

Second Circuit Court of Appeals Affirms Summary Judgment on Financial Services Exclusion for Saiber Client

February 16, 2012

In February 2012, the Second Circuit Court of Appeals affirmed the Federal District Court's grant of summary judgment to our client, Travelers Property Casualty Company of America, in a coverage action commenced by Madison National Life Insurance Company. Madison National alleged that Travelers had wrongly denied coverage for an underlying action and sought reimbursement of defense costs.

The Second Circuit held that the underlying claims, including breach of contract and defamation claims, fell within the Travelers general liability policies' Financial Services Exclusion. The Court found that Madison National's relationship with its managing general underwriter qualified as "financial services" as described in the exclusion, and held that the exclusion applied because the underlying claims arose out of the termination of that relationship.