

United States Fidelity & Guaranty Company and St. Paul Fire & Marine Insurance Company v. American Re-Insurance Company; Excess Casualty Reinsurance Association; Ace Property & Casualty Company; Century Indemnity Company; And One Beacon

Year: 2011

Court: Court of Appeals, State of New York

Case Number: New York County Clerk's Index No. 604517/2002

UP encouraged the Court to uphold a lower court's decision below with respect to the "follow the fortunes" doctrine. The purpose of insurance is to insure - even when the insured is another insurance company. Further, policyholders, whether they are aware of it or not, are dependent on reinsurance. The reinsurance market would struggle to exist in its current form if the follow the fortunes doctrine did not provide adequate protections to a ceding insurer when settling with its insured. It also would struggle to exist were reinsurers permitted to act as claims handlers, which would be the end result of adopting Appellant-Reinsurers' ("Reinsurers") position as to the follow the fortunes doctrine.

UP's brief was drafted pro bono by John Ellison and Jill Averett, Reed Smith LLP, Amy Bach, UP Exec. Dir.