



A PROFESSIONAL ASSOCIATION  
1717 ARCH STREET  
46<sup>TH</sup> FLOOR  
PHILADELPHIA, PENNSYLVANIA  
19103-2713  
PHONE: 215.568.4104  
FAX: 215.568.4105  
[www.fblaw.com](http://www.fblaw.com)

DAVID M. FUNK (MD)  
BRYAN D. BOLTON (MD, PA)  
REN L. TUNDERMANN (MD)  
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JAMES F. TAYLOR (MD)  
HUGH M. BERNSTEIN (MD)  
ERNEST A. CROFOOT (MD)  
JOHN I. ELLIS (DE)

SENIOR COUNSEL  
HISHAM M. AMIN (MD)  
  
ASSOCIATES  
AMY L. STRACHAN (PA, NJ)  
MITCHELL W. MAY (VA, DE)  
THOMAS KLEMM (MD, DC, PA)  
TAMAL A. BANTON (MD)  
DESIRÉE S. WILLIAMS (MD, IL, DC)  
SEIGRID T. RICH (MD)  
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M. DAVID MALONEY (MD, DC)  
PATRICK W. THOMAS (MD)  
NICOLE M. SANDUSKY (MD)  
BENJAMIN E. CARLSON (PA)

OF COUNSEL  
STEPHEN P. CARNEY (MD)  
AMANDA STAKEM CONN (MD)  
CHRISTOPHER E. DUNNE (PA, NY, DC)  
GARY C. HARRIGER (MD)  
DONNA B. IMHOFF (MD)  
MARK A. McNULTY (DE)  
DEBORAH R. RIVKIN (MD)  
RONALD L. SOUDERS (PA, DC)  
JOHN R. STIERHOFF (MD)

## REINSURANCE LAW BULLETIN

### **Re: Communications With Reinsurer Are Discoverable In Action Filed Against Life Insurer For Breach Of Contract And Bad Faith**

The United States District Court for the Northern District of California recently ruled that communications between a life insurer and reinsurer are discoverable in an action filed against the life insurer.

A beneficiary sued for breach of contract and bad faith after an insurer refused to pay life insurance benefits based on material misrepresentations in the application. The beneficiary served a subpoena on the reinsurer seeking documents. The insurer moved to quash the subpoena claiming communications with the reinsurer were irrelevant.

The court denied the motion to quash reasoning that the cases relied upon by the insurer, which found reinsurance information irrelevant, involved interpretation of policy terms and exclusions. Here, however, the issue was not contract interpretation, but why the insurer had rescinded the coverage and whether that decision was justified. Communications between the insurer and the reinsurer, therefore, were relevant and discoverable.

For further information or a copy of the decision, please contact Daryn Rush at 215.399.5773 or [drush@fblaw.com](mailto:drush@fblaw.com). Please visit our website at [www.fblaw.com](http://www.fblaw.com).

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