

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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CENTURY INDEMNITY CO., SUCCESSOR	:
TO INSURANCE CO. OF N. AM.,	:
	:
Petitioner,	:
	:
-against-	:
	:
CLEARWATER INSURANCE CO., f/k/a/	:
ODYSSEY REINSURANCE CORP., f/k/a/	:
SKANDIA REINSURANCE CORP.,	:
	:
Respondent.	:
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11 Civ. 1038 (RMB)

**ORDER**

**I. Background**

On February 15, 2011, Century Indemnity Co. (“Century” or “Petitioner”) filed a petition (“Petition”) to confirm an arbitration award (“Award”) pursuant to Section 9 of the Federal Arbitration Act, 9 U.S.C. § 9 (“FAA”), and 28 U.S.C. § 1332, against Clearwater Insurance Co. (“Respondent”). The Award granted Petitioner \$11,578.20 in interest and declaratory relief of future revenues from certain of “Petitioner’s future . . . reinsurance billings.”<sup>1</sup> (See Pet. ¶¶ 1–2; Aff. of Andrew I. Hamelsky in Supp. of Pet., dated Feb. 9, 2011 (“Hamelsky Aff.”), ¶¶ 6, 9–10.)

On March 11, 2011, Respondent filed an “Opposition of Clearwater Insurance Company to Century’s Petition to Confirm Arbitration Award,” in which Respondent appears to challenge only the Court’s jurisdiction over this action. (Resp. Opp’n, dated Mar. 11, 2011, at 3 (Respondent denies whether “the future reinsurance billings are reasonably expected to exceed

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<sup>1</sup> The Award, issued by an arbitration panel (“Panel”) on June 24, 2010, required Respondent to pay Petitioner “\$11,578.20 in interest on [Formosa Plastics Corporation (‘Formosa’)] reinsurance billings submitted to [Petitioner] through October 7, 2009,” and “the full amount of [Petitioner’s] future Formosa asbestos-related reinsurance billings under [the parties’ reinsurance treaty (‘Treaty’)] within 60 days of the date of [Petitioner’s] billing to [Respondent].” (Hamelsky Aff. ¶ 20 & Ex. 1.)

\$75,000.”.) The parties have advised the Court that Respondent no longer disputes the Court’s jurisdiction or that future reinsurance billings will exceed \$75,000.

**For the reasons set forth below, the Petition to confirm the Award is granted.**

## **II. Legal Standard**

“[C]onfirmation of an arbitration award is a summary proceeding that merely makes what is already a final arbitration award a judgment of the court.” D.H. Blair & Co. v. Gottdiener, 462 F.3d 95, 110 (2d Cir. 2006) (internal quotation marks omitted). “[T]he court must grant the award unless the award is vacated, modified, or corrected. . . . The arbitrator’s rationale for an award need not be explained, and the award should be confirmed if a ground for the arbitrator’s decision can be inferred from the facts of the case.” Id. (quoting Barbier v. Shearson Lehman Hutton, Inc., 948 F.2d 117, 121 (2d Cir. 1991)); see 9 U.S.C. § 12.

## **III. Analysis**

Preliminarily, as noted, the parties agree that the amount in controversy “is reasonably expected to exceed \$75,000.” (Hamelsky Aff. ¶ 6); 28 U.S.C. § 1332; N. Am. Thought Combine, Inc. v. Kelly, 249 F. Supp. 2d 283, 285 (S.D.N.Y. 2003) (“[I]n a petition for confirmation of an arbitration award, the amount in controversy is the value of the award itself to the petitioner.”); Perpetual Sec., Inc. v. Tang, 290 F.3d 132, 140 (2d Cir. 2002); see Ocean Ships, Inc. v. Stiles, 315 F.3d 111, 115–16 (2d Cir. 2002).

The Award should be confirmed, among other reasons, because Respondent has not moved to vacate, modify, or correct the Panel’s Award within 90 days as provided for by 9 U.S.C. § 12. (Hamelsky Aff. ¶ 25); Paulson Inv. Co. v. Epifanio Almodovar, et al., No. 04 Civ. 5997, 2005 U.S. Dist. LEXIS 1921, at \*5 n.1 (S.D.N.Y. Feb. 7, 2005); see Dist. Council 1707 v.

Ass'n of Black Soc. Workers Day Care, No. 09 Civ. 5773, 2010 U.S. Dist. LEXIS 26650, at \*5 (S.D.N.Y. Mar. 22, 2010).

And, the Court finds no other basis for departing from the Award. "Because the parties have contracted to have disputes settled by an arbitrator chosen by them rather than by a judge, it is the arbitrator's view of the facts and of the meaning of the contract that they have agreed to accept." Hygrade Operators Inc. V. Local 333, United Marine Div. 1LA, AFL-CIO, 945 F.2d 18, 22 (2d Cir. 1991); see D.H. Blair, 462 F.3d at 110.

#### **IV. Conclusion**

For the reasons stated herein, the Petition to confirm the Award [#1] is granted. The Clerk of the Court is respectfully requested to close this case.

Dated: New York, New York  
March 30, 2011



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**RICHARD M. BERMAN, U.S.D.J.**