



News

Scott Seaman Supports Sixth Circuit Ruling that Held Federal Jurisdiction is Appropriate in Insurance Coverage Dispute Involving Fire-Dex PFAS Litigation

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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* article analyzing the Sixth Circuit's significant decision regarding federal jurisdiction in a case involving an insurance coverage dispute related to PFAS litigation.

The Sixth Circuit held that when coercive and declaratory claims are closely intertwined, it is likely an abuse of discretion for a federal court to abstain from exercising its jurisdiction, even in cases involving unsettled state law. As a result, the decision by an Ohio federal district court to remand declaratory claims to state court was vacated.

This ruling comes as Fire-Dex, a manufacturer of firefighter protective equipment, faces numerous lawsuits over alleged PFAS exposure, with the underlying cases consolidated in federal multidistrict litigation. The Sixth Circuit reviewed the various tests applied by the various federal circuits and promulgated its own.

Seaman emphasized that "Congress invested federal courts with diversity jurisdiction, and the presence of declaratory claims does not divest the court of jurisdiction. Although courts have discretion as to whether to grant declaratory relief, they should entertain such actions and decide them where jurisdiction exists."

He also addressed the Sixth Circuit panel's reference to the 1995 U.S. Supreme Court ruling in *Wilton v. Seven Falls Co.*, describing it as a "judge-made abstention doctrine that is not mandated by the Constitution." Seaman observed that it is often invoked to deprive insurers of access to federal court where diversity jurisdiction is present.

Highlighting the federal courts' involvement in this case, Seaman said, "Federal courts have proven to be no less capable than state courts in deciding both well-settled and novel questions of state law generally or with respect to insurance law." He added: "Indeed, the recent history of the large number of COVID-19 business interruption insurance coverage cases demonstrates that federal courts are quite adept in ruling on state court coverage issues with and without existing state law precedent, and they handled the cases very efficiently."

Attorneys

Scott M. Seaman

Service Areas

Environmental



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

- [Law360 Insurance Authority: "6th Circ. PFAS Ruling Entrusts Coverage Suits To Fed Level"](#) (June 12, 2025)