

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

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ARCH INSURANCE COMPANY,	:	Index No.: 654746/2020
	:	
Plaintiff,	:	
- against -	:	ANSWER TO THIRD
	:	AMENDED COMPLAINT
DOCNETWORK, INC. (f/k/a DOCNETWORK,	:	<u>WITH COUNTERCLAIMS</u>
LLC, a/k/a CAMPDOCS), and CAMPASSURE,	:	
LLC,	:	
	:	
Defendants.	:	
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Defendant CampAssure, LLC, (“CampAssure” or “Defendant”), by its attorneys, Farrell Fritz, P.C., as and for its Answer with Counterclaims to Plaintiff Arch Insurance Company’s (“Arch” or “Plaintiff”) Third Amended Complaint (“Complaint”), dated March 15, 2024, alleges as follows:

ANSWER TO INTRODUCTION

1. Through this action, Arch seeks to be made whole for damages caused to it by the defendants’ rampant unauthorized mis-selling of Arch travel insurance policies relating to summer camps.

RESPONSE:

The allegations contained in paragraph “1” of the Complaint constitute a description of Plaintiff’s damages as to which no response is required; to the extent a response is required, Defendant denies the allegations.

2. The defendants were agents of Arch who made available a travel insurance product that would provide coverage, subject to its terms and conditions, for cancelation of a child’s attendance at a summer camp. The defendants also offered a version of this policy called the Deluxe Plan, which included a “cancel for any reason” (or “CFAR”) provision that would provide coverage for up to 75% of the camper’s tuition or non-refundable deposit. Defendants offered the Arch policies through a web portal designed and operated by CampDoc. The portal and its information and marketing relating to the Arch policies were pre-approved by Arch, as required by the contracts between Arch and the defendants. In order to purchase an Arch policy, an individual camp family would need to access the CampDoc portal, make an individual decision to purchase the policy, and submit its payment for the policy.

RESPONSE:

Denies the allegations contained in paragraph “2” of the Complaint, except admits that under the RoamRight Agreement with CampAssure, dated November 9, 2017 (“CampAssure Agreement”), CampAssure was responsible for presenting potential opportunities to Arch, and respectfully refers the Court to the referenced document for its true and correct contents.

3. In March 2020, at the onset of the COVID-19 pandemic, the defendants began to ramp up sales of Deluxe Plans with CFAR coverage, despite Arch’s instructions otherwise. Without obtaining Arch’s approval for modifications and additions to its marketing materials, the defendants actively worked to draw in new customers to purchase Deluxe Plans with CFAR coverage, including holding a webinar on March 18, 2020 to advise camp owners and camp families that CFAR coverage from Arch would be unavailable after March 20, 2020 and encouraging them to have as many families as possible sign up for that coverage prior to March 21. As a result of the defendants’ unapproved marketing efforts, they signed up hundreds of policies resulting in substantial losses to Arch. In this action, Arch seeks relief compensating it for those losses caused by the defendants.

RESPONSE:

Denies the allegations contained in paragraph “3” of the Complaint.

4. In addition, the defendants engaged in a unique breach of their obligations to Arch with respect to a camp located in Arkansas (“Camp Ozark”). The defendants worked with Camp Ozark to obtain Deluxe Plan CFAR policies in bulk for thousands of Camp Ozark camper families, which they expected to utilize as a form of business interruption insurance in light of the oncoming pandemic. The defendants designed a new web portal solely for Camp Ozark, which was not disclosed to or approved by Arch. Through this undisclosed portal, they allowed Camp Ozark to funnel thousands of Camp Ozark families to “opt in” to “free insurance” that Camp Ozark – rather than the families – paid for. Over the course of a week in March 2020, the defendants and Camp Ozark signed up more than 5,000 campers for Deluxe Plans. Camp Ozark sent more than \$800,000 in premiums to CampDoc.

RESPONSE:

Denies the allegations contained in paragraph “4” of the Complaint.

5. When Arch learned of this improper and unauthorized scheme in early April 2020, it immediately informed Camp Ozark that the transactions would be reversed and required CampDoc to return all of the premiums to Camp Ozark.

RESPONSE:

Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “5” of the Complaint.

6. Camp Ozark subsequently sued Arch and defendant CampAssure in federal court in Texas. Camp Ozark alleged that it was misled by CampAssure in the purchase of the policies and sought damages for the tuition payments that it refunded to its camper families as well as for alleged violations of the Texas Insurance Code. After extensive litigation, Arch and Camp Ozark settled the Camp Ozark claims at the end of 2023. In this action, Arch seeks indemnity from both CampAssure and CampDoc for the settlement payment and relief for other damages caused by their conduct in connection with Camp Ozark.

RESPONSE:

The allegations contained in paragraph “6” of the Complaint constitute a description of Plaintiff’s claims as to which no response is required; to the extent a response is required, Defendant denies the allegations.

ANSWER TO PARTIES, JURISDICTION AND VENUE

7. Plaintiff Arch is an insurance company organized under the laws of the State of Missouri with a principal place of business at Harborside 3, 210 Hudson Street, Suite 300, Jersey City, New Jersey 07311.

RESPONSE:

Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “7” of the Complaint.

8. Defendant CampDoc is a corporation organized under the laws of the State of Michigan with a principal place of business in Ann Arbor, Michigan, and upon information and belief is authorized to do business in the State of New York.

RESPONSE:

Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “8” of the Complaint.

9. Defendant CampAssure is a limited liability company organized under the laws of the State of Nebraska with a principal place of business in Omaha, Nebraska, and upon information and belief is authorized to do business in the State of New York.

RESPONSE:

Denies the allegations contained in paragraph “9” of the Complaint, except admits that CampAssure is a limited liability company organized and existing under the laws of the State of Nebraska with a principal place of business in Omaha, Nebraska.

10. The Supreme Court of the State of New York, and specifically the Commercial Division of the Supreme Court, has jurisdiction over this matter as the parties have consented to resolve any legal disputes arising from the contracts at issue through the Supreme Court of the State of New York, and the amount in controversy exceeds \$500,000.00.

RESPONSE:

The allegations contained in paragraph “10” of the Complaint constitute statements of law as to which no response is required. To the extent a response is required, the allegations are denied.

11. Venue is proper in New York County as the parties have consented to resolve any legal disputes arising from the contracts at issue through the Supreme Court of the State of New York, County of New York.

RESPONSE:

The allegations contained in paragraph “11” of the Complaint constitute statements of law and venue as to which no response is required. To the extent a response is required, the allegations are denied.

ANSWER TO BACKGROUND FACTS**CampAssure Agreement**

12. Arch has been an admitted insurer in the State of New York since February 3, 2000, is approved to issue accident and health policies in the State, and its National Association of Insurance Commissioner (“NAIC”) number is 11150.

RESPONSE:

Denies knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph “12” of the Complaint.

13. Arch entered into a RoamRight Broker Agreement with CampAssure on November 9, 2017 (the “CampAssure Agreement”).

RESPONSE:

Admits the allegations contained in paragraph “13” of the Complaint.

14. The CampAssure Agreement established CampAssure as the broker responsible with presenting Arch with opportunities to underwrite travel insurance policies, including camp protection policies. The customers of these policies would be families who were sending their children to various summer camps throughout the country.

RESPONSE:

Denies the allegations contained in paragraph “14” of the Complaint, except admits that under the CampAssure Agreement, CampAssure was responsible for presenting potential opportunities to Arch, and respectfully refers the Court to the referenced document for its true and correct contents.

15. The CampAssure Agreement authorized CampAssure to participate in negotiating and consummating agreements between Arch and producers and travel retailers.

RESPONSE:

Denies the allegations contained in paragraph “15” of the Complaint, except admits that under the CampAssure Agreement, CampAssure was authorized to participate in the negotiation and consummation of the transaction between producers and travel retailers (“Prospects”) and Arch, and respectfully refers the Court to the referenced document for its true and correct contents.

16. The CampAssure Agreement authorized CampAssure to develop training materials and conduct training regarding Arch’s policies.

RESPONSE:

Denies the allegations contained in paragraph “16” of the Complaint, except admits that CampAssure was authorized to develop training materials and conduct training for producers and travel retailers to solicit Arch’s policies, and respectfully refers the Court to the referenced document for its true and correct contents.

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