

Stephen Raptis in Law360: 'D&O Insurance Cases to Watch in 2022'

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Insurance coverage battles involving special-purpose acquisition companies, the Seventh Circuit's take on False Claims Act-related coverage disputes and the Delaware high court's take on whether appraisal actions are securities claims have set up 2022 as another big year for director and officer insurance rulings.

Here, *Law360* breaks down top D&O insurance cases and trends to watch this year.

The U.S. Securities and Exchange Commission clearly said it is going to tighten securities law enforcement over SPACs, and investigations by the agency are expensive and difficult to defend, said Stephen Raptis, a partner at Haynes Boone who represents policyholders.

At least three D&O policies are needed during a SPAC transaction, according to Raptis: one for the SPAC company, one for the target entity and, if the transaction goes through, there needs to be a third D&O policy to insure that, he said.

It will just be a matter of time before coverage battles over SPACs crop up, he added.

"Insurers are all going to point the finger at each other" to avoid coverage obligations and "that will create a huge amount of work for lawyers to figure out how the policy language applies," Raptis said.

Haynes Boone's Raptis said the Delaware Superior Court's ruling was not surprising given the state high court's strong position in a 2020 ruling that an appraisal action against Solera Holdings Inc. was not covered under its D&O policies.

However, Raptis pointed out, Solera's policy language was more restrictive in that it required a violation of law or wrongful acts, while the Jarden policy only required "any wrongful act." Under the Solera policy language, the Delaware high court held that an appraisal action is not a securities claim because it is a "neutral proceeding" that involves no adjudication of wrongdoing or violations of law.

To read the full article, click [here](#).