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New Jersey Appellate Division Affirms Allocation to Insured for Pre-December 2004 Insolvencies

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The New Jersey Appellate Division has held that in long-tail allocation cases, the policyholder remains responsible for amounts allocable to insurers who became insolvent before December, 2004, and that the rule announced in Farmers Mutual Fire Ins. Company of Salem v. N.J.P.L.G.A. does not apply to such insolvencies because the Legislature specifically provided that the statutory amendments that formed the basis for the Farmers Mutual decision applied prospectively from their effective date. Click here to read the full article.