

# New Jersey Supreme Court Ruling Regarding Insolvent Insurers Could Have Significant Impact On Allocation Of Long-Tail Claims

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On September 24, 2013, in *Farmers Mut. Fire Ins. Co. v. NJPLIGA*, \_\_ N.J. \_\_\_, 2013 WL5311272 (2013), the New Jersey Supreme Court ruled that policy limits of solvent insurers must be exhausted before the New Jersey Property- Liability Insurance Guaranty Association ("NJPLIGA") could be responsible for long-tail claims under policies issued by insolvent insurers. NJPLIGA is a statutory entity created to provide New Jersey policyholders with protection when insurers become insolvent.