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Partial Final Award Not Ripe For Confirmation

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Under Section 9 of the [Federal Arbitration Act](#), a court must confirm an arbitration award when a timely request is made unless there is a basis to vacate or modify the award. But a court has no ability to confirm an arbitration award unless the award is considered a “final” award. The law in virtually all circuits requires the award to be final and that the panel has completed its determination of every issue relative to the matters put before it for adjudication.

In a recent case, an arbitration panel issued a Partial Final Award on the affirmative claims, saving a determination on counterclaims for phase II, but the court declined to confirm.

In [Standard Security Life Insurance Co. of N.Y. v. FCE Benefit Administrators, Inc.](#), No. 19 CV 64, 2019 U.S. Dist. LEXIS 40231 (N.D. Ill. Mar. 13, 2019), the court was asked to confirm an arbitration award against a benefits administrator under an administrative services agreement with an arbitration clause.

The arbitration panel bifurcated the hearing between the affirmative claims for breach of contract and the benefits administrator’s counterclaims (as amended) against the insurance carrier. The Phase I hearing took place and proposed awards were submitted. Both sides submitted a proposed award titled “Partial Final Award.” The issued Partial Final Award – Phase I noted that a full hearing was held on Phase I and found for the insurance company against the benefits administrator and denied all other claims of relief by the parties. Nevertheless, the hearing on Phase II, on the counterclaims, was scheduled for a later date.

The insurance company petitioned to confirm the Partial Final Award and the benefits administrator argued that confirmation was premature. In deciding that confirmation was premature, the court noted that a jurisdictional question about whether an award can be confirmed or challenged may be raised. Here, even though the panel used by word “final” in the title of the award, it also used the term “partial.” Thus, the court found the award incomplete because it left unresolved significant portions of the parties’ dispute; the benefits administrator’s counterclaims. The arbitrators, held the court, were not done with the case when they rendered the Phase I award, so the panel’s assignment was not yet complete.

Because this is a jurisdictional issue, the court determined that the proceeding was not ripe for adjudication and dismissed the action without prejudice for lack of subject matter jurisdiction. The court stated that the parties may seek reinstatement of the case, if they wish, when the arbitration has concluded.

There have been interim and partial awards confirmed where the subject matter of those issues were fully and finally adjudicated and there was nothing left for the panel to do on those issues. Here, the court felt otherwise because the counterclaims could affect the affirmative award on the breach of contract claims.

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