

Selendy & Gay Secures Landmark Appellate Ruling on Behalf of New York Consumers

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Our client Steven Plavin filed a lawsuit on behalf of hundreds of thousands of New York City public employees and retirees, alleging that health insurance company Group Health Incorporated (GHI) violated New York's consumer protection law (the General Business Law) by disseminating marketing materials that misrepresented critical aspects of out-of-network coverage.

After a federal district court dismissed the claims, Plavin appealed. The U. S. Court of Appeals for the Third Circuit certified to the New York Court of Appeals a key legal question in the case: "[w]hether an insurer's conduct is consumer-oriented for purposes of the GBL where hundreds of thousands of City employees and retirees, who are third-party beneficiaries of an insurance contract negotiated by sophisticated parties, have been materially misled by the insurer's summary plan documents."

Selendy & Gay was retained to brief and argue the certified question before the New York Court of Appeals. The Court of Appeals ruled unanimously in our favor, holding that "GHI's alleged dissemination of information to hundreds of thousands of City employees in order to solicit their selection of its plan is precisely the sort of consumer-oriented conduct that is targeted by [GBL]." The Court further clarified that the GBL does not "impose a requirement that consumer-oriented conduct be directed to all members of the public."

This outcome is a significant victory for consumers. The ruling ensures that New York's consumer protection law will be interpreted consistent with its broad remedial purpose and provide an important tool "to cope with the numerous, ever-changing types of false and deceptive business practices which plague consumers in [New York] State."

Read the [full decision here](#).

The Selendy & Gay team includes Caitlin Halligan and Megan Larkin.

Practice

- Appellate