

Court Finds Reinsurance Information Relevant and Discoverable

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A federal district court in New York has held that an insurer has an obligation to disclose reinsurance information pursuant to its discovery obligations under Rule 26(a) of the Federal Rules of Civil Procedure. *Suffolk Fed. Credit Union v. Cumis Ins. Soc., Inc.*, 2010 WL 4116639 (E.D.N.Y. Oct. 19, 2010).

The insured filed an action contending that the insurer was obligated to provide coverage under a fidelity bond for losses the insured sustained based on acts committed by a third party. During discovery, the insured served an interrogatory seeking the identity of any reinsurer that could indemnify the insurer for the losses. The insurer objected to the interrogatory, and the insured filed a motion to compel. The court held that the insurer was obligated under Rule 26(a) to disclose reinsurance information to the insured. In so holding, the court noted that the Advisory Committee Notes supplementing Rule 26(a) indicate that disputes pertaining to the relevance of reinsurance information should be resolved "in favor of disclosure." Moreover, the court concluded that the case law in the Second Circuit considering the issue had "determined that reinsurance information is indeed discoverable."