

Ernest Martin in Law360: The Biggest Insurance Decisions of 2018

December 18, 2018 Ernest Martin

RELATED PRACTICES Insurance Recovery, Litigation

Haynes Boone Partner [Ernest Martin](#) talked with *Law360* for an article about the biggest property and casualty insurance decisions of the year.

Here is an excerpt:

On July 6, a panel of the Second Circuit upheld a lower court's decision that Federal Insurance Co. must cover a \$4.8 million loss that Medidata Solutions Inc. suffered when it was tricked into wiring money overseas by fraudsters who posed as Medidata's president in email messages.

A week later, a Sixth Circuit panel reversed a lower court's decision and ruled Travelers Casualty and Surety Co. of America must cover more than \$800,000 that tool manufacturer American Tooling Center Inc. lost when thieves posing as a vendor used fraudulent emails to deceive the company into wiring money to a sham bank account.

Both appellate panels rejected the insurers' contentions that the computer fraud provisions in question were designed to cover only instances of direct hacking into policyholders' computers, and not manipulative email-based phishing schemes.

Haynes Boone Partner Ernest Martin said the appellate panels' refusal to adopt the insurance companies' narrower readings of their policy language will be a boon to policyholders targeted by similar scams.

"If you think about it, you have crime and fraud coverage, and that is exactly what you are talking about here," Martin said. "That is why companies buy these policies. These two opinions got it right and rejected the insurance companies' strained interpretation of their policy language."

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