

# Law360: AIG Must Defend Ex-Military Contractors In Acquisition Row

A New York federal judge has ruled that an insurance unit must defend the owners of a military contracting firm against claims by former directors, saying the former directors acted as executives instead of shareholders of the company.

U.S. District Judge Gregory H. Woods said on Saturday that National Union Fire Insurance Co. must provide defense to three former directors of Aegis who sold the company to Garda in 2015, and that a policy exclusion does not bar coverage.

National Union has maintained that the three executives at least acted in a dual capacity as both directors and shareholders while the policy excludes acts by the insured outside their role as directors. But the judge said there was "a reasonable possibility" that the underlying claims are not excluded.

"Because the Court cannot conclude with certainty that the policy does not provide coverage, National Union has a contractual duty to defend the plaintiffs against the Counterclaims," the judge said.

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