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Comments in the Cozen O'Connor Subrogation and Recovery Observer are not intended to provide legal advice. Readers should not act or rely on information in the Observer without seeking specific legal advice from Cozen O'Connor on matters which concern them.

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MESSAGE FROM THE CHAIR

Dear Clients and Friends:

We are pleased to present the Summer 2010 Edition of Cozen O'Connor's Subrogation and Recovery Observer. We started the Observer many years ago as a means to update you regarding legal and claims developments in our self-contained world of subrogation. This edition contains a wide sampling of our settlements, verdicts and appellate victories, together with other noteworthy cases, which we hope you will find informative.

As noted, we were recognized by Lexis Nexis® for having one of the Insurance Law Community's Top Fifty Insurance Blogs for 2009. In addition to our subrogation and recovery blog, we provide educational bulletins in the form of subrogation alerts, subrogation white papers, and 50 State Jurisdiction Comparative Charts, with such volume that these materials frequently are distributed on a weekly basis.

All of these materials are contained within the Cozen O'Connor Subrogation and Recovery Electronic Library. This provides you with a truly encyclopedic resource to evaluate subrogation opportunities. (A link to registration can be found below).

As always, we are prepared to assist you in every respect in maximizing your recoveries while simultaneously reducing your expenses.

Best wishes to all for a happy conclusion of the summer season.

Best Regards,



Elliott R. Feldman

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SUBROGATION AND RECOVERY OBSERVER

NEWS ON CONTEMPORARY ISSUES

SIGNIFICANT SETTLEMENTS



Jim Campise

LOST IN TRANSPORTATION...

Jim Campise of our New York Office in the Atlantic Region recently concluded a partial settlement of \$1.95 million on behalf of Allianz Global Coporate and Specialty (AGCS). The loss arose from an April 2, 2008 theft of telephones in Arizona sold to a major

telecommunications company by AGCS's insured. The telecommunications giant had prepared a purchase order to the insured for the telephones and the insured then delivered the telephones to truckers hired by the telecom company in California. Unfortunately, the truck and the telephones were stolen at a truck stop in Arizona while en route to Kentucky. The telephones had been insured with AGCS on a sales price basis, resulting in a payment of \$4.2 million. Jim pursued the subrogation claim against the telecommunications company, arguing that it assumed the risk of loss by way of a complex web of contracts, and against the trucking company for losing the truck and its cargo to the thieves.

We filed suit in federal court in Kansas under the Uniform Commercial Code and Carmack Amendment to the Interstate Commerce Act. Applicable law did not allow Jim to claim the full damages of the sales price, only the replacement cost of the phones. Following Jim's presentation at mediation, the telecommunications defendant agreed to settle for \$1.95 million. Jim also negotiated, as part of the agreement, an assignment to AGCS of the telecommunication

company's rights, so that Cozen O'Connor could pursue a contribution claim on behalf of AGCS against the two trucking companies involved, who had only offered a total of \$110,500 at the mediation. Jennifer Poynter of our Rocky Mountain Region ably assisted Jim as she is admitted to practice in Kansas.



Jennifer Poynter

IT'S RAINING SPARKS...

Julie Noonan from our Denver Office in the Rocky Mountain Region recovered \$1,148,677 for Penn Miller's Insurance Group for a loss outside of Grand Island, Neb. handled by



Julie Noonan

Bill Schneider. We contended that the fire was caused by a welder failing to use a shield, wet down surrounding combustibles, or maintain a fire watch in connection with welding activities at our insured's commercial livestock facility. Not surprisingly, the welder ignited nearby combustible silage, but

said he had extinguished the fire that was discovered shortly after he ceased welding.

The defense also argued that the fire was caused by careless smoking of the insured's employees and the insured's failure to keep its own watch during the welding activities. Julie was able to get the liability adjuster to see the light and settled the claim for more than \$1 million.



Doug Fox

NOT MARKED OUT...

Doug Fox from our Philadelphia Office in the Atlantic Region obtained a settlement for OneBeacon Insurance Group in a claim handled by Steve Seeber in a gas explosion that occurred on March 4, 2005 in New Jersey.

OneBeacon insured the owner of a mall in Eatontown, N. J. One of the stores in the mall was leased by Petco. On February 25, 2005, a contractor called the New Jersey One Call System to ask for a utility mark-out for excavation in the parking lot to install a new underground electric line. On February 28, a private mark-out technician hired by the local gas utility arrived at the shopping mall to perform the mark-out of the underground natural gas line to the Petco Store. In the middle of a snowstorm, with 10 inches of snow forecasted, the mark-out technician marked-out the underground gas line by applying yellow spray paint on several inches of snow that had already fallen on the parking lot.

The technician did not place any stakes, flags, or other markers and, of course, the falling snow quickly covered the yellow paint. The parking lot was also plowed the next day, ensuring that any remaining yellow paint was gone for good. Three days later, an excavation contractor hit the

unmarked, underground natural gas line, causing gas to migrate into the Petco store and accumulate. An employee of the excavation contractor entered the Petco store to warn patrons and employees to leave immediately. Witnesses testified that the employee had a strong odor of alcohol and was smoking a cigarette when he entered the store. An explosion occurred shortly thereafter, trapping several Petco employees and the excavation contractor's employee in the debris and causing the total destruction of the Petco store.

Rather than stepping up to the plate, all of the interested defendants played the blame game. The excavation contractor denied liability, claiming that it relied on the lack of a visible mark-out to begin excavation. The mark-out contractor denied liability, arguing that the excavation contractor should have known better than to dig in the absence of a visible mark-out and should have called for another mark-out. The local gas utility denied liability, arguing that state law required it to mark-out gas lines even in the middle of a snowstorm. Doug was eventually able to settle the case on the eve of trial for a confidential amount once all three recognized it was only a matter of time before the jury apportioned liability among them.



CHASING THE MONEY...
Mark Roth and Howard Maycon of our Los Angeles Office in the Western Region obtained a \$9 million settlement on behalf

of the **Chubb Group of Insurance Companies** in a claim supervised by Don Siegrist and handled by Debbie Sullivan. The case arose from a February 2008 fire at an 18,000 square foot mansion under construction in Montecito, Calif. The insured was prominently involved in the Beanie Babies phenomenon a number of years ago and the home was located in an exclusive neighborhood of movers and shakers in the entertainment industry.

The public sector investigators determined that the fire started in a fireplace chase. Numerous private investigators concluded otherwise. Mark and Howard broadened our theory of causation/liability to contend that, regardless

of the precise fire ignition sequence, the heat responsible for causing the fire had been generated by the fireplace and escaped its intended enclosure as a result of several construction defects. Mark and Howard worked very closely with our engineering consultants to develop specific code violations to strengthen the case.

Mark and Howard collected \$6 million in policy limits from the subcontractor that had performed the improper fireplace modifications and then directed their litigation efforts against the general contractor, which also had a \$6 million liability policy. The general contractor, not surprisingly, vigorously contested its liability on the basis that the subcontractor was solely responsible for causing the alleged defects and that the general contractor did not direct the method or manner of the subcontractor's performance. Counsel also raised a number of damages issues. Mark and Howard were nevertheless able to collect \$3 million of the general contractor's \$6 million policy resulting in a \$9 million recovery on a \$12 million loss. As an added bonus, they were able to do so within 18 months of the fire.



MAJOR DISCONNECT...
Anne Cook and Marcos Hazan-Cohen of our Dallas Office in the South Central Region obtained a \$2 million settlement

on behalf of **ACE Westchester** in a claim handled by Tim Dunn in connection with a February 2008 fire at a cabinet manufacturing facility in Texas owned by ACE's insured. A contractor was replacing paint booths and using a metal cutter at the time of the fire. Following our fire investigation, we developed a theory of liability that sparks from the cutter had ignited the residual lacquer fumes in the paint booth, which rapidly spread throughout the building. The defendant contractor had also disconnected the fire suppression system for the paint booth in order to remove it, which Anne and Marcos contended was a substantial factor in causing the fire to spread. The fire suppression system for the paint booth was a dry chemical system and the insured's sprinkler system was supplied by well water that did not have sufficient water pressure to extinguish the fire.

The defendant contended that our insured was responsible for making certain that no residual lacquer fumes remained in the paint booth at the time of its work and that our insured's poor housekeeping created additional fuels that allowed the fire to spread. Anne and Marcos were successful in obtaining the defendant's full \$2 million limits of liability coverage with a pre-suit demand 20 months after the fire.



Leslie Hulburt

MAKING HAY...

Leslie Hulburt of our San Diego Office in the Western Region obtained a 100 percent recovery on behalf of Fireman's Fund Insurance Company.

The defendant's truck loaded with hay caught fire on the highway in front of a hospital insured by FFIC. The hospital suffered cleanup costs as a result of smoke infiltration. The defendant was cited by the police for improperly loading the hay and allowing it to ignite.

After receiving the file, Leslie sent a demand letter to the defendant's carrier, which denied the claim. Leslie suggested that the defendant agree to arbitrate the matter. Defense counsel agreed to stipulate to the damages and relevant facts and the sole issue for the arbitration was whether the policy barred coverage for our claim.

Following the arbitration, Leslie received a verdict in her favor. The award in favor of FFIC was for 100 percent of the claim.



Howard Maycon



Mark Roth

LOOSE NUT...

Howard Maycon and Mark Roth of our Los Angeles Office in the Western Region combined on another \$1 million settlement for Liberty Mutual

Regional Agency Markets in a claim handled by Jon Vandesteeg. The insured owned a high-end residence in Newport Beach, Calif. (Howard and Mark like to specialize in losses to expensive homes in California). While the insured was away, a coupling nut on the supply line to the toilet, which was installed during the original construction of the home eight years before the loss, failed in a second floor

bathroom. What would have been a small problem if discovered immediately, was a significant problem with the bathroom on the second floor and no one home.

The experts retained by Howard and Mark determined that the nut was not defective but, rather, had been negligently installed. The plumber who installed the coupling nut was uninsured, so Howard and Mark turned their attention to the general contractor who did have insurance, asserting that it was responsible for the conduct of its subcontractor. Like many before him, the adjuster for the liability carrier of the general contractor caved in to the relentless pressure from Mark and Howard and agreed to pay policy limits to resolve the matter.



Steve Halbeisen



Jason Schulze

NO SMOKING SECTION...

Steve Halbeisen, Jason Schulze, and Jake Skaggs of our South Central Region combined their talents to negotiate



Jake Skaggs

an approximate \$9 million settlement in a substantial warehouse fire on behalf of Catlin (the lead for the London market), Navigators and AIG Oil Rig. The enormous fire at a warehouse caused more than \$60 million in damages. We represented the insurers for two companies that had stored property in the warehouse. One insured had approximately \$40 million in goods and the other had almost \$8 million in goods. The target defendant, the warehouse operator, had only \$15 million in liability limits.

Our team contended that the fire had been caused by careless smoking of the employees of the warehouse operator, based upon extensive evidence of smoking materials that was found in the aftermath of the fire. The materials were located in a warehouse where defendant contended smoking was not allowed by its employees. The defendant argued that the fire was caused by malfunctioning electrical equipment owned and maintained by the building owner. As one might expect, the case

had a number of complex issues compounded by the primary insurer for the defendant disputing coverage and threatening to commence coverage arbitration proceedings in London. In addition, the defendant's policy was a self-reducing policy under which defense costs were paid out of the policy limits and were constantly being eroded by the ongoing investigation. Complicating matters even further were the claims being advanced by one of the insureds for a substantial uninsured loss. In spite of all the issues, Steve, Jason and Jake were able to get the claim resolved within 11 months of the date of loss.



Megan McFarland

NO WAY OUT...

Megan McFarland from our Seattle Office in the Northwest Region obtained a favorable settlement for Allstate Insurance Company. Two weeks after moving into their home, the insured's home burned to the ground. The investigation revealed that a major

construction error had occurred with the chimney. As installed, the chimney ended inside the chase and did not exit the home. As a result, when the insured started a fire in the fireplace, the sparks and hot gases ignited the chase because they had nowhere else to go. The insured and uninsured losses totaled approximately \$850,000.

The general contractor and fireplace subcontractor decided to point the finger at each other rather than attempting to resolve the case. As a result, Megan filed suit and started on the offensive against both. After extensive discovery, several motions were briefed and argued regarding indemnity obligations and the economic loss doctrine. Although mediation was attempted, it was unsuccessful with a maximum combined offer of \$550,000, which we rejected.



Kyle Farnam

Megan kept up her assault and eventually the general contractor and subcontractor agreed to settle with each paying \$500,000, bringing the total settlement to \$1 million. Kyle Farnam assisted Megan in achieving this outstanding result.

CHINESE DELIGHT...

Our Chicago Office in the Midwest Region recovered 94 percent for Continental Western or the W.R. Berkley Group for a restaurant fire in a strip shopping center.

Our insured owned the building next door to a Chinese restaurant. The adjacent building and the restaurant in that building were insured by two different liability carriers that were part of the same insurance group. Unfortunately, the scene was demolished shortly after the fire by order of the local authorities before the experts on behalf of our client were able to get to the scene. Nevertheless, based upon information provided in a report prepared by the fire department, Jeff argued that the building owner knew or should have known about patently unsafe conditions and cooking practices in the restaurant operated by the tenant. Similar allegations were asserted against the restaurant and its owner.

The fire department report contained statements from both the owner of the building and the owner of the restaurant in which each stated that the insurance company had inspected the restaurant's fire suppression system in 2008. The report also noted that the fire department observed a heavy layer of grease on the hood and ducts following the fire. Finally, the fire department report contained an admission from the owner of the restaurant that he did not perform any hood or duct maintenance since he had purchased the restaurant in 2006. Jeff maintained that these statements were conclusive proof of the restaurant's unacceptable and dangerous cooking, cleaning and maintenance practices in violation of NFPA 96, Standard for Ventilation and Fire Protection of Cooking Operations. Jeff was able to use the fire department's report with the fortuitous circumstance that both potential defendants were insured by the same carrier to obtain \$140,000 on a claim of \$149,007.

A SLOW BOAT TO CHINA...

Mark Anderson from our Seattle Office in the Northwest Region was able to obtain a settlement on a \$1.7 million claim for goods in transit. Allianz Global Coporate and Specialty insured a mining company that processed lead and zinc concentrates.



Mark Anderson

A stevedore in New Orleans hired several push boats to assist in moving the lead barges alongside a ship where they would be loaded into the hold and shipped to China. One of the push boats grabbed the wrong barge, which contained zinc concentrate. The mistake was not discovered until the entire contents had been placed onto lead that had been previously loaded. Despite efforts to salvage the zinc, it was significantly contaminated with lead. The lead already on the ship was also contaminated with zinc. The total damages exceeded \$1.7 million.

Mark instituted suit against the stevedore and the push boats in New Orleans. A number of depositions were taken in an effort to apportion fault among the defendants and to establish the mediocre salvage measures. Mark was successful in settling the case one month before trial for a confidential amount.



Josh Goodman

CHINESE DRYWALL LITIGATION UPDATE

Earlier this year the first of the damages trials arising from the defective Chinese Drywall multidistrict litigation went to trial in the U.S. District Court for the Eastern District of Louisiana. Judge Fallon found in favor of the plaintiff

homeowners and awarded \$2.6 million in damages against the Chinese company that manufactured the defective drywall. In his detailed findings of fact, Judge Fallon cited, on several occasions, the Cozen O'Connor Chinese Drywall Litigation Subrogation White Paper (2009) as an authoritative text. [Josh Goodman of our Charlotte, N.C., Office in the Southeast Region](#) authored this white paper and we are delighted that Judge Fallon considered it a well-respected and scholarly product on which to rely in his findings of fact.



Pamela Pengelley

OLYMPIC ACHIEVEMENT...

[Pamela Pengelley of our Toronto Office](#) obtained a 100% recovery on a \$1.1 million flood loss at the newly constructed [Vancouver Convention Center, home of the 2010 Winter Olympic Games](#). The flood and resulting water damage occurred due to the

faulty installation of a sprinkler system. The defendant claimed the protection of a contractual warranty provision that limited liability for consequential damages. Pam deserves a gold medal for that performance.



Harvey Fruman



Suzanne Radcliff



Anne Cook

BURNING DOWN THE BARN...

[Harvey Fruman of our Santa Fe, New Mexico Office and Suzanne Radcliff and Anne Cook of our Dallas Office in our South Central Region](#) joined forces to obtain a substantial, but confidential recovery on behalf of numerous blind stock syndicates and insurers in the London Market on a file referred by independent adjuster Mary Patton. Tragedy struck the sleepy territory in Southern New Mexico that is inhabited by more race horses and weeds than people. The area was stunned several years ago by a barn fire that killed six acclaimed breeding stallions. The small town of Hondo was invaded by grieving owners, investigators, engineers, adjusters, and attorneys. The fire patterns throughout the barn appeared to some to be inconclusive and contradictory. Upon removing everything from the barn that conceivably could have caused the

fire, the investigation moved to various laboratories. After another three weeks of examinations, our forensic team concluded that wiring in a \$20 fan motor had failed and sparked the fire. Nevertheless, the presence of cigarette butts in the barn, the infallibility of its fan motor, the renown of its experts, and the prior successes of its counsel led the fan manufacturer to defend vigorously.

RECENT DECISIONS OF INTEREST TO THE SUBROGATION PRACTITIONER

FLORIDA APPELLATE COURT ALLOWS SUBROGATION CLAIM AGAINST TENANT BASED ON WHOLE READING OF LEASE

The Florida Third District Court of Appeals recently joined the modern trend in analyzing whether a subrogating carrier standing in the shoes of a landlord can subrogate against a negligent tenant. In *State Farm Florida Ins. Co. v. Aleli Loo*, 2010 W.L. 445945 (Fla. App. 3rd Dist. Feb. 10, 2010), the court examined the lease as a whole in order to determine the intent of the parties regarding who should bear the risk of loss for damages to the leased premises caused by the tenant's negligence.

State Farm issued renter's insurance to Jose Masvidal insuring a property he leased to Aleli Loo. During the term of the lease, a fire damaged the property and State Farm paid the landlord for the loss. State Farm thereafter filed a subrogation action against Mr. Loo to recover the amounts paid to the landlord. The tenant moved for summary judgment pursuant to *Sutton v. Jondahl*, 532 P.2d 478 (Okla. App. 1975), contending that the tenant was an implied co-insured under the landlord's insurance policy thus precluding State Farm from seeking subrogation. The trial court granted summary judgment relying on *Sutton*.

The issue on appeal was whether a landlord's insurer may bring a subrogation action against the landlord's tenant to recover amounts the insurer paid under the insurance policy for damage to the leased premises that the insurer attributes to the tenant's negligence. In analyzing the issue, the court observed that other courts have typically adopted one of three views: (1) the approach set forth in *Sutton*; (2) an approach that is contrary to *Sutton*, which is known as the "anti-*Sutton* approach"; and (3) the "case-by-case approach" set forth in *Tout v. Hartford Acc. & Ind. Co.*, 390 So.2d 155 (Fla. App. 1980). Moreover, the court held that the terms of the party's lease did not express an intent that the landlord would exculpate the tenants for damage they negligently caused.

After explaining all three approaches, the court concluded that, based upon *Tout*, the "trial court applied the incorrect legal standard when ruling on the tenant's motion for summary judgment." The correct legal standard was the case-by-case analysis where there is no presumption in

favor or against subrogation. Instead, the lease as a whole is examined in order to ascertain the intent of the parties as to who should bear the risk of loss for damage to the leased premises caused by the tenant's negligence.

The court thereafter examined the lease between the parties and determined that paragraphs nine and 10 did not provide that the landlord may not hold the tenant liable for her negligence or that the landlord had agreed to assume the responsibility to purchase a rental dwelling insurance policy for the tenant's benefit. In addition, the court noted that there was no provision in the lease that exculpated the tenant from liability for her own negligence; required the landlord to maintain insurance for the benefit of the tenant; or shifted any loss incurred as a result of the tenant's negligence to the landlord.

Based on our review of the lease as a whole, we conclude that, as a matter of law, State Farm may proceed with its subrogation action against the tenant because the parties did not in "unequivocal terms" intend to limit the tenant's liability for her negligent act.

FIRST CIRCUIT APPLIES MASSACHUSETTS LAW TO BAR SUBROGATION AGAINST A RETIREMENT COMMUNITY RESIDENT

The U.S. Court of Appeals for the First Circuit recently precluded a subrogation claim under Massachusetts law in *Federal Ins. Co. v. Commerce Ins. Co.*, No. 09-1156 (1st Cir., March 2010).

On April 4, 2007, an elderly resident at the Kimball Farms Retirement Community negligently started a fire that damaged the property owned by Berkshire Retirement. Federal Insurance Company (Federal) insured Berkshire Retirement. Federal filed suit against the insurance carrier for Ms. Roberts. When Ms. Roberts first moved to Kimball Farms, she signed the Residence and Care Agreement (RCA) which is similar to a lease agreement. The RCA included a provision that provided as follows:

Any loss or damage to the real or personal property owned by Kimball Farms caused by the negligence

of Resident will be charged to and paid for by Resident. If any negligence of anyone other than Kimball Farms or its personnel results in injury, illness, or damages to Resident or Resident's personal property, Resident hereby releases and discharges Kimball Farms from all liability and responsibility for such injury or damage to Resident's personal property. Resident shall have the responsibility of providing any insurance desired to protect against such loss.

The district court granted summary judgment to the defendant under Massachusetts law. The district court reasoned that pursuant to *Peterson v. Silver*, 704 N.E.2d, 1163 (Mass. 1999) the exception to the implied co-insured doctrine applied only if the resident's lease expressly provided for a "tenant liability for loss from a negligently started fire." The trial court reasoned that because the RCA did not specifically impose liability on the resident for fire damage, the exception to the implied co-insurance doctrine did not apply. Federal appealed the decision to the First Circuit and the First Circuit affirmed.

The First Circuit analyzed Massachusetts law regarding waivers of subrogation in a trilogy of key cases: *Liberty Mutual Ins. Co. v. Zoltek Corp.*, 647 N.E.2d 395 (Mass. 1995); *Lexington Ins. Co. v. All Regions Chem. Labs, Inc.*, 647 N.E.2d 399 (1995); and *Peterson v. Silva*, 704 N.E.2d 1163 (Mass. 1999). The First Circuit then applied Massachusetts law to

the facts before it. The court first determined that the RCA was clearly a residential lease as opposed to a commercial lease which would not invoke the exception of the implied co-insured doctrine under Massachusetts law. The court then addressed whether in this case there is an express provision in the lease establishing a tenant's liability for loss from a negligently started fire. "While recognizing that the lease in *Peterson* is not identical to the lease in the instant case, we are persuaded that the reasoning in *Peterson* is equally applicable here."

Despite the apparently clear language in the RCA that the resident would be responsible for negligent acts, the First Circuit determined that the language in the lease was "general, and although the first sentence meant some specific liability for damages caused by the resident to the real and personal property owned by Kimball Farms, there is no express language establishing liability for fire damages, as required by *Peterson*." While the First Circuit did acknowledge that its analysis involved a "strict approach," it believed that the Massachusetts Supreme Judicial Court emphasized in *Peterson* the burden on the landlord to make explicit the tenant's obligation to maintain fire insurance. The First Circuit apparently failed to appreciate the difference between liability insurance and fire insurance. A tenant cannot maintain fire insurance on the landlord's property, only liability insurance to protect its negligent acts and property insurance to protect his or her personal property.

APPELLATE VICTORIES



THIRD TIME'S THE CHARM...
Kevin Caraher of our Chicago Office in the Midwest Region has prevailed for a third time on behalf of Fireman's Fund Insurance Company (FFIC) for a significant fire loss started by an arsonist in Chicago. We first reported the trial victory in our Summer 2008 Edition when

Kevin obtained a \$3.3 million verdict following three and a half weeks of trial. The trial court entered judgment on the verdict but later granted the defense motion for a new trial.

We reported in our Fall 2009 Edition Kevin's successful appeal to the Illinois Appellate Court which reversed the grant of a new trial and remanded the matter back to the trial court for re-entry of judgment. Defendant then filed a Petition for Leave to Appeal to the Illinois Supreme Court. Kevin filed a brief in opposition and earlier this year the Illinois Supreme Court denied the Petition for Leave to Appeal. Kevin is moving for re-entry of judgment that will include a claim for statutory post-judgment interest of 9 percent on the verdict since the original June 2008 finding by the jury, which would increase the total judgment to an amount in excess of \$3.8 million, of which FFIC will receive in excess of \$1.5 million.

CONGRATULATIONS



Pam Pengelley

Pam Pengelley of our Toronto Subrogation Group was recently honored with the David Stockwood Memorial Prize. This honor is extended biannually to honor David Stockwood, who served as the editor of the Advocates' Society Journal in Canada from 1991 through 2008. Pam received

the significant honor based upon her article, which

examined the use of bifurcated trials in Ontario. The article is being published in an upcoming *Advocates' Journal* edition and Pam's article was selected by a three-member panel that included Judge Binney of the Supreme Court of Canada. Pam will be awarded the prize along with \$1,000 at a dinner in June. We are extremely proud of Pam for this important academic accomplishment and the recognition it brings to our Toronto office.

WELCOME ABOARD

We are proud to add the following attorneys to assist you in your subrogation efforts internationally.



Rajesh Datt

In Toronto, **Rajesh Datt** has joined us as a member in our Subrogation Group. He was called to the bar in 2003 and brings with him extensive insurance litigation experience from his former firm. Raj had an opportunity to handle a number of subrogation matters and developed an appreciation for the unique blend of

legal skills required in this specialized practice area.



Robert Kay

Robert Kay has joined our London Office. Robert initially qualified as a barrister in 1999 from the Inns of Court School of Law, and recently qualified as a solicitor. Rob previously practiced for a leading London insurance firm and has been immersed in all things subrogation since joining the Cozen O'Connor London Office.



Brad Grumbley

Brad Grumbley has joined our Subrogation Group in our San Diego Office as an attorney. Brad graduated in May 2009 from the University of San Diego School of Law, where he finished in the top 10 percent of his class. Brad was a member of the International Law Journal, the National Mock Trial Team

and earned several advocacy awards for his performances in oral and written competitions. Brad clerked with our San Diego Subrogation Group while he was awaiting admittance to the bar.



Marko
Stamenkovic

Marko Stamenkovic has also joined our London office as a solicitor. His practice covers a range of insurance issues, both contentious and noncontentious. Before joining Cozen O'Connor in March 2010, he worked for international law firms in the Middle East and U.K., and has extensive experience in Middle Eastern mediations and arbitrations.

NATIONAL SUBROGATION SERVICES CONTINUES TO EXPAND



Sherri Kaufman



Jeff Williams

A decade ago, Cozen O'Connor, in partnership with Sherri L. Kaufman, created National Subrogation Services for the purpose of providing our clients

with the same level of subrogation expertise for moderate to small size losses below the threshold of Cozen O'Connor's Large Loss Subrogation Programs. NSS currently has more than 35 experienced recovery analysts working on recoveries throughout the country on claims from its home base in Jericho, N. Y. NSS

recently added Jeff Williams, formerly of Crum & Forster and CNA, to man NSS's first regional office in Denver.



Jerry Nolan

NSS provides comprehensive subrogation and consulting services to insurance carriers and self-insured companies throughout the United States. The company has a proven track record of increasing cash flow by insuring that all potential returns are realized and by improving the speed of file resolution. Sherri L. Kaufman is the director of NSS. She has more than 30 years experience in insurance claims and more than 20 years experience specializing in subrogation process improvement. Sherri created and ran a multiline regional recovery unit for Saint Paul and Marine Insurance Company for many years. Jerry Nolan is the assistant director of NSS and has more than 25 years experience and proven leadership abilities in recovery and subrogation claims. Jerry served as assistant vice president of claim recovery for Reliance National Insurance Company and was a recovery specialist for St. Paul Fire and Marine Insurance Company. For more information, please contact NSS at 877.983.3600, 350 Jericho Turnpike, Suite 310, Jericho, NY 11753, skaufman@nationalsubrogation.com or jnolan@nationalsubrogation.com.

RECOGNITION FOR OUR SUBROGATION BLOG

According to LEXIS NEXIS®, the Cozen O'Connor Subrogation and Recovery Law Blog was one of the Insurance Law Community's Top 50 Insurance Blogs for 2009. When LEXIS NEXIS® considers a blog for membership in the ILC's annual top 50, it looks for frequent posts, timely topics and quality writing. "Only the best may gain admission. Our readers have come to expect nothing less and we wouldn't have it any

other way." The address for the Subrogation and Recovery Law Blog is <http://www.subrogationrecoverylawblog.com/>. It provides commentary on current issues and developing trends. We are pleased to be included in LEXIS NEXIS® Insurance Law Community's Top 50 Blogs and look forward to continuing to enhance this service for the insurance industry and broader business community.

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