

New York Law Journal: Maritime Coverage Case About To Make Waves at Supreme Court

How should a federal court decide whether to enforce a choice-of-law provision? That's the question at the heart of *Great Lakes Insurance v. Raiders Retreat Realty*, a maritime coverage dispute that will be argued before the U.S. Supreme Court in October. See No. 22-500 (U.S. 2023). However the court rules, the decision could have wide-ranging implications for insurance disputes—even those on land.

A Shipwreck and an Appeal

The dispute arose after a yacht ran aground in 2019 near Fort Lauderdale, Florida. The yacht—although intact—sustained serious damage in the wreck. Its owner, Raiders Retreat Realty (Raiders Retreat), filed a claim for coverage with its insurer, Great Lakes Insurance (Great Lakes), which denied the claim after learning that the boat's fire extinguishers had not been inspected and recertified. Great Lakes then brought a declaratory-judgment action against Raiders Retreat (a Pennsylvania-based company) in the Eastern District of Pennsylvania.

Raiders Retreat responded with five counterclaims, including three under Pennsylvania law for breach of fiduciary duty, bad faith liability under 42 Pa. Cons. St. §8271 and violations of Pennsylvania's Unfair Trade Practices and Consumer Protection Law.

Even though Great Lakes initiated its lawsuit in Pennsylvania, the carrier moved for judgment on the pleadings as to Raiders Retreat's three Pennsylvania counterclaims. It pointed to the policy's choice-of-

law provision that would apply federal admiralty law where “well established, entrenched” precedent exists, and, in the absence of that precedent, New York law. Great Lakes contended that in the absence of federal admiralty law, Raiders Retreat’s counterclaims were not cognizable under New York law, and thus they failed on their face.

Click [here](#) to read the full article.

Related People

Jillian Raines

Alexander M. Sugzda