

**OPINION SUMMARY**  
**MISSOURI COURT OF APPEALS EASTERN DISTRICT**

MARY STURGEON,	) ED94605
	)
Plaintiff/Respondent,	) Appeal from the Circuit Court
	) of the City of St. Louis
v.	)
	) Honorable Elizabeth Byrne Hogan
ALLIED PROFESSIONALS	)
INSURANCE CO., A RISK RETENTION	)
GROUP, INC.,	)
	) Filed: March 8, 2011
Defendant/Appellant.	)

Allied Professionals Insurance Co., A Risk Retention Group, Inc. (Appellant) appeals from the trial court's judgment denying its motion to compel arbitration.

AFFIRMED.

Division Three Holds: (1) Missouri law applies to the insurance contractual dispute between the parties despite the California choice of law provision in the contract because California law allows mandatory arbitration clauses in insurance contracts and Missouri law prohibits mandatory arbitration clauses in insurance contracts and Missouri will not enforce a choice of law provision whose law will lead to a result against Missouri public policy. In addition, the overwhelming majority of factors to be applied to determine which state's law to follow set forth in the Restatement (Second) of Conflict of Laws, which Missouri follows, confirm that Missouri has the most significant contacts and relationship to the dispute. (2) The trial court did not err in rejecting Appellant's motion to compel arbitration pursuant to the Federal Arbitration Act's preemption of Missouri law, because the federal McCarran-Ferguson Act prevents inadvertent federal preemption of a state statute regulating the insurance industry. (3) The federal Liability Risk Retention Act does not exempt Appellant, as a risk retention group, from Missouri's restriction against arbitration provisions in insurance policies, because such restriction does not regulate or make unlawful the formation or operation of Appellant as a risk retention group.

Opinion by: Sherri B. Sullivan, P.J. Clifford H. Ahrens, J., and Lawrence E. Mooney, J., concur.

Attorney for Appellant: Gerald F. McGonagle, Rick A. Cigel

Attorney for Respondent: Thomas E. Schwartz, Justin D. Guerra

<b>THIS SUMMARY IS NOT PART OF THE OPINION OF THE COURT. IT HAS BEEN PREPARED FOR THE CONVENIENCE OF THE READER AND SHOULD NOT BE QUOTED OR CITED.</b>
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