

## Reinsurance Group Confirms Arbitration Award, Successfully Strikes Cross-Petition

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### September 27, 2011

On September 27, 2011, the United States District Court for the Southern District of New York granted a motion to confirm a reinsurance arbitration award filed by Christine Russell, David Weiss and Ellen Burrows on behalf of Century Indemnity Company. (*Century Indemnity Company v. Equitas Insurance Limited et al.*, 2011 WL 4526672 (S.D.N.Y. Sept. 27, 2011)). The court also granted Century's motion to strike a Cross-Petition to confirm the award filed by respondent Harper Insurance Limited, which the court found Harper had filed for the improper purpose of using the court's public docket to influence non-parties to the action.

The underlying arbitration concerned a reinsurance treaty known as the Global Slip. In 2001, certain London Market Reinsurers announced new documentation requirements that had to be met before they would pay asbestos-related losses under the Global Slip. Believing those reinsurance documentation requirements to be extra-contractual and improper, and that the London Market Reinsurers were using them to unfairly delay payment, Century initiated arbitration under the treaty, which was resolved by final award in 2009. Century moved to confirm the award and filed a motion to seal, which was denied. Century's motion included a short statement of the facts that led up to the arbitration, including the imposition of the documentation requirements.

Despite the fact that Century was already seeking confirmation of the award, Harper subsequently filed its own motion to confirm and included a lengthy factual background section recounting in detail how and why, from Harper's perspective, an arbitrable dispute had arisen between the parties. Century filed a motion to strike that cross-petition. In a written opinion, Judge Naomi Reice Buchwald agreed with Century that Harper's motion was improper under Federal Rule of Civil Procedure 12(f) regarding "redundant, immaterial, impertinent or scandalous" material. The court found Harper's filing, which sought the same relief as Century's petition, was not justified under the circumstances and merely a pretext for dissemination of Harper's views on the parties' dispute. Upon striking Harper's filing, the court granted Century's unopposed motion to confirm.

### Practice Areas

Commercial Arbitration

Reinsurance