White and Williams LLP

Judicial Review of Arbitration Decisions

ARIAS Quarterly **| July 1, 2015**

By: Daryn Rush and Timothy Russell

Most reinsurance contracts provide for arbitration rather than litigation to resolve contractual disputes between the parties. As in many other commercial contexts, the benefits generally claimed for reinsurance arbitration – expedition and relative efficiency, relaxation of procedural formalities, a decision maker familiar with the pertinent subject matter, and confidentiality – go hand in hand with the recognition that judicial intervention in the arbitral process, if any, should be extremely limited. Thus, once the arbitrability of a dispute is established by the parties' consent or, if necessary, by judicial action under Section 3 or 4 of the Federal Arbitration Act (FAA), further judicial involvement is, for the most part, restricted to proceedings under Sections 9 or 10 of the FAA to confirm or vacate an arbitration award. In keeping with the goals thought to be served by resort to arbitration rather than litigation, review under these sections is strictly confined to the handful of "narrow grounds" set forth expressly in Section 10, and ordinarily even an arbitrator's serious error of law or fact will not warrant vacation of an award or forestall its confirmation. These substantial restrictions on the scope of judicial intervention help to assure that the goals of economy, expedition and expert decision making are served, and that arbitration does not become "merely a prelude to a more cumbersome and time-consuming judicial review process."

Daryn Rush and Timothy Russell address these issues in their article, "Judicial Review of Arbitration Decisions."