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## PRIME WINS 5-YEAR BATTLE WITH BEAZLEY

### **Final Judgments Confirm Failure of Beazley's "Wasteful" Efforts to Blame Prime**

Prime Insurance Company and its affiliates ("Prime") are pleased to announce that they have now fully and finally defeated Lloyd's largest syndicate, managed by Beazley, in its five-year effort to stick Prime with the blame for Beazley's faulty risk-management. Beazley asked two courts to have Prime pay over \$6.5 million to reimburse Beazley for a claim it decided to pay over Prime's objection that the claim was not covered under the policy at issue. Prime was found to be correct, that the policy did not cover the claim Beazley decided to pay, with Beazley awarded nothing and Prime Insurance Company awarded costs for going to court in its efforts to stop Beazley's "pay and chase" scheme.

Over three years ago, a Utah court granted Prime partial summary judgment in a declaratory judgment action (which Prime as a 20% co-insurer had to file on its own), finding that there was no coverage for a claimed loss on a policy Prime shared with several London syndicates led by Beazley. Beazley raced to Florida in a desperate attempt to seek to recover the \$6.5M settlement and more against Prime. But Beazley's efforts to forum-shop its claims were denied, with a Florida Court of Appeal in a final judgment over one year ago affirming the district court's ruling that Beazley's actions against Prime were "wasteful."

Shortly thereafter, the Utah court granted Prime's motion for full summary judgment, dismissing all of Beazley's claims. The ruling validates Prime's course of conduct and rejects Beazley's strategy of erroneously paying a claim the syndicates did not owe and then attempting to throw its smaller partner "under the bus." The Court held that with no coverage, there is no bad-faith exposure, stating in part:

"Beazley made a strategic business decision to settle with Bellina to avoid the potential risk of excess exposure. **Beazley's assessment of the risk turned out to be incorrect.** Beazley's settlement with Bellina was for a loss that was not covered under the policy, and thus, was not a payment Beazley or any of the other underwriters was legally obligated to make; instead it was a voluntary payment and cannot be recovered."

In sum, in now final judgments, courts in Florida and Utah have ratified Prime's actions and found that, instead of properly following Prime, Beazley led the London syndicates to

pay \$6.5M on an uncovered claim, after which Beazley then caused millions of dollars more to be spent wastefully in a losing effort to get Prime to cover Beazley's mistaken bet. Prime takes pride in standing up to bullies from any corner, even those in its own industry, as it strives to offer both insurance and claims-handling throughout the United States and its Territories in a fair and productive manner.

Prime Insurance Company is an excess and surplus lines specialty insurance carrier writing business in all 50 U.S. States, Puerto Rico, US Virgin Islands, and Guam. Prime is rated "A" by A.M. Best\*, and has offices in Salt Lake City, Utah; Chicago, Illinois; Naples, Florida; and Exton, Pennsylvania. For additional information or inquiries contact Rick J. Lindsey, President, CEO and Chairman at [RJL@primeis.com](mailto:RJL@primeis.com). Alternate contact: Mark Fisher at [markf@primeis.com](mailto:markf@primeis.com).

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