

Holding Insurers Accountable with a \$71.7 Million Insurance Recovery

Client:	Oil Refinery Company
Industry:	Oil & Gas
Area of Law:	Insurance Recovery
Venue:	U.S. District Court for the Western District of Arkansas
Result:	Secured a \$71.7 million jury award for our client

A crude oil refinery company in El Dorado, Arkansas, was impacted severely when a 60-year-old Exxon crude pipeline ruptured in April 2012, causing a yearlong outage that prevented crude oil from reaching the company's refinery. Suffering a major disruption to its plant operations, the refinery company filed a business interruption claim under its all-risks policy with its group of 14 insurance carriers—basically, all of the major players in business interruption insurance.

Not only did the insurers take a year to finally deny the claim, but on that same day, they also sought a declaratory judgment in court denying the refinery company's claim, and requiring that all claims disputes involving the company be decided in Tennessee.

Pillsbury stepped in, got the Tennessee case dismissed and then filed suit in El Dorado, Arkansas. Despite the insurers' summary judgment bids, numerous coverage-related trial motions, and repeated attempts to disqualify our expert witnesses through evidentiary objections and a request for a mistrial, Pillsbury's Insurance Recovery & Advisory team ultimately cleared every hurdle. After eight days of trial, and just two hours of deliberation, the 12-member jury delivered a spectacular win for our client. They awarded \$71.7 million—the full amount requested in our opening statement.

Not only was the award among the largest jury verdicts ever obtained in the state of Arkansas, this victory was one of the rare instances when an insured succeeded in obtaining full recovery on a disputed contingent business interruption claim. The case made news throughout the industry, delivering a clear and strong message that Pillsbury's trial lawyers deliver winning results, even under the most intense pressure.



“... the Court finds that service interruption coverage and contingent business interruption coverage in the policies at issue can be ‘stacked’ to provide an aggregate coverage of \$50 million.”

—Susan O. Hickey, Judge, U.S. District Court for the Western District of Arkansas, El Dorado Division