

Scott Seaman Explores Benefits of Judgment Preservation and Adverse Judgment Insurance in Law360

In The News | 1 min read

Aug 7, 2024

Scott Seaman, Chicago-based partner and co-chair of Hinshaw’s Insurance Services Group, shared his insights in a new *Law360 Insurance Authority* article, where he discusses the intricacies of judgment preservation insurance (JPI) and adverse judgment insurance (AJI).

He emphasized the role of specific policies in reducing financial risks linked to legal disputes. These custom policies generally cover judgments but not costs and often allow policyholders to select or retain their lawyers and manage the litigation. Seaman predicted rising demand for such insurance due to more litigation and larger verdicts, even with concerns about their effect on litigation financing.

Law360 Excerpt:

“These litigation policies are bespoke and tailored with respect to the specific litigation being insured and the policyholder,” Scott M. Seaman, a Hinshaw & Culbertson LLP partner who represents insurers, told *Law360*.

JPI and AJI policies typically cover only judgments, but not the litigation costs of pursuing or defending claims, Seaman explained, adding that policyholders “generally will continue to retain the authority to make all litigation-related decisions and may defend or prosecute through its counsel of choice.”

[...]

Seaman of Hinshaw & Culbertson further noted that the “concern over helping the plaintiffs’ bar does not seem to be a major limiting factor on the willingness of the market to write JPI.”

“In part, this is because many of the judgments underwritten involve judgments entered in business disputes of various types as opposed to personal injury cases,” he said. “Also, the reality is third-party litigation funding — rather than JPI — is funding the plaintiffs’ bars’ assault on corporate funds.”

[...]

Going forward, Seaman said he suspects in a “world rife with social inflation, nuclear verdicts and judgments, and litigation funding we will see more litigation insurance purchased and offered,” even though “tort cases with significant potential for nuclear verdicts traditionally may be less suitable for adverse judgment insurance.”

[Read the full article](#) (subscription required).

- “[Judgment Insurance Market Continues To Solidify, Attys Say](#)” was published by *Law360 Insurance Authority* on August 1, 2024.

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