

Buchman in Law360: Ruling May Increase Reinsurers' Caution in Insureds' Dealings

August 20, 2025 Barry Buchman

PRACTICES Insurance Recovery

A Texas federal judge's ruling allowing a chemical manufacturer to pursue a direct claim against a reinsurer over a \$100 million business interruption dispute may prompt reinsurers to be more cautious in their dealings with insureds, according to *Law360*. Haynes Boone [Insurance Recovery](#) Partner [Barry Buchman](#) spoke to the news outlet on the risks of direct claims that reinsurers face when acting like direct insurers.

Read an excerpt below.

Policyholder attorney Barry I. Buchman of Haynes Boone agreed that, to an extent, Factory Mutual and other reinsurers were already on notice that this could happen due to the existence of decades of case law.

"I think if nothing else, this is a reminder to reinsurers about the consequences of acting as a direct insurer," Buchman told *Law360*, but "I hesitate to say it's a game changer in terms of behavior because they are presumed to know about these prior decisions that go back 20-plus years."

Although not cited in this decision, Buchman previously represented a policyholder in a direct action against a reinsurer, *World Omni Fin. Corp. v. Ace Capital Re, Inc.*, where a New York federal court ruled in his client's favor to leave the action intact, although it was later vacated on other grounds.

Buchman told *Law360* in his argument he cited many of the cases Judge Truncale did, explaining that although there may be variances in case law as there are with many insurance issues, there is a majority view on this topic.

"I think the majority view which will continue to be followed is the outcome my client previously obtained and that this policyholder obtained. But will reinsurers to some extent think, 'Well, I know if I'm in X state or Y state, I think I've actually got a better shot and so I don't need to worry as much'? That's possible," he shared. ...

The admission of these emails underscores the importance of documenting everything, Buchman said.

"If you are having these direct dealings with the reinsurers, make sure you are memorializing them because, obviously, you can always offer an affidavit or a declaration swearing that I had this phone call and that in-person meeting. But contemporaneous evidence from the time before there was a dispute about it is particularly powerful," Buchman said.

[Read the full article from *Law360* here.](#)