

MEDIA MENTION

Wiley Rein's David Topol Discusses Insurance Policies for Financial Firms with *The Economist*

The Economist
July 26, 2011

Wiley Rein Insurance Practice partner David Topol was quoted in a July 19 article in *The Economist* commenting on insurance policies that offer financial firms coverage in the event of an investigation by the Federal Deposit Insurance Corporation (FDIC). The Dodd-Frank Act, which seeks to reform government oversight of financial companies, has given the FDIC new power to claw back up to two years of pay and bonuses for executives responsible for a firm's failure. Since then, insurance companies have been offering policies that would cover legal costs and any money that company executives would have to give back as part of an FDIC investigation.

The question still remains if insurers will actually pay out on these policies. Mr. Topol said "we will not really know until the first claims are filed, and either the policy pays out or the insurer refuses to pay and gets taken to court." Some have argued that insuring against such risks defeats the purpose of the clawback provision of the act and Mr. Topol said that "it's a good public-policy argument, and one that maybe the courts might consider in any future lawsuit over such policies."

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