&O) insurance policies, which [Seaman has also commented on in several recent news stories](#).

The court affirmed that Towers Watson was not entitled to coverage for settlements arising from shareholder litigation related to its 2016 merger, finding that the settlements triggered the bump-up exclusion—a provision that precludes coverage for insurance claims alleging inadequate deal consideration.

Seaman described the Fourth Circuit's decision as "well-reasoned and in full accord with the law and language of the exclusion," noting that the court "properly 'pumped up' the bump-up exclusion." He further observed that "[a]lthough Virginia is not exactly the leading situs for [mergers and acquisitions] or coverage litigation, the approach taken by the Fourth Circuit is consistent with the approach taken under many states' laws."

[Read the full article](#) (subscription may be required).

- [Law360 Insurance Authority: "4th Circ. Towers Watson Ruling Not Final Word On Bump-Ups"](#) (June 5, 2025)

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