

“Delaware Deals A Blow To Insurers’ Delay Tactics”

Law360

It has been more than two decades since a New Jersey appellate court noted that insurers in the asbestos-coverage context live by the “unholy mantra” of “we collect premiums, we do not pay claims.” Warren Buffet’s Berkshire Hathaway has since elevated that criticism into a business model, exploiting the unique source of ready capital provided by the “float” inherent in a business that collects premiums today and pays claims, if ever, years later. Since its 2007 assumption of the assets and liabilities of Equitas, Berkshire has sought to maximize that float not merely by avoiding coverage claims, but by delaying payment on them as long as possible.

Robin Cohen, Keith McKenna, and Elizabeth Sherwin of McKool Smith published an article in *Law360* () which discusses their recent *Viking Pump* victory before the Delaware Supreme Court and its potential impact on long-tail claims for policyholders across the country.

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