

Pending before FINRA is a proposed change to allow Claimants to discover in FINRA arbitration what if any insurance coverage the parties might have. As you are aware this type of discovery has been in place in federal court proceedings for many years and has grown to state courts in most jurisdictions. There is simply no reason to disallow this change, which will go a long way towards free and open discovery, which is a tenet of FINRA arbitration. Such a change will enhance settlement of cases and speed the arbitration process. For by the parties disclosing the coverage facts, the parties will no longer be able through their lawyers to represent that funds are not there to pay for losses. As an example, I now have two cases pending where the lawyers for the Respondents are claiming that there is no coverage. Due to my experience with the one of the Respondents, I know otherwise. This is the type of activity that will be ended thus enhancing smoother proceedings and will breed more settlements at early stages of proceedings.

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