

Honorable Engagement

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In *PMA Capital Insurance Co. v. Platinum Underwriters Bermuda, Ltd.*, the district court vacated the award of three respected reinsurance arbitrators because, in the court's view, the award rewrote the parties' contract instead of interpreting and enforcing it. The underlying dispute involved the applicability of a deficit carryforward clause that, if applicable, could have required a decade or more of ongoing accounting adjustments between the parties. The arbitrators cut the Gordian Knot by directing a single, lump-sum payment from the cedent to the reinsurer, after which both parties' obligations under the clause would permanently end.

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