



Catastrophe Insurance Law: In the Eye of the Storm

Sonnenschein.
SONNENSCHN NATH & ROSENTHAL LLP

Sonnenschein has responded to many of the largest catastrophes in U.S. history, including the World Trade Center attack, the Northridge earthquake, Hurricane Katrina and the Southern California wildfires.

“ This powerhouse litigation firm is known for its “sophisticated and thorough” work in insurance and its ability to pull together a sterling set of resources. The firm fields a wide range of specialists, which it can use to staff complex cases. Its recent track record ranges from involvement in the WTC litigation to Hurricane Katrina-related issues. Matters are handled by a number of offices at any one time and practitioners are said to “work tirelessly and creatively to help manage disputes” and “create briefings that are strong and impressive.” Key areas of interest are bankruptcy and insolvency in insurance companies, class actions and catastrophic loss in both appeals and litigation. The firm also has strength in personal lines insurance and in regulatory proceedings. ”

—*Chambers USA*

*America's Leading Lawyers
for Business, 2007*

The law firm of choice for insurance companies faced with catastrophes and their resulting claims

So much is at stake when natural or man-made catastrophes occur. For insurers, few things are as important as having counsel who can navigate, guide and maneuver easily and quickly because they've been there before and won. When it comes to responding to catastrophe insurance matters, Sonnenschein Nath & Rosenthal LLP is intimately familiar with the terrain. The positive results we've produced for our clients make that clear.

Since 1931, Sonnenschein has been among the nation's leading law firms for the insurance industry. We handle the largest and most difficult insurance litigation, class actions and coverage issues for more than 100 insurance carriers. With 700 lawyers and other professionals in 13 U.S. offices and Brussels, and experience with many of the most catastrophic events in U.S. history, Sonnenschein is the go-to firm for insurers responding to major natural or man-made disasters. More than 100 of our attorneys, residing in every region served by the firm, devote the vast majority of their practice to some facet of the insurance business.

Sonnenschein's insurance lawyers are consistently singled out for recognition in *Chambers USA: America's Leading Lawyers for Business* because of the quality, sophistication and experience they bring to each representation.

Our clients tell us that we are better than any other firm when it comes to rapidly assembling appropriately sized teams from multiple offices that function seamlessly without clashing egos or internal competition.

When responsiveness counts most, clients count on us

Natural and man-made catastrophes breed high-stakes, high-volume litigation. Such matters call for thoughtful litigation strategies from a law firm that is equipped to deliver on short notice all the resources an insurer requires. That kind of responsiveness is a hallmark of the way Sonnenschein serves its clients. We have the lawyers, the experience, the organization and the size to respond immediately.

Moreover, we have a proven track record. Sonnenschein has spearheaded rapid coverage response and litigation defense following the nation's biggest catastrophes. Sonnenschein also is there when catastrophic coverage claim issues become regulatory and legislative issues. The firm monitors legislative and regulatory developments, responds to insurance department inquiries, negotiates with insurance department personnel, testifies before legislative committees and assists in drafting policy language. Sonnenschein has been retained to respond to many of the largest catastrophes in U.S. history, including:

- 2005 Hurricanes Katrina and Rita and other Gulf Coast storms
- 2003 Southern California wildfires
- 2001 World Trade Center attack
- 1994 Northridge earthquake
- 1993 Malibu and Laguna Beach firestorms
- 1991 Oakland Hills fire

Each catastrophic event creates unique coverage issues, and our attorneys respond in uniquely appropriate ways

After Hurricane Katrina, one of the largest natural disasters in U.S. history, Sonnenschein served as litigation coordinating counsel for three insurers.

Our involvement has included the following:

- Developing strategic coverage analysis immediately after the hurricane
- Guiding claims personnel in formulating and propagating guidelines for claims handling in Mississippi, Louisiana and Texas

- Helping select experts to provide both global strategic analysis and large loss evaluations
- Defending individual suits involving large losses
- Defending class action litigation involving numerous coverage issues, such as:
 - the meaning of the “water damage” (flood) exclusion
 - the application of valued policy law
 - the proper payment of business interruption claims
 - appropriate price calculations for actual cash value and replacement costs



Katrina & Rita

Water from a levee along the Inner Harbor Navigational Canal pours into New Orleans after the structure broke under the force of Hurricane Katrina.

In 2007, Sonnenschein obtained a major victory for an insurance company client after arguing the key coverage issue relating to Hurricanes Katrina and Rita before the Fifth U.S. Circuit Court of Appeals.

Sonnenschein’s assistance to its clients in the aftermath of Hurricane Katrina, however, goes far beyond coverage analysis and litigation defense. Our team was actively engaged in analyzing the construction, maintenance and failure of the levees in the New Orleans area. The firm has prepared witnesses for state legislative hearings, insurance department investigations, grand jury investigations and congressional investigations. Leveraging our extensive regulatory experience,

we have worked with state regulators to implement policy language changes and rate filings. We have analyzed region-wide business interruption as it affected individual policyholders’ business interruption coverage and periods of restoration. Our team also has advised on proper means of documenting, and distinguishing between, flood and wind losses, and developed formats for responding to policyholders in compliance with regulatory requirements.

The 2005 Gulf Coast storms show, once again, that—when catastrophe strikes—no other firm brings the breadth, depth and quality of litigation, counseling and regulatory experience to the aid of its insurance clients.

More than litigation defense

When time is of the essence, the nation's largest insurers trust our ability to coordinate responses and handle major coverage issues, regardless of the size or scope of the disaster. Sonnenschein lawyers offer immediate emergency assistance, develop positions on anticipated significant coverage issues and provide advice and support within days of the events. Sonnenschein offers a broad spectrum of legal services following catastrophes and disasters, whether natural or man-made. Those services include the following:

- Class action defense
- Coverage litigation defense
- Appellate litigation
- Internal investigations
- Regulatory counseling and lobbying

Sonnenschein recognizes that our clients require a comprehensive approach to the catastrophes they handle. Our catastrophic response attorneys regularly advise on claim

investigation protocols and assist with retention of engineering and other experts, as well as developing protocols for outside experts and other vendors. We draft form claim correspondence adapted to particular losses and the issues they create, and even attend "town hall" meetings with insureds to explain the insurers' responses to losses and develop information on specific problems for claim handling.

When regulators mandate mediation, Sonnenschein lawyers develop mediation protocols. Following the Oakland Hills fire, we worked with the California Department of Insurance and the city of Oakland to coordinate a debris-removal effort among 40 insurers, obviating the need for hundreds of efforts on behalf of individual policyholders.

When it matters most and you must respond to catastrophic losses, Sonnenschein is capable of addressing your needs comprehensively, from start to finish.



Northern California
earthquake damage



Sonnenschein serves the legal needs of many of the world's most admired businesses, nonprofits and individuals. With offices across the U.S. and in Brussels and a global reach throughout the Americas, Asia, Europe and the Middle East, we are well positioned to help our clients prosper and grow.

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