



Inside Insurance

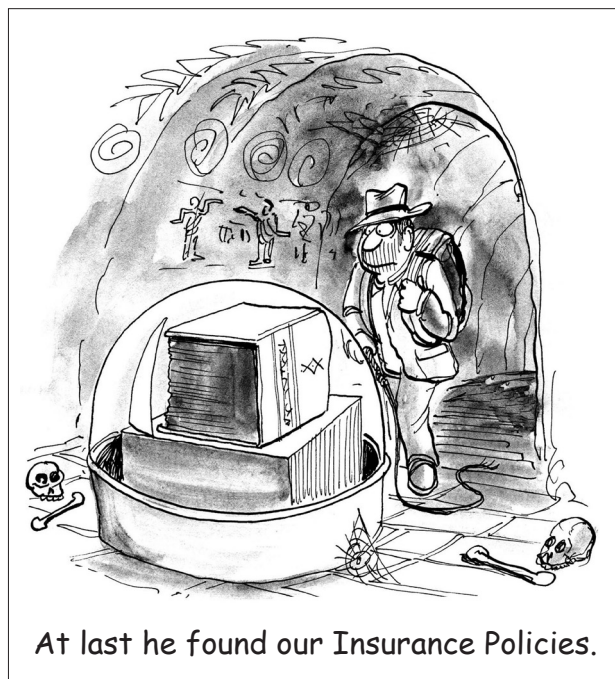
INSURANCE, n. An ingenious modern game of chance in which the player is permitted to enjoy the comfortable conviction that he is beating the man who keeps the table.

—Ambrose Bierce

Insurance, like air, is most noticed when absent. A hail storm dimples the roof like a golf ball; a fender-bender makes the car unusable; a mysterious and stubborn ailment takes time to diagnose and treat. These—and myriad other risks—could financially devastate an uninsured person or family. But thanks to the mostly private risk-distribution system that we call the insurance industry, it need not. At a modest but predictable cost, insurance mitigates the economic impact of the “slings and arrows of outrageous fortune.”

The backlash following the AIG bailout in 2008 reminds us that public perception of the insurance industry has not improved since Ambrose Bierce wrote the barb above. But in truth the insurance industry is really


just us. Almost all of us buy insurance products—enough to produce \$1.8 trillion in premiums in 2012. And many of us make a living directly or indirectly related to insurance. According to the latest U.S. Department of Labor, 2.3 million people work in the insurance subsector. And even those of us who don’t work there have a stake in it. Retirement investments generally include mutual funds that are heavily invested in insurance-related companies, giving many a personal financial stake in the health of the insurance industry.



And like every other important part of the economy, the legal system is there to grease the skids. Lawyers represent every facet of the insurance world: Policyholders, carriers, agents, and regulatory agencies. Judging by the volume of insurance-related court decisions issued by Minnesota courts, insurance is also keeping many Minnesota lawyers busy. So it is fitting to dedicate an issue of *The Hennepin Lawyer* to the subject of insurance. Whether the reader is an insurance specialist or a generalist who needs to understand insurance at a basic level, this issue offers a handful of useful articles.

The lineup includes some informative reads. An article by Margo Brownell summarizes the history and current state of the “business risk doctrine,” a subject with which any lawyer involved in a construction-defect case should be familiar. Shanda Pearson reports on the 5-year-old Minnesota First-Party Insurance

Bad Faith statute, and how the judiciary has construed it. Amber Garry tackles the collateral source rule, a doctrine by which insurance payments may be deducted from a tort victim’s recovery to prevent double recovery. Bill Hull writes on how insurance plays out at mediations. Charles Jones explains the workings of lawyer’s professional liability insurance. Andrew Deutsch writes an introduction to directors and officers liability insurance. And finally, Jeffrey Baill confesses all regarding his life and career as an insurance subrogation attorney.

These authors were a treat to edit, and I hope the readers enjoy these articles as much as I have. 

Editors note: There will be no December issue of *inside The Hennepin Lawyer*. *The Hennepin Lawyer* will return in January 2014.



M. Gregory Simpson
Issue Editor

Mr. Simpson is a partner at Meagher & Geer, practicing in the employment, insurance and construction groups. He serves as the chair of *The Hennepin Lawyer* Committee.