

Halprin in Law360: SL Policyholders Gifted Court, Underwriting Wins in 2024

December 6, 2024 Peter Halprin

PRACTICES Insurance Recovery

2024 was a good year for policyholders, bringing favorable court rulings and easing cyberinsurance markets. Haynes Boone [Insurance Recovery](#) Partner [Peter Halprin](#) discussed some of these positive cyberinsurance decisions and their impact with *Law360*.

Read an excerpt below:

"An overall trend is we're getting cyberinsurance decisions, and we're getting cyberinsurance case law, and I think that's really helping with a still-nascent market," said Peter Halprin of Haynes and Boone, LLP.

In January, the Fifth Circuit overturned a district court's finding that Southwest Airlines was barred from using its cyberinsurance to cover the costs for remediating the airline's 2016 network disruption, saying customer compensation packages are not excluded simply because they are discretionary expenses.

The panel hedged its decision at the time by sending the case back to the lower court to review whether each of the costs Southwest claims are sufficiently connected to the system failure to qualify for coverage.

Still, Halprin noted that part of what made the decision so dear to policyholders was in the dearth of case law on cyberinsurance issues such as these.

"It's a citable, referenceable, published decision," he said. "Not only does it come from a prominent court and is on such important issues, but there's really no contrary authority out there."

The issues at play in the Southwest case only grew in salience as a new high-profile disruption seemed to mark each passing month, including a ransomware attack against auto software company CDK Global and a software error by cybersecurity provider CrowdStrike that grounded most North American flights.

Halprin noted that the Fifth Circuit's in-depth scrutiny was also important because many companies often work to win customers back after a major disruption.

"I think that's a guiding principle for any number of businesses that get hit with a cyberattack and are saying, 'How do I keep my customers here?' And they incur these extra expenses to do so," he said. "It's helpful for them to know that that's likely to be covered."

[Read the full article here.](#)