In Contracts, What a Difference a Word Makes

Lack of precision in reinsurance contract wording has been known to engender anomalous results, points out **Larry P. Schiffer** in Squire Patton Boggs' **Insurance and Reinsurance Disputes Blog**.

"Often a single word or phrase can cause a court or arbitrator to construe an agreement in ways unintended. In reinsurance arbitrations, when the panel majority decides how a contract operates based on its construction of a word or phrase, the losing party is likely stuck with that result even if a court might have construed the contract differently," he writes.

He describes a recent case that illustrates his point that legalese and unnecessary words can cause a trier of fact to interpret a clause in a way that is unexpected.

Read the article.