

The Eighth Circuit Raises the Bar for Would-Be Indemnitees

The U.S. Court of Appeals for the Eighth Circuit issued an order dealing with indemnification for prior settlements, and it could have a hugely beneficial impact on potential indemnitors, including sellers of mortgage loans as well as insurers, reports Bilzin Sumberg in its **Mortgage Crisis & Financial Services Watch**.

The appellate court affirmed a lower court's ruling that, when an insured seeks indemnification for settlements that encompassed both covered and non-covered claims, the insured must present sufficient evidence to establish with reasonable certainty the value that the settling parties attributed to the covered claims, explain **Philip R. Stein** and **Shalia M. Sakona**.

They discuss the background of the case, the limitations on using expert testimony to establish allocation, and the application of the holding to the mortgage industry.

Read the article.