



IN THE SUPREME COURT OF THE STATE OF DELAWARE

CORVEL CORPORATION,	§
	§ No. 513, 2013
Defendant Below,	§
Appellant,	§ Court Below – Superior Court
	§ of the State of Delaware,
v.	§ in and for New Castle County
	§ C.A. No. N11C-01-089
HOMELAND INSURANCE	§
COMPANY OF NEW YORK and	§
EXECUTIVE RISK SPECIALTY	§
INSURANCE CO.,	§
	§
Plaintiffs Below,	§
Appellee.	§

Submitted: April 9, 2014
Decided: April 11, 2014

Before **HOLLAND, JACOBS** and **RIDGELY**, Justices.

ORDER

This 11th day of April, 2014, it appears to the Court that:

1) This is an appeal from a judgment following a June 13, 2013 Opinion issued by the Superior Court (the “Opinion”) on partial summary judgment motions by defendants-appellees, Executive Risk Specialty Insurance Company (“Executive Risk”) and Homeland Insurance Company of New York (“Homeland”). The Opinion concluded that the remedies under La. Rev. Stat. § 40:2203.1(G) (“Section 2203.1(G)”) are not damages as expressly stated therein, but instead are penalties. Based upon that

determination, the Superior Court held that CorVel Corporation's ("CorVel") \$9 million payment to settle claims (the "Settlement") in the underlying class action captioned *George Raymond Williams M.D. Orthopedic Surgery v. SIF Consultants of Louisiana* in the 27th Judicial District Court, Parish of St. Landry, Dkt. No. 09-C-5244-C (the "*Williams* Action"), and the underlying class arbitration captioned *SWLA Hospital Association d/b/a/ Lake Charles Memorial Hospital v. CorVel* (the "LCMH Arbitration"), was excluded from coverage under CorVel's managed care errors and omissions ("E&O") insurance policies.

2) Because the Superior Court's Opinion decided partial summary judgment motions, the Superior Court issued a letter asking the parties for submissions identifying the claims they intended to present at trial and the number of trial days needed. On August 15, 2013, Homeland and Executive Risk responded that they believed no further issues remained for trial or other adjudication. On August 22, 2013, CorVel responded that a recent ruling in the underlying *Williams* Action, issued July 29, 2013 (the "*Williams* Decision") construed the exact same statute, settlement, and insurance policy, but held that the remedy under Section 2203.1(G) provided for damages, not a penalty, and was covered under the policy. The *Williams*

decision distinguished and criticized the Superior Court's Opinion as erroneous.

3) CorVel asked the Superior Court to stay further proceedings pending a final, unappealable ruling from the Louisiana courts or, alternatively, to determine that CorVel's affirmative defenses still remained to be tried because the Opinion ruled only on partial summary judgment motions. The motion for a stay was denied.

4) On August 28, 2013, after further correspondence, the Superior Court issued an "order Closing Case on Docket" finding "that there are no issues which remain to be litigated in this action." On September 26, 2013 CorVel filed its notice of appeal.

5) This Court has before it procedural motions to dismiss. This proceeding has also been submitted for a substantive decision on the merits, after briefing and oral arguments.

6) We have concluded that any further action in this matter should be stayed pending a final, unappealable ruling from the Louisiana courts in the *Williams* Action.

NOW, THEREFORE, IT IS HEREBY ORDERED that this matter is stayed. The parties are directed to advise the Clerk of this Court about the

status of the *Williams* Action on the 15th day of each month, beginning on May 15, 2014.

BY THE COURT:


Justice