

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

SAN JUAN CRUISE PORT, LLC,

Plaintiff,

v.

HARTFORD UNDERWRITING AGENCY
LIMITED; MSC CRUISES S.A.;
STEAMSHIP MUTUAL UNDERWRITING
ASSOCIATION (BERMUDA) LIMITED;
WILLIS TOWERS WATSON
NORTHEAST, INC.;
JOHN AND JANE DOE;
CORPORATIONS ABC; INSURERS XYZ

Defendants.

Civil No. 2025cv1063

**Diversity; Breach of Contract;
Negligence**

COMPLAINT

COMES NOW, Plaintiff, San Juan Cruise Port, LLC ("Plaintiff" or "SJCP"), by and through its undersigned counsel, files this Complaint against Hartford Underwriting Agency Limited ("Hartford"), MSC Cruises S.A. ("MSC"), Steamship Mutual Underwriting Association (Bermuda) Limited ("P&I Club"), Willis Towers Watson Northeast, Inc. ("Willis"), and its Errors and Omissions Insurer ("E&O Insurer") (collectively "Defendants"), and alleges as follows:

I. INTRODUCTION

1. This is an action for breach of contract, negligence, and declaratory relief arising from damages sustained by SJCP's Pier 3 during the berthing of the cruise ship MSC Meraviglia on April 11, 2024. MSC negligently operated its vessel MSC Meraviglia, causing severe structural damage to Pier 3. The Hartford wrongfully denied coverage under SJCP's Ports Package Policy. MSC's P&I Club failed to fulfill its indemnity obligations. Willis negligently breached its duties as SJCP's insurance broker, leading to errors in the placement and terms of the insurance policy.

II. PARTIES

2. Plaintiff San Juan Cruise Port, LLC is a limited liability company organized under the laws of Puerto Rico, with its principal place of business in San Juan, Puerto Rico.

3. Defendant Hartford Underwriting Agency Limited is a United Kingdom company with its principal place of business in London, England. The Hartford is the managing agent for Lloyd's Syndicate 1221, lead underwriter subscribing to Section A of the Ports Package Policy subject of this Action.

4. Defendant MSC Cruises S.A. is a Swiss corporation with its principal place of business in Geneva, Switzerland. MSC owns and operates the cruise ship MSC Meraviglia.

5. Defendant Steamship Mutual Underwriting Association (Bermuda) Limited is a Bermuda corporation with its principal place of business in Hamilton, Bermuda. It provides protection and indemnity (P&I) insurance coverage to MSC.

6. Defendant Willis Towers Watson Northeast, Inc. (“WTW”) is a corporation with its principal place of business in New York, New York, and acted as SJCP’s insurance broker for the placement of the Ports Package Policy.

7. Defendant Corporations ABC are unknown entities who, on information and belief, are liable for the damages claimed herein by SJCP. Plaintiff will amend this Complaint to include the names of these corporations once they are ascertained.

8. Defendant Insurance Companies XYZ are the insurers of the defendants. Their identities are currently unknown to Plaintiff. Plaintiff will amend this Complaint to include their identities once they are ascertained.

9. Defendant John Doe and Defendant Jane Doe are unknown individuals who, on information and belief, were liable for the damages claimed herein. Plaintiff will amend this Complaint to substitute their true names once they are ascertained.

III. JURISDICTION AND VENUE

10. This Court has jurisdiction under 28 U.S.C. § 1332 because the Plaintiff and Defendants are citizens of different states and the amount in controversy exceeds \$75,000.

11. Alternatively, and only in the event diversity jurisdiction is lacking, this Court has jurisdiction under 28 U.S.C. § 1333 because this action involves claims within the Court’s admiralty and maritime jurisdiction.

12. This Court has supplemental jurisdiction over the state law claims under 28 U.S.C. § 1367, as they are so related to the federal claims that they form part of the same case or controversy.

13. Venue is proper under 28 U.S.C. § 1391(b) because the events giving rise to this action occurred in Puerto Rico.

IV. FACTUAL ALLEGATIONS

A. The Role of SJCP as Cruise Port Operator

14. On or about August 15, 2022, San Juan Cruise Port, LLC ("SJCP") entered into a Public-Private Partnership Agreement ("PPPA") with the Puerto Rico Ports Authority ("PRPA") granting SJCP an exclusive concession to operate, maintain, and develop the Cruise Port Facility in San Juan, Puerto Rico. The Closing under the PPPA occurred on 14 February 2024 and SJCP took over the operations at the Cruise Port Facility in San Juan including the Pier 3 as of this Closing date.

15. As the operator of the Cruise Port Facility, SJCP invested significant resources into improving Pier 3 and other port infrastructure, making it a vital economic and tourism hub for Puerto Rico.

B. The Policy and Hartford's Denial of Coverage

16. On February 14, 2024, Hartford issued a Ports Package Policy (Policy No. B080124706M24) ("the Policy") covering SJCP's property, including Pier 3, for property damage, business interruption, and liability, with a property damage sublimit

of \$17,406,551, effective dates of 00:01 14 February 2024 to 00:01 hours 31 March 2025 Local Standard time (Puerto Rico).

17. Hartford is the managing agent of Lloyds Syndicate 1221, the lead underwriter subscribing to Section A (Liability/Property and Handling Equipment/Business Interruption) of the Policy.

18. The Policy provides coverage for damages to insured structures, including berthing dolphins, catwalks, and fenders at Pier 3.

19. On April 11, 2024, MSC's cruise ship MSC Meraviglia allided with Berthing Dolphin BD2 at Pier 3 West ("BD2") during a berthing operation, causing catastrophic damage to the structure, including fractured pile caps, cracked prestressed piles, and misalignment of BD2.

20. The nature of the damage corresponds to external forces far beyond normal operational loads, directly caused by MSC Meraviglia.

21. The efficient proximate cause of the damage was the sudden, external force of the MSC Meraviglia's allision with Pier 3 on April 11, 2024.

22. The Policy covers sudden and accidental damage resulting from external forces and/or third-party actions, such as the allision with MSC's vessel.

23. At all relevant times preceding the allision, Pier 3's structural elements were in adequate condition for operational use.

24. The physical damage to BD2 has caused and will continue to cause operational disruptions at Pier 3, preventing it from accommodating vessels during the repair period

and prevent larger Oasis class vessels from docking for a further period thereafter whilst further repairs are completed thereafter.

25. Business Interruption coverage applies to these financial losses up to \$13,750,000.

26. On or about April 19, 2024, WTW provided Hartford with a first notice of loss on behalf of SJCP.

27. On 8 July 2024, Hartford issued its Reservation of Rights pending further investigation of the SJCP's claim under the Policy.

28. Despite clear applicability of coverage, Hartford wrongfully denied SJCP's claim, alleging that the damages sustained to BD2 and connected catwalks at Pier 3 were not caused by an "accident" as defined under Section 2.1 of the Policy, but by "wear and tear, gradual deterioration, etc."

29. The Hartford alleges that, in the alternative that :

- a. Under the Pre-Existing Damage Clause, coverage is excluded for losses or damage caused by, resulting from, or contributed to by pre-existing damage alleging that significant portions of the damage to BD2 pre-dated the incident of April 11, 2024, and the Policy's inception on February 14, 2024; and
- b. Under Exclusion 4.1, the Policy explicitly excludes coverage for losses caused by wear, tear, gradual deterioration, corrosion, and similar conditions.

30. The damage to BD2 and its associated structures was directly caused or substantially exacerbated by the negligent berthing of the MSC Meraviglia, which constitutes an accident under the Policy's terms. Any pre-existing conditions alleged by Hartford were immaterial to the catastrophic failure of the structure, which was triggered by the vessel's impact.

31. Willis failed to effectively advocate for SJCP in the claims process by not challenging Hartford's initial reliance on ambiguous policy exclusions. As SJCP's insurance broker, Willis had a duty to support SJCP's interests by ensuring that Hartford's claim evaluation was conducted in good faith and in compliance with policy terms.

C. Willis's Negligence in Placing the Policy

32. In the alternative, and only in the event that the Court finds there is no coverage under the Policy, SJCP asserts that Willis Towers Watson Northeast, Inc. ("WTW") negligently failed to negotiate, review, and ensure the adequacy of the Ports Package Policy. WTW's actions and omissions directly contributed to Hartford's denial of coverage by allowing the inclusion of broad exclusions, not initially included in the Policy language, such as the Pre-Existing Damage Clause, without adequately advising SJCP of their implications.

33. WTW's negligence in addressing these critical exclusions, including the expansion of the Pre-Existing Damage Clause, has caused SJCP to suffer significant damages, including the wrongful denial of its claim under the Policy. These claims

against WTW are asserted as alternative grounds for relief in the event that the Court determines that Hartford's denial of coverage is valid under the Policy.

34. Willis acted as SJCP's insurance broker and was responsible for negotiating, reviewing, and ensuring the adequacy of the Ports Package Policy.

35. During the placement of the Ports Package Policy, Willis identified and addressed several critical issues concerning exclusions within the Policy. Initially, the Policy contained a pre-existing damages exclusion specifically limited to property and handling equipment (Section A2). However, during the final stages of negotiation on January 11, 2024, the insurer modified the Policy to apply the exclusion broadly to all sections, including liability (Section A1), business interruption (Section A3), and terrorism liability (Section B).

36. Willis noticed this significant change but chose to sign off on the policy without notice to SJCP, believing that the insurer's intent was not to expand the exclusion's scope but to align it across all sections without practical effect. Willis assumed the pre-existing damages exclusion would remain primarily confined to property-related coverage because the subjectivity specifying its scope was still present in the policy.

37. Willis either negligently or intentionally misrepresented the scope of the pre-existing damage exclusion by failing to disclose that it would apply broadly to all covered properties, including Pier 3.

38. Willis's decision to accept this change without clarifying its implications with the insurer or SJCP resulted in a critical expansion of the pre-existing damages exclusion,

exposing SJCP to significant risk. Despite prior efforts to limit the exclusion and even commissioning a pre-placement survey to ensure compliance, the purported broadening of the exclusion directly contributed to Hartford's denial of SJCP's claim.

39. Willis breached its duty of care by failing to adequately warn SJCP of the risks associated with the policy's exclusions. Despite recognizing that the insurer expanded the pre-existing damage exclusion to apply broadly, WTW did not inform SJCP of the potential impact this change could have on future claims. This omission deprived SJCP of the opportunity to negotiate more favorable terms.

40. Willis failed to adequately review and negotiate the policy language, and its negligence in addressing this critical modification left SJCP with a policy that allowed Hartford to deny coverage improperly.

41. Willis breached its duty of care by failing to warn SJCP of material risks associated with policy exclusions, including the significant broadening of the pre-existing damage clause, despite recognizing the potential for Hartford to deny coverage based on this exclusion.

D. MSC's Negligent Docking of the MSC Meraviglia

42. The docking of MSC Meraviglia at Pier 3 West was performed negligently, resulting in significant structural damage. The vessel's crew failed to:

- a. Properly account for the vessel's size and momentum during approach to Pier 3 West, leading to excessive speed and impact;

- b. Ensure proper alignment of the vessel with the berthing dolphin, resulting in direct and forceful allisions;
 - c. Use available tug assistance to safely control and maneuver the vessel;
 - d. Adequately assess prevailing weather conditions, including wind and currents, which exacerbated the risk of allision;
 - e. Utilize proper communication protocols between the bridge and dockside personnel to ensure coordinated docking procedures;
 - f. Among other negligent acts and omissions which shall be proven at trial.
43. These failures deviated from standard maritime operating procedures and directly caused the severe damage to Pier 3's infrastructure, including fractured pile caps, cracked prestressed piles, and misalignment of the berthing dolphin.
44. MSC's negligence has rendered Pier 3 partially inoperable, causing SJCP to incur substantial repair costs and business interruption losses.

V. CAUSES OF ACTION

COUNT I: BREACH OF CONTRACT AGAINST THE HARTFORD

45. Plaintiff re-alleges and incorporates all preceding paragraphs.
46. The Policy is a valid and binding contract between SJCP and Hartford. Hartford breached the Policy by wrongfully denying coverage for the damage to Pier 3, relying on exclusions and clauses that were either inapplicable or improperly interpreted.
47. Hartford breached the terms of the Policy by denying coverage since the damages sustained to BD2 and the connected catwalks were sudden and accidental,

caused by the berthing operations of the MSC Meraviglia on April 11, 2024, and fall within the scope of coverage under Section 2.1 of the Policy.

48. Hartford's reliance on the Pre-Existing Damage Clause and Exclusion 4.1 is unfounded, as the catastrophic failure of BD2's structural elements was precipitated by external forces attributable to the MSC Meraviglia's negligent docking.

49. Hartford further breached the Policy by failing to indemnify SJCP for business interruption losses arising directly from the operational disruption caused by the damage to Pier 3. The Policy provides coverage for such losses, which SJCP has suffered and continues to incur during the repair period.

50. The Hartford has wrongfully denied coverage based on a pre-existing damage exclusion that states:

“This policy shall exclude any loss or damage directly or indirectly caused by, resulting from, or contributed to, by any pre-existing damage to buildings, property, jetties, wharves, or handling equipment scheduled under this insurance at the time of this policy inception.”

51. This exclusion functions as an anti-concurrent causation (ACC) clause because it purports to bar coverage even if a covered peril (the MSC Meraviglia's allision) was the proximate cause of the loss.

52. Under maritime insurance law, exclusions must be strictly construed in favor of coverage. Any ambiguity must be resolved against the insurer and in favor of the insured.

53. The Hartford's ACC clause is ambiguous because it does not clearly state whether it applies in cases where a covered peril (the ship's impact) is the primary cause of the loss. Courts have consistently ruled that when an exclusion is ambiguous, coverage must be granted.

54. Under the maritime law doctrine of concurrent causation, if a covered peril (a vessel allision) contributes meaningfully to the loss, coverage must be provided—even if an excluded peril (pre-existing damage) also played a role.

55. SJCP's pier was fully operational and structurally functional before the allision, meaning that pre-existing conditions, if any, did not cause the catastrophic failure of Berthing Dolphin BD2. The allision with the MSC Meraviglia was the proximate and dominant cause of the loss.

56. Hartford's denial relies on Exclusion 4.1, which bars coverage for wear and tear, gradual deterioration, or latent defects. However, this exclusion does not apply to sudden, accidental external impacts.

57. The allision was an external force beyond the normal operational loads of Pier 3. The damage was catastrophic and immediate, distinguishing it from slow deterioration or long-term structural fatigue.

58. As a result of Hartford's breach of contract, SJCP has suffered significant financial losses, including repair costs and business interruption damages.

COUNT II: BAD FAITH ADJUSTMENT PRACTICES

59. Plaintiff re-alleges and incorporates all preceding paragraphs.

60. The Hartford engaged in bad faith adjustment practices by:
 - a. Failing to promptly and thoroughly investigate SJCP's claim;
 - b. Misrepresenting policy provisions to justify its denial of coverage; and
 - c. Unreasonably delaying resolution of SJCP's claim.
61. The Hartford wrongfully denied SJCP's claim for damages to Pier 3 and for business interruption losses resulting from the April 11, 2024 incident.
62. These losses were directly covered under the provisions of the Policy, and The Hartford's refusal to indemnify SJCP constitutes a breach of contract.
63. As a result of The Hartford's bad faith practices, SJCP suffered financial losses, including business interruption damages and repair costs.

COUNT III: NEGLIGENCE AGAINST WTW

64. Plaintiff re-alleges and incorporates all preceding paragraphs.
65. Willis, as SJCP's insurance broker, owed a duty of care to SJCP to exercise reasonable skill and diligence in placing the Ports Package Policy.
66. The main duties of an insurance broker owed to the insured include several key responsibilities. Firstly, the broker must provide the consumer with a clear and concise orientation about the coverage, benefits, limitations, and exclusions of the insurance policy being negotiated, as well as the duties and obligations of the insured under the policy. Additionally, the broker is responsible for negotiating the insurance product to ensure it meets the coverage needs of the consumer
67. Willis breached these duties by:

- a. Failing to adequately review and negotiate the policy language;
- b. Allowing the pre-existing damages exclusion to be expanded without proper clarification; and
- c. Misinterpreting the insurer's intent and failing to confirm its understanding with SJCP or the insurer.

68. As a direct result of Willis's negligence, SJCP has suffered damages, including the wrongful denial of coverage by Hartford.

COUNT IV: NEGLIGENCE AGAINST MSC

69. Plaintiff re-alleges and incorporates all preceding paragraphs.

70. MSC owed a duty of care to SJCP to safely and competently dock its vessel at Pier 3.

71. As a direct and proximate result of MSC's negligence, the MSC Meraviglia caused extensive damage to Pier 3, rendering it partially inoperable and resulting in significant property damages and financial losses to SJCP.

COUNT V: DIRECT ACTION AGAINST DEFENDANTS' INSURERS

72. Plaintiff re-alleges and incorporates all preceding paragraphs.

73. Pursuant to Puerto Rico's Direct Action Statute, 26 L.P.R.A. § 2003, Plaintiff brings this claim directly against the named defendants insurance companies and Protection and Indemnity Clubs and Defendants Insurance Company X, Insurance Company Y, and Insurance Company Z.

74. Upon information and belief, these insurers provided coverage for the acts or omissions alleged herein, including liability for personal injuries caused by Defendants' negligence.

DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury on all issues so triable.

WHEREFORE, Plaintiff demands judgment against Defendants as follows:

1. Declaring that the allision described herein is a covered accident under the Policy;
2. Declaring that Hartford is liable to SJCP under the terms of the Policy for payment of demolition, debris removal, repairs and all costs associated with the improvements which have, are and will be made to Pier 3 as a result of the allision;
3. Declaring that Hartford is liable to SJCP under the terms of the Policy for business interruption damages;
4. Punitive damages against Hartford for bad faith adjustment practices;
5. Declaring MSC liable for the property damages, business interruption and financial losses resulting from the allision;
6. Declaring that Willis is liable to SJCP as a result of the breach of its duties as an insurance broker which resulted in denial of coverage of the claims made under the policy;
7. Statutory damages under Puerto Rico Insurance Code;

8. Pre-judgment and post-judgment interest;
9. Attorneys' fees and costs; and
10. Such other and further relief as the Court deems just and proper.

RESPECTFULLY SUBMITTED in this 3rd day of February, 2025.

CASTAÑER & CIA PSC

MAI Center

Marginal Kennedy

771 Cll 1, Ste 204

San Juan, PR 00920

Tel. (787) 707-0802

Fax:1(888) 227-5728

alberto@castanerlaw.com

Attorneys for Plaintiff

By:s/Alberto Castañer

Alberto J. Castañer

USDC-PR No. 225706

Attorneys for San Juan Cruise Port LLC