



Board of Commissioners of Cook County

118 North Clark Street
Chicago, IL

Legislation Details (With Text)

File #: 14-5102 **Version:** 1 **Name:** Reliance Insurance Company Claims Transfer Request

Type: Miscellaneous Item of Business **Status:** Approved

File created: 8/26/2014 **In control:** Board of Commissioners

On agenda: 9/10/2014 **Final action:** 9/10/2014

Title: PROPOSED MISCELLANEOUS ITEM OF BUSINESS

Department: Department of Risk Management

Summary: If approved, this item will authorize the County Comptroller and Director of Risk Management to assign and transfer the County's claims against Reliance Insurance Company in Liquidation to Insurance Liquidations Investors, LLC for the amount of \$976,834.07.

Sponsors:

Indexes: (Inactive) LAWRENCE WILSON, County Comptroller, DEANNA ZALAS, Director, Department of Risk Management

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
9/10/2014	1	Board of Commissioners	approve	Pass

PROPOSED MISCELLANEOUS ITEM OF BUSINESS

Department: Department of Risk Management

Other Part(ies): Insurance Liquidations Investors, L.L.C., San Francisco, CA

Request: Authorization for the County of Cook County ("County") to enter into an agreement to assign and transfer the County's claims against Reliance Insurance Company in Liquidation to Insurance Liquidations Investors, L.L.C., for the amount of \$976,834.07.

Summary: Reliance Insurance Company ("Reliance") provided general liability and workers' compensation coverage during the construction of the John H. Stroger, Jr. Hospital. As a result of Reliance's liquidation, the County became responsible for funding existing and new general liability and workers' compensation claims. The County had submitted documentation to the Reliance Liquidator for reimbursement based on the assets available from Reliance's Estate. The County has recovered approximately 40% of the County's General Liability claims; the last payment to the County occurred in 2011. The Department of Risk Management, in consultation with the Office of the Chief Financial Officer and the State's Attorney's Office, determined that pursuing the assignment of these claims in return for payment was a prudent and an expeditious method for resolving the uncertainty and speculative nature surrounding the timing and amount of any future payments. As a result of this agreement, the County will receive \$976,834.07 or approximately 55.8% of the outstanding claims yielding a total recovery of almost 74%. If approved, this item will authorize the County Comptroller and Director of Risk Management to assign and transfer the County's claims against Reliance Insurance Company in Liquidation to Insurance Liquidations Investors, LLC for the amount of \$976,834.07.

This agreement to assign and transfer the County's claims has been reviewed and approved by the Cook County State's Attorney's Office.