

Winston & Strawn Wins Major Victory for Abbott Laboratories

MAY 22, 2013

On May 22, 2013, Winston & Strawn scored a major victory for Abbott Laboratories in an insurance recovery case, successfully convincing a Cook County Court to award Abbott \$84.5 million, a policy-limits judgment, against certain underwriters at Lloyd's of London.

The case began in March 2002 when Abbott sustained a loss under product recall insurance policies held with Lloyd's. The Italian Ministry of Health suspended the sales of an anti-obesity drug sold by Abbott called Meridia. The Italian Ministry's suspension, and the negative publicity of the suspension it sparked across the world, caused Abbott to suffer lost sales and other covered losses totaling over \$160 million.

After Abbott made a claim with Lloyd's under the product recall policies, Lloyd's instituted litigation and attempted to rescind the policies. After nearly ten years, the case went to trial on Lloyd's rescission claim, and the court ruled in favor of Abbott on May 9, 2012. That ruling represented a major victory for Abbott and Winston & Strawn, as it allowed the case to proceed to a damages phase on the Meridia loss.

The damages trial occurred on February 19-21, 2013. During the trial, Abbott presented its case for a policy-limits loss, including the testimony of several current and former Abbott employees who witnessed the major impact on Abbott's sales of Meridia following the Italian suspension. On May 22, 2013, the Court found in favor of Abbott and against Lloyd's on all issues. The Court found that Abbott sustained losses of over \$160 million and entered judgment in the amount of \$84.5 million (the limits of the policies issued by the Lloyd's Underwriters who were parties to the litigation).

The Winston & Strawn team representing Abbott included partners Larry Desideri, and Steve D'Amore and associates Scott Ahmad, and Michael Skokna.

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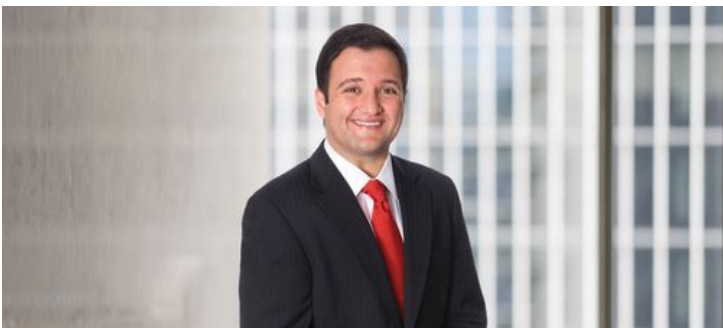
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