

Scott Seaman Interviewed by *Law360* in its Report on the Top Commercial General Liability Rulings From the First Half of 2025

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Jul 21, 2025

Scott Seaman, Chicago-based partner and Co-Chair of Hinshaw's Insurance Services Group, was quoted in a recent *Law360 Insurance Authority* report, which recapped some of the top commercial general liability (CGL) rulings from the first half of 2025.

1. Home Depot Seeks CGL Coverage for \$50 Million Data Breach

In the first case, Seaman discussed the Sixth Circuit's affirmation of an Ohio federal court's decision holding that Home Depot Inc. could not recover \$50 million of defense and settlement costs from its CGL insurers, following a 2014 data breach. The court found that an electronic data exclusion in Home Depot's CGL policy precluded coverage for losses from the cyberattack.

Seaman described it as an "interesting case involving an attempt by the policyholder to create 'silent cyber coverage' where none exists under its general liability policies."

He explained that the losses were fundamentally cyber losses, adding that Home Depot's cyber insurers paid the full \$100 million aggregate limits toward them. However, Seaman told *Law360* that Home Depot "attempted to dip into another [general liability coverage] bucket" to use its CGL policy to cover additional losses beyond those limits.

Seaman said the Sixth Circuit used a "straightforward" analysis comparing the policy's electronic data exclusion language to the allegations in the complaint. The court concluded that the exclusion unambiguously applied, and therefore, the insurer had no duty to defend or cover Home Depot's data breach losses under its CGL policy.

2. Insurer Prevails in New York "Ghost Guns" Lawsuit

In the other case, *Law360* quoted [Seaman's previously published insights](#) discussing a significant New York federal court ruling determining that a unit of the American International Group (AIG) was not required to defend a firearms retailer in Washington state, which was facing allegations of having sold unfinished components that could be used to create “ghost guns.”

Seaman highlighted three key reasons why a CGL coverage limitation was applicable, concluding that this decision involves “well-traveled coverage territory” that will continue to appear in various contexts and jurisdictions:

“First, the gravamen of the actions usually involves intentional or deliberate conduct that generally does not constitute an ‘accident’ or ‘occurrence’ and, therefore, is not covered by general liability insurance;

Second, whatever the harm allegedly sustained by the governmental entity may be, it generally is not because of bodily injury; [and]

Third, the relief sought — such as abatement of a nuisance — often is not covered ‘damages’ under the policy.”

3. New Federal Jurisdiction Standard for Coverage Disputes

Finally, *Law360* referenced [Seaman's prior remarks](#) on the Sixth Circuit's significant ruling that federal courts should not abstain from exercising federal jurisdiction when coercive and declaratory claims are closely linked, even if state law is unsettled. The Sixth Circuit overturned an Ohio federal court's prior remand of declaratory claims to the state court.

Seaman noted that “Congress invested federal courts with diversity jurisdiction, and the presence of declaratory claims does not divest the court of jurisdiction. Although courts have discretion as to whether to grant declaratory relief, they should entertain such actions and decide them where jurisdiction exists.”

Read the full article (subscription may be required).

- *Law360 Insurance Authority*: “[Top General Liability Rulings From The First Half Of 2025](#)” (July 10, 2025)

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