



INSURANCE LAW BULLETIN

Re: Court Holds Claims Arising Out Of Insurer's Termination Of Agent Agreement Are Subject To Binding Arbitration

The Circuit Court for Baltimore City recently dismissed a complaint filed by a producer against an insurer, holding that the claims are subject to binding arbitration pursuant to a provision in the terminated agent agreement.

The agent agreement provided that any "dispute, claim, question or disagreement arising out of or relating to this Agreement" would be resolved by binding arbitration. After the insurer terminated the agreement and reported the termination to the Maryland Insurance Administration, the producer filed a complaint against the insurer in circuit court, alleging fraud, defamation, intentional infliction of emotional distress, tortious interference with contract and negligence.

The insurer moved to dismiss the complaint, arguing that the tort and contract claims asserted by the producer are subject to binding arbitration. The Court agreed and granted the motion to dismiss, holding that all of the claims arise out of or relate to the agent agreement and, therefore, are subject to binding arbitration.

For further information, please contact **Derek B. Yarmis** (410.659.7762 or dyarmis@fblaw.com) or **Christopher W. Poverman** (410.659.7769 or cpoverman@fblaw.com), who represented the insurer. To learn more about our firm or review other law bulletins, please visit www.fblaw.com.

May 7, 2008
No: 2008-3