



## **Bridging the Cultural Gap in a Global Environment**

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Perceptions of overseas clients about how the claims and litigation process takes place in the United States can be drastically different than reality. This can result in increased risk due to lapses in communication about how the overseas manufacturer and claims handler maintains their documents, conducts its manufacturing process and communicates with its counterparts in the United States.

Here is our Top Ten List of Client Misconceptions or Frustrations with how claims and lawsuits are handled in the U.S.

1. Why do we get sued in the United States more than any other country?
2. What are some things we can do to prevent getting sued?
3. The user did not follow the instructions so how can they blame the product?
4. The product was destroyed in the fire, how can the claimant state that it was our product?
5. We complied with UL and industry standards, how can they say our product was defective and how can we be found liable?
6. How can we, a Chinese company be brought into this lawsuit?
7. If there is no proof that our product was defective, how can we get sued?
8. Why do we need to keep records of every audit that is done at our production facility?
9. I got dismissed in another claim, why can't I be dismissed in this claim?
10. Why do we have to give up sensitive, confidential information about our company?

The top ten list above no doubt results in trepidation from the overseas insured. In turn, those handling the claim are left to wonder:

1. How can I ensure cooperation from the client?
2. What if the records showing that the product passed internal audit procedures are not kept or not recorded in the first place?
3. How can we preemptively create a dialogue with the client to put procedures in place so when a claim is made, the claims defense process is clear?

Important Resources:

- Hague Convention Website: [http://www.hcch.net/index\\_en.php](http://www.hcch.net/index_en.php) The Hague Convention has specific provisions for adherence to service of process and production of evidence.
- Underwriters Laboratories: [www.ul.com](http://www.ul.com) UL standards are not nationwide, they are worldwide. Most retailers in the US require all products sold on their shelves be either UL or ETL certified. UL has offices around the world to ensure that manufacturers are making products according to specification.

There is a good article to read to prompt discussion on this topic at the seminar at: <http://www.forbes.com/sites/allbusiness/2014/01/30/8-common-mistakes-u-s-companies-make-when-sourcing-goods-and-suppliers-in-china/2/>