

RESPONSIVE AND CUSTOMIZED SOLUTIONS

As a premier law firm serving the legal needs of the insurance and reinsurance industries, Sonnenschein attorneys have significant experience representing clients on reinsurance matters in both the property and casualty and life and health markets. Our services include dispute resolution, ranging from mediation to adversarial arbitration and litigation; transactional work, including contract and treaty drafting, assumption reinsurance and commutations; regulatory compliance, including compliance with risk transfer and SSAP-62 requirements; and legislative matters.

Our clients' concerns range from simple two-party disputes to complex multiparty international cases involving billion-dollar exposures. We bring substantive knowledge of the insurance and reinsurance industries, as well as a thorough understanding of its special capital concerns.

Our in-depth understanding of the global reinsurance industry, including the laws and regulations that affect the industry, allows us to provide focused reinsurance advice to ensure that risks are properly addressed in reinsurance and related agreements and that disputes are resolved effectively and efficiently.

Our Services

REINSURANCE DISPUTE RESOLUTION • REGULATORY • TRANSACTIONAL

We represent both domestic and non-U.S. ceding companies and reinsurers in all types of reinsurance transactions. Our dispute resolution experience is extensive, including representation of both reinsurers and cedants in litigation and arbitration matters dealing with clash covers, catastrophe covers, workers' compensation carve-out coverage, environmental coverage issues, accounting and actuarial disputes, contract wording issues, fraud and rescission claims, pools, declaratory judgment expenses and fronting and agency issues. Our transactional experience extends to creating and documenting reinsurance programs and all forms of reinsurance agreements, including treaties, facultative agreements, security agreements, trust documents, commutation agreements, cut-through endorsements and related letters of credit. Among the types of matters we have handled are the following:

- Representation of reinsurers, ceding companies or receivers in most major insurance insolvencies in the United States since 1986
- Representation of non-U.S. reinsurers in actions proceeding simultaneously in New York, California, Australia and the U.K.
- Representation of a European reinsurer in an arbitration held in London interpreting New York law on the issue of whether the reinsurer was required to provide coverage to the U.S. cedant's insurance program over a period of years (involved the Bermuda Form used by the energy industry)
- Representation of major insolvencies and run-offs worldwide, including those in the U.S., U.K., Japan and Bermuda (and including representations of both the reinsurers and the insolvent estates)
- Representation of a long-term care reinsurance pool manager in an arbitration proceeding initiated by a pool member alleging mismanagement and breach of fiduciary duty
- Representation of a reinsurer in a federal court action brought by a ceding company seeking to require the reinsurer to post active life reserves and pay those reserves to the ceding company upon program cancellation
- Representation of a reinsurer in federal court in a declaratory judgment action seeking to rescind reinsurance coverage for a non-standard auto program in New York
- Representation of a reinsurer in the drafting and negotiation of a capital maintenance agreement with the reinsurer's domiciliary regulator to avoid risk-based capital action events
- Representation of a reinsurer in conducting an internal investigation involving broker compensation issues and representation of the reinsurer in subsequent regulatory actions
- Representation of a reinsurer in the acquisition of the life reinsurance operations of a major competitor, including conducting the due diligence, negotiation and drafting of the stock purchase agreement
- Representation of reinsurer in drafting a finite reinsurance master agreement and facultative placement slips
- Representation of captive reinsurer in drafting reinsurance program documents with fronting insurer, including reinsurance, security and administration agreements
- Negotiation and drafting commutation agreements on behalf of ceding companies, reinsurers, captive reinsurers and insolvent company liquidators
- Negotiation and documentation of assumption reinsurance agreements, including transactions with troubled companies seeking surplus relief

- Negotiation and documentation of novation agreements, including transactions between affiliates involved in holding company restructurings
- Drafting of inter-company pooling agreements and revising pooling agreements to ensure continued regulatory compliance
- Obtaining of regulatory approval of pooling agreements, assumption agreements and bulk reinsurance transactions
- Negotiation and drafting of excess stop-loss reinsurance agreements to facilitate mergers and acquisitions
- Negotiation and drafting of indemnity reinsurance transfer agreements and assumption and novation reinsurance agreements and developing related regulatory compliance and approval plans