

Royal & Sun Alliance Insurance Plc v Rolls-Royce Plc

[2010 EWHC 1869 (Comm); decided on 21 July 2010]

Summary

This case discusses the issue of the appropriate forum to hear a dispute.

The insured and other companies in its group filed a complaint in Florida seeking declaratory relief. The insurers commenced proceedings in London. The insured applied to stay the English proceedings on the grounds of forum non conveniens, i.e. the burden was on the insured to show that Florida was a more appropriate forum.

The Court held that England was the most appropriate forum for the hearing of the dispute, in that the parties were all English, the policies were governed by English law and the claims had little or nothing to do with Florida. Having balanced the relevant factors, the court decided that the insured had failed to show that Florida was the appropriate forum.

Brief facts

Claims were made against the insured, i.e. Rolls-Royce and its subsidiaries (an English Company) in Florida in respect of “Mermaid Pods”, navigational devices, manufactured by the insured. Rolls-Royce which was insured by a number of insurers’ under a primary layer and excess layer liability policies made a claim under liability insurance.

The insurers were for the most part registered in the UK and the policies were governed by English law but did not contain an exclusive jurisdiction clause. Claims were notified to the insurers in 2002, but by 2009 the insurers had indicated that they would be denying liability on the grounds of lack of coverage, factual issues and failure to give proper notification of the claims.

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Reasoning and judgment

The Court vide judgment dated July 21, 2010 held that the insured failed to show that Florida was the most appropriate forum. The court held that England was the most appropriate forum for the hearing of the dispute, in that the parties were all English, the policies were governed by English law and the claims had

little or nothing to do with Florida. The main argument in favour of Florida, that the lawyers had accumulated experience of the case, was held not to outweigh the other factors. Having balanced the relevant factors, the court decided that the insured had failed to show that Florida was the appropriate forum.

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Case Summary