

**UNITED STATES COURT OF APPEALS  
FOR THE SECOND CIRCUIT**

August Term, 2006

(Argued: May 23, 2007)

Decided: June 5, 2007)

Docket Nos. 06-2003-cv(L), 06-2285-cv(XAP)

AMERICAN HOME ASSURANCE COMPANY, NEW YORK MARINE & GENERAL INSURANCE CO.,  
BLUEWATER INSURANCE ASA, GENERALI FRANCE ASSURANCES, HAMBURGER VERSICHERUNG  
VVAG VERS A, HAMBURGER VERSICHERUNG VVAG VERS B, GOTHAER VAG, ING INSURANCE AND  
"THE ETHNIKI" HELLENIC GENERAL INSURANCE COMPANY S.A.,

*Plaintiffs-Counter-Defendants-Appellees-Cross-Appellants,*

-v.-

MASTERS' SHIPS MANAGEMENT S.A., AND ENDEAVOUR NAVIGATION S.A.,

*Defendants-Counterclaimants-Appellants-Cross-Appellees,*

ROYAL BANK OF SCOTLAND,

*Defendant-Counter-Claimant.*

Before: WALKER, CABRANES, *Circuit Judges*, and BERMAN<sup>1</sup>, *District Judge*.

Defendants appeal from a judgment of the District Court in favor of plaintiffs after a bench trial in which the United States District Court for the Southern District of New York (John F. Keenan, *Judge*) concluded that defendants' marine hull and machinery insurance policy was void *ab initio*. Plaintiffs cross-appeal the District Court's judgment insofar as it held that (1) plaintiffs breached their duty of utmost good faith at the claims stage; and (2) the *ex parte* interviews of four ship officers constituted bad faith conduct.

Affirmed.

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<sup>1</sup> The Honorable Richard M. Berman, Judge of the United States District Court for the Southern District of New York, sitting by designation.

ERIC EINAR LENCK, Freehill Hogan & Mahar,  
LLP, New York, NY, *for Defendants-  
Counterclaimants-Appellants-Cross-Appellees.*

RICHARD WALTER STONE, II, Waesche,  
Sheinbaum & O'Regan, P.C., New York, NY, *for  
Plaintiffs-Counter-Defendants-Appellees-Cross-  
Appellants.*

PER CURIAM:

Defendants Masters' Ships Management S.A. and Endeavour Navigation S.A. appeal from a March 30, 2006 judgment of the United States District Court for the Southern District of New York (John F. Keenan, *Judge*) in favor of plaintiffs after a bench trial in which the District Court concluded that defendants' marine hull and machinery insurance policy was void *ab initio*. See *American Home Assurance Co. v. Masters' Ships Mgmt. S.A.*, 423 F. Supp. 2d 193 (S.D.N.Y. March 23, 2006). The Court also ordered plaintiffs American Home Assurance Company and New York Marine & General Insurance Co. to return premium payments to defendants in the amounts of \$11,885.66 (payable by American Home Assurance Company) and \$4,425.03 (payable by New York Marine & General Insurance Company). Plaintiffs cross-appeal the District Court's judgment insofar as it held (1) that plaintiffs breached their duty of utmost good faith at the claims stage; and (2) that the *ex parte* interviews of four ship officers by plaintiffs constituted bad faith conduct.

Upon consideration of the parties' arguments, we find no clearly erroneous findings of fact and no errors of law in the District Court's decision. Accordingly, substantially for the reasons set forth in Judge Keenan's careful and comprehensive opinion, the judgment of the District Court is

**AFFIRMED.**