

Insurance Group Of The Year: Dickstein Shapiro

By **Christopher Norton**

Law360, Washington (January 10, 2012, 6:41 PM ET) -- When the Oregon Province of the Society of Jesus needed to come up with insurance money to pay victims of sexual abuse, or when San Diego Gas & Electric had to tap more than \$1 billion in policies to settle wildfire damage claims, they knew to turn to Dickstein Shapiro LLP, whose dominance of the policyholder bar makes it one of Law360's Insurance Groups of 2011.

Dickstein was tasked by an Oregon bankruptcy court with recovering insurance money on behalf of the debtor, the Oregon Province, to pay roughly 530 sexual abuse victims who had been abused by certain Jesuit priests in the 1960s, '70s and '80s. In July, the court approved a \$168 million settlement between the Oregon Province and the victims, almost \$120 million of which came from insurance recoveries, thanks to Dickstein.

The overall settlement was the third largest clergy abuse settlement in history. The province's \$118 million settlement with Safeco Insurance Co., achieved in large part because of Dickstein's work, is believed to be the largest single insurer payment ever in clergy abuse, according to Dickstein's Jim Murray, who led the team in recovering insurance funds to pay the victims.

"Our focus remains in helping institutional entities collect insurance proceeds to help pay those who suffered alleged abuse," practice group head Kirk Pasich said.

Another major victory for the firm arose from three significant wildfires that burned a substantial portion of San Diego County in 2007. The losses from those wildfires were estimated to exceed \$2 billion. Fifteen thousand homeowners and insurers, asserting claims as subrogees based on amounts that they paid to homeowners for damage to their property, sued SDG&E, claiming that SDG&E's power lines were a substantial factor in causing the wildfires. The power company retained Dickstein to negotiate with its insurers and procure coverage.

Dickstein has now settled with all of SDG&E's insurers, and has so far collected more than \$1.6 billion, without filing litigation, with expectations of recovering hundreds of millions more, according to Pasich.

"It's a unique result," Pasich said. "I'm not aware of that result being accomplished without litigation elsewhere."

The firm notched another big coverage win in 2011 for Estee Lauder against OneBeacon Insurance Co., in a landmark New York state appellate decision that held that an insurance company waives any known policy defenses that it fails to specify in its presuit coverage position letter.

The case arose from underlying Comprehensive Environmental Response, Compensation and Liability Act claims against Estee Lauder. The appellate court held that if an insurance carrier fails to set forth any known policy defenses in their coverage position letter, they are waived forever.

“That's a huge big picture win for policyholders across the state of New York,” Jared Zola, deputy practice group head and a lead attorney on the Estee Lauder case, said. “That's amazing precedent for any policyholder. It will probably change the way insurers have to do business. They now risk waiving defenses before there's ever a litigation.”

Insurance claims relating to bankruptcy proved to be a major boon for Dickstein in 2011 as well, with the bankruptcy of Leslie Controls Inc., which spent years fending off asbestos claims by plaintiffs who alleged they had been harmed by the company's valves and water pumps, taking center stage.

Thanks to Dickstein, the debtor's trust to address all pending and future asbestos-related claims received the rights to \$43.5 million worth of insurance policies. Leslie Controls was able to get through the bankruptcy process in just seven months.

“From the company's perspective, Leslie was and is a healthy company, were it not for this historical legacy of asbestos liability, said” Dickstein's John Heintz, who shepherded Leslie through the process. “This allowed it to free itself of that and return to viable operations going forward. That is first and foremost the most important achievement: neutralizing the insurance issues so the company could achieve its goals.”

Dickstein has roughly 60 attorneys who devote 100 percent of their time to insurance law, with many more who incorporate insurance into their practice in some way, according to Pasich. While the insurance group brought in several high-profile hires in 2011 including Heintz, among others, Dickstein handpicks its new arrivals judiciously, he said.

“We don't have a mode that says, 'Let's grow for growth's sake,'” he said.

Dickstein's insurance group also prides itself on its high level of associate involvement, unique among larger firms, which it hopes will sustain the group for many years.

“Where our practice will go is determined by our associates,” Pasich said. “I don't know of another firm that does that.”

Zola agreed, saying he was told as an associate that Dickstein plans on being the preeminent policyholder firm in the country for decades to come, and believes its emphasis on youth is the real deal.

“The fact that they're lining up 30-year-olds to take over this practice in the near term is just amazing,” he said. “You won't find that at another firm, particularly of this caliber, doing that.”

Methodology: In November, Law360 solicited submissions from over 500 law firms for its practice group of the year series. The more than 550 submissions received were reviewed by a committee of Law360 editors. Winners were selected based on the significance of the litigation wins or deals worked on; the size and complexity of the litigation wins or deals worked on; and the number of significant, large or complex deals the firms worked on or lawsuits the firm had wins in. Only accomplishments from Dec. 1, 2010, to Dec. 1, 2011, were considered.

--Editing by Lindsay Naylor.

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