

USA

Best Expert Witness of the Year - USA - Ty Sagalow

INNOVATION INSURANCE GROUP, LLC

Expert Services

Ty, you've been awarded the Best Expert Witness of the Year for the United States of America for the 3rd year in a row, what an accomplishment! As the recipient of this prestigious award, can you tell us a little about your career background and how you came to be an expert witness?

It is an honor to be awarded this title. Thank you for your kind words. I have been in the insurance industry for almost 40 years, beginning my career at AIG where I spent 25 years.

At AIG, you had some pretty impressive positions: General Counsel, Chief Underwriting Officer, Chief Operating Officer and Chief Innovation Officer. Not many people can list all those positions in their resume.

It's true. AIG afforded me a great opportunity to add value in legal, underwriting, executive management and product development. In the innovation and product development area especially, I was blessed with the opportunity to create some terrific products like the modern form of directors and officers, as well as being one of the original creators of cyber insurance. Following AIG, I continued in this path as Chief Innovation officer of Zurich American Insurance.

But then you had an epiphany of sorts? Tell our readers about that.

After spending over 30 years

holding senior positions with traditional insurance carriers, I realized that in order to truly create real change within an industry that was rapidly falling behind the needs of society, I would have to leave traditional insurance and enter the startup world. So, in 2015 I helped establish Lemonade Insurance Company, a completely re-imagined insurance carrier largely credited with creating the multi-trillion-dollar Insurtech industry. After 4 years at Lemonade as CEO of Lemonade Insurance Company, I co-founded Assurely, an Insurtech MGA and broker serving emerging and innovative companies and industries.

I read your book, "The Making of Lemonade" and your transition from Legacy Insurance to Insurtech is amazing. We could talk about Lemonade for this entire interview and only scratched the surface. However, I would like to turn our attention to your Expert Witness work in Insurance on behalf of both policyholders and insurance carriers.

I absolutely love being an Expert Witness, something I have now done, part time, for almost 10 years. In many ways, it was a natural thing for me to get into. I've always sought out intellectually stimulating projects and teaching – which is what a good expert witness does. It is also good to have strong opinions on things, something which for

better or worse, I tend to have.

Today my expert witness career is exceeding rapidly. I've had over 120 cases with over 50 different law firms from across the United States, Puerto Rico and Australia averaging about one new case every month.

Why do you think people hire you especially since you do work for both policyholders and carriers?

As you can tell from my background, I have a unique combination of legal expertise and underwriting expertise. My underwriting background, including Chief Underwriting Officer of AIG's Management Liability and Professional Liability Insurance subsidiary for a decade or so, helps me to communicate what the underwriting intent is of an insurance policy. This helps folks understand not only what policy does or does not provide but why. As a lawyer and draftsman of many industry standard insurance policies, I can explain how the particular words in a policy reflect or not reflect that underwriting intent.

You need those core skill sets. However, a good expert witness also needs a personality, a way of talking that courts and juries will find interesting enough to listen to, and hopefully learn from. Insurance can be very boring, and you need to explain the boring insurance stuff in a way that a jury will not fall asleep and also find it interesting.

So is being an Expert Witness fun for you?

It's a lot of fun believe it or not, it keeps your mind going because you get an array of different issues you get to work on, and you need to figure out how the puzzle fits. On top of that, it's emotionally rewarding,

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I like the challenge and I get really passionate about a lot of the cases. And yes, passion and insurance don't usually go together but they do to me. I can get really worked up if I believe the carrier is not only wrong but also treating their client morally wrong. And again, you don't really see the word moral and insurance together unless it's against the insured. And on the other hand, I get upset with policyholders that know there's no coverage and are sorta going for it anyway.

I preach the right answer whether I'm hired by the policyholder or the carrier. I don't take the case unless I know the client that hired me is correct. From there I become inspired to help my client and the case especially if it is intellectually stimulating.

One last question for you, what was your favorite case that you were an expert witness for and why?

I like insurance but most people think it's boring. You don't really have cases that are really important, they may be fun and intellectually challenging but they may not be as important in the bigger picture of an impact in the world. But every once in a while I was lucky enough to get a case that was important to the world. And I was luckiest to be involved in (and win) one for my client. The issue was how to categorize the Hamas organization. Are they simply terrorists or should the world regard them as more like a sovereign nation? The insurance angle was that only the latter could commit "acts of war". I got involved because an insurance claim was denied because the policy had a War Exclusion. The insured was a universal productions studio that was filming a series back in 2014

in Israel and Jerusalem, and while filming a terrorist group called Hamas began bombing in the area. Those events were actually called in the press at the time, the "50 Day War". The filming group left and was looking towards their insurance to reimburse them for the cost of having to move, but the policy had a war exclusion, therefore the carrier argued that they had no coverage.

I was asked to give an expert opinion and talk about what the war exclusion was about and if it could be applied to an organization like Hamas. 80% of my report was standard stuff, explaining the underlying reason for the War Exclusion, the phraseology used in the policy etc. My insurance conclusion was that the necessary ingredients to have the war exclusion applied were not present. Specifically, I argued that Hamas is a terrorist organization, plain and simple, regardless of the weapons they use in their terrorist attacks.

A standard insurance expert report would end right there, but I didn't. As for the remaining 20% of the report, in the last few pages I did what is called a Brandeis brief, and what I said was that the issue the court is being asked to look at goes far beyond insurance. The court is being asked to put a stamp of accreditation on a terrorist group that they have the status and power to commit an act of war just like a sovereign nation. No, I said, we must say, as a country, as people, for all to hear that now and forever Hamas is a terrorist organization and their acts are only acts of terrorism.

The case actually went all the way to the 9th court of appeals. The 9th circuit agreed with me. Hamas is simply a terrorist organization and their acts are

acts of terrorism committed by terrorists. The War Exclusion cannot apply to them.

That's great Ty, thanks for sharing. With your background it makes sense why you were awarded "Best Expert Witness (U.S.)" for so many years in a row.

Thank-you. I enjoyed speaking with you.



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