

MReBA Cover Notes --

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Spring 2013

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Welcome!

On behalf of the Newsletter Committee, I hope you will enjoy this springtime issue of the Massachusetts Reinsurance Bar Association newsletter. This quarter's issue features a spotlight on Lexington Insurance Company's Steve Zera, a thoughtful examination of insurance and reinsurance coverage issues stemming from Superstorm Sandy, and a timely case comment on the New York Court of Appeals' recent ruling in *USF&G v. American Re*. As you can see from the immediately following item, too, MReBA's spring cocktail reception is just around the corner - we hope you will join us for this relaxing and fun event!

On a personal note, this is my last issue as chair of the Newsletter Committee. The work that the Committee does is truly excellent, and I am honored to have been able to help guide its work these past two years. We all truly enjoy putting these issues together, and hope you find the articles engaging and worthwhile.

Alexander G. Henlin

Edwards Wildman Palmer LLP
Chair, Newsletter Committee

MReBA

Massachusetts Reinsurance
Bar Association

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MReBA Calendar

MReBA Meetings:

April 24, 2013 at 3:30 p.m.
Hampshire House,
Boston, MA
Annual Meeting & Spring
Cocktail Reception

General Interest

Opening Day

Fenway Park
April 8, 2013

[RIMS 2013 Conference](#)

Los Angeles, CA
April 21-24

[ARIAS 2013 U.S. Spring Conference](#)

Palm Beach, FL
May 8-10

[NAIC E-Reg Conference](#)

Kansas City, MO
May 21-24

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Save the Date for MReBA's Spring Cocktail Reception & Annual Meeting

Save the date!

Please join us at MReBA's Fourth Annual Spring Cocktail Reception, which will be held this year on Wednesday, April 24, 2013, beginning at 4:30 at the Hampshire House in Boston. As in past years, this event presents not just an opportunity for networking in an informal setting, but also a chance to hear from some of the most experienced members of the reinsurance industry and bar.



We are delighted to announce that Myra E. Lobel, Managing Director at Guy Carpenter & Company in New York, will be this year's guest speaker. Myra will share her insights on the implications for brokers, insurers and reinsurers of the growing frequency of events like "Hurricane/Super Storm Sandy," a topic of significant interest and concern across all aspects of the industry.

You need not be a MReBA member to attend the Reception, but an RSVP is required as space is limited. To RSVP, please contact Shelley Swanson at swanson@srbc.com.

Finally, if you are a MReBA Member, we urge you to also attend the Annual Meeting which will also take place on April 24 at the Hampshire House starting at 3:30. The Reception starts immediately after the Annual Meeting. If you are not yet a MReBA member, now is a great time to join, at www.mreba.org.

We hope to see you all on April 24th.

Susan Hartnett

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Industry Spotlight: Stephen Zera, AIG Property Casualty

By [Alexander Henlin](#)
Edwards Wildman Palmer LLP

Midway through our rolling conversation, Steve Zera stopped. He looked me straight in the eye, and said: "Reinsurance is more than just business. It's a people business; it's about the contract, yes, but also the business context and relationships." With those words, this twenty-year industry veteran and reinsurance claims manager for AIG Property Casualty in Boston spelled out what it is that inspires his work each day.

Steve entered the industry in 1990's, fresh out of Boston University. A native of Connecticut, his first insurance industry job was handling direct environmental claims for Travelers at its office in Hartford. He credits that experience, and the talented professionals with whom he worked, with

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instilling in him a practical appreciation for claims handling - from intake, through adjustment, and ultimately to resolution. "Claims is an apprenticeship, both an art and a science," Steve says. "You need to find professionals within and without your company with experience, willing to pass along the skill set. In turn hopefully you pass that along as you progress your career."

To read this article in full, please click [here](#).

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Hurricane Sandy's Civil Authority Issues Bear Watching by Reinsurers

By [Seth V. Jackson](#)
Zelle Hofmann Voelbel & Mason LLP

As both insurers and reinsurers are well aware by now, the destructive path left by Hurricane Sandy in many Northeast states such as New York, Connecticut, and New Jersey was devastating. To date, reports have estimated property damage at \$71 billion, lost business activity at \$25 billion, homes without power at 8 million, and homes destroyed at 305,000. Such damage has led to a proliferation of Sandy-related insurance coverage issues.

Given the mandatory evacuation orders issued by the governors of New York, Delaware, New Jersey, and Connecticut, one coverage issue arising from Hurricane Sandy that may have a potentially large impact on the insurance and reinsurance industry is civil authority coverage for business interruption losses.

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USF&G v. Am Re: An End Or A New Beginning?

By [Michael Aylward](#)
Morrison Mahoney LLP

In the latest chapter of an asbestos coverage dispute that began over twenty years ago, the New York Court of Appeals has issued a provocative and interesting analysis of the interplay between a reinsurer's duty to "follow the settlement," and its right to challenge the cedent's allocation methodology where the settled claims have significant components that seemingly fall outside the scope of the reinsurance agreements at issue. Massachusetts practitioners will want to take note of the decision, because the complex issues addressed by the court are ones that tend to recur in reinsurance disputes.

In *United States Fidelity & Guaranty Co. v. American Re-Insurance Co.*, No. 1 (N.Y. Feb. 7, 2013), the Court of Appeals ruled that while reinsurers could not dispute the trigger and allocation methodology used to settle the underlying claims, summary judgment should not have been granted to the

cedent due to substantial evidence that called into question the values that the cedent had assigned to certain types of claims and the failure to assign any value at all to the insured's bad faith claims.

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Please keep your contact information up-to-date at <http://www.mreba.org/members/index.php> including any job or e-mail changes. If you have any questions, you can contact Seth Jackson at sjackson@zelle.com.

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