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Scott Seaman Discusses Top Specialty Insurance Rulings From the First Half of 2026 with *Law360*

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Scott Seaman, a Chicago-based partner and Co-Chair of Hinshaw's Global Insurance Services Group, recently shared his insights with *Law360 Insurance Authority* on some of the most significant specialty insurance rulings from the first half of 2026, offering analysis of decisions with major implications for D&O coverage nationwide.

New Jersey Supreme Court Ruling

In the first case he discussed, the New Jersey Supreme Court broke new ground by upholding Berkley Insurance Co.'s withdrawal of its defense of Mist Pharmaceuticals LLC under a broad "dual capacity" exclusion in its D&O policy. Addressing the issue as a matter of first impression, the court denied all coverage and rejected the insured's estoppel and bad faith arguments.

"The majority properly rejected the insured's estoppel and bad faith arguments, noting the insurer consistently and repeatedly reserved its rights under the capacity exclusion throughout the five-year claims process," Scott said.

He also highlighted the strength of the ruling, noting that the court "emphasized the breadth of the exclusion," finding that "any overlap between alleged misconduct and an insured's role with an uninsured entity is sufficient to trigger it."

Delaware Supreme Court Ruling

In the second case Scott discussed, the Delaware Supreme Court delivered a significant win for policyholders when it ruled that insurers for Harman International Industries Inc. owed coverage for a $28 million settlement of stockholder litigation, rejecting the carriers' assertion of the "bump-up" exclusion. The court found the insurers failed to prove the settlement represented an effective increase in the price paid to Harman shareholders.

Scott observed that Delaware's prominence as the home to many US corporations makes the ruling especially impactful. He also noted the evolving landscape of Delaware corporate law, pointing to a trend of companies performing a "DExit" and reincorporating elsewhere as the state's courts have become more inclined to challenge corporate board decisions.

"The desire of Delaware courts to maintain this status as much as anything may explain the Delaware judiciary's reputation for being pro-policyholder in D&O liability insurance coverage matters," Scott said.

Read the full article

- *Law360:* "State High Courts Issue Top 2026 Specialty Insurance Rulings" (July 23, 2026)

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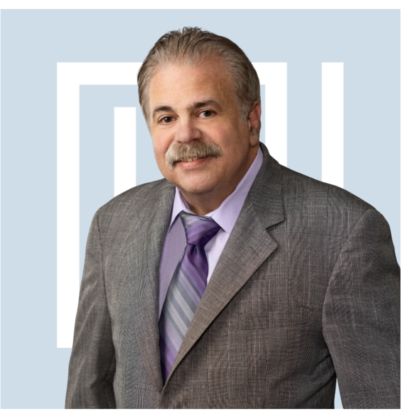

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