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GREAT-WEST LIFE INSURANCE & ANNUITY CO. V. KNUDSON: THE AFTERMATH

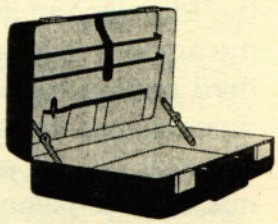
On January 8, 2002, in a decision which would shake the very foundations of ERISA subrogation, the United States Supreme Court revisited the issue of exactly what rights an ERISA Plan has to enforce its reimbursement and/or subrogation provisions. Great-West Life Insurance & Annuity Co v. Knudson, 122 S.Ct. 708 (January 8, 2002). The facts of this case are significant, and lend themselves to one possible explanation as to why the Supreme Court decided this case in the way that it did. In light of the significant impact of this decision and its affect on healthcare subrogation, we have opted to spend a little more time and space on discussing this case than we normally would on any one subject or article.

THE FACTS

Janette Knudson was rendered a quadriplegic in a 1992 California automobile accident. Her medical expenses were covered by the healthcare plan of Earth Systems, her husband's employer. This ERISA Plan paid $411,157 of her medical expenses, but Great-West paid most of this under a stop-loss policy issued to the Plan. The Plan contained reimbursement language granting a lien against a beneficiary's recovery from a third party.

(Continued on Page 2)

BRIEFCASE NOTES-
NEW CASE LAW



Wisconsin Court of Appeals Creates Obstacle to Effective Property Subrogation

Paulson v. Allstate, 2002 WI App. 168, 649 N.W.2d 645.

The Supreme Court of Wisconsin recently decided to review a questionable Court of Appeals decision in Paulson v. Allstate. The Supreme Court will determine whether an insured is entitled to the difference between the amount of the claim paid by its property carrier, and the amount recovered by the property carrier in a third party subrogation action.

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(Great-West Continued from Page 1)

In 1992 Janette Knudson filed suit in California State Court against Hyundai Motor Company, and a $650,000 settlement was negotiated. The settlement provided that $256,745 would be distributed to a Special Needs Trust for future medical care. Of the remaining proceeds ($393,255), $373,426 would pay attorneys' fees, $5,000 would reimburse California's Medicaid Program and $13,829 would be paid to Great-West to partially reimburse them for medical benefits.

The day before the hearing in state court to approve the settlement, Great-West filed a federal lawsuit under 29 U.S.C. § 1132(a)(3) of ERISA seeking to enforce the Plan language and require Janette Knudson to pay the Plan $411,157. Great-West sought a Temporary Restraining Order against further proceedings in the state court - which was denied. Therefore, Janette Knudson went ahead with the settlement, and the state court approved the settlement. The money was disbursed in two checks: (1) payable to the Special Needs Trust; and (2) payable to Janette Knudson's attorney, who in turn tendered checks drawn on his trust account to both Medicaid and Great-West. The federal district court then granted summary judgment to the Knudson's, holding that the language of the Plan limited its right of reimbursement to the amount received by the beneficiaries from third parties for past medical treatment - an amount that the state court determined was $13,828.70. It appears that no effort was made to challenge the allocation of this recovery. The 9th Circuit Court of Appeals affirmed the federal district court's ruling on different grounds - holding that judicially decreed reimbursement is not "equitable relief" under ERISA. (The 9th Circuit cited FMC Medical Plan v. Owens, 122 F.3d 1258 (9th Cir. 1997). On January 22, 2001, the United States Supreme Court granted certiorari, setting the scene for a showdown on the issue which was abandoned with the dismissal of Reynolds Metals v. Ellis. The bottom line issue for the Supreme Court to decide in Knudson was whether § 502(a)(3) of ERISA authorizes a federal lawsuit to enforce the Plan's reimbursement provision when the Plan beneficiary is not in possession of the monies recovered, such as here - where they were transferred on her behalf to a trust established under state law for her future needs and to her attorney as payment of his fees. 29 U.S.C. § 1132 (a)(3).

The Supreme Court affirmed the 9th Circuit Court of Appeals on narrow procedural grounds, affirming the dismissal of the federal lawsuit not because ERISA does not recognize such suits, but because the Plan beneficiary was not properly subject to a claim for reimbursement because an injunction to compel the payment of money past due under a contract and a suit for did not constitute "equitable relief" under ERISA. (These were the two causes of action plead by Great-West). No effort was made to establish a constructive trust or to pursue an equitable lien against the funds, although such an effort might have been unsuccessful because the unchallenged distribution of the third party settlement fund had placed a majority of these funds in a Special Needs Trust for future medical care, and Janette Knudson was not in possession of the monies recovered in state court. The court emphasized that 29 U.S.C. § 1132(a)(3), which only authorizes a Plan fiduciary to seek "equitable relief", does not authorize a suit seeking to impose personal liability on a Plan beneficiary for a contractual obligation to pay money, because such relief is "legal" in nature and was not available historically as equitable relief.

In a nut shell, the Supreme Court in Knudson deemed Great-West's request for restitution legal in nature, because the trustee, and not Janette Knudson herself, held the settlement proceeds. The Supreme Court affirmed summary judgment and denied Great-West its claim for reimbursement because Great-West sought legal, not equitable relief.

APPLYING KNUDSON TO ERISA SUBROGATION

It remains clear that it was very prudent to use Knudson as the witness test for ERISA subrogation. Any time you have a quadriplegic who recovers only $650,000, and an insurance company is trying to take the majority of that amount, courts are going to find a way to eliminate the subrogation rights. Bad facts make bad law, and this case did just that.

However, Knudson isn't fatal to ERISA subrogation. Quite to the contrary, the case has very specific and quite unusual facts which make its application somewhat limited. The Supreme Court may have indicated that there may have been other means for Janette Knudson to obtain the essential legal relief that they sought. They expressed no opinion as to whether or not Great-West could have intervened into the state court action or whether a direct action by Great-West against Knudson asserting state law claims such as breach of contract would have been preempted by ERISA. They also did not decide whether or not Great-West could have obtained equitable relief against the respondent's attorney and the Trustee of the Special Needs Trust, since Great-West did not appeal that portion of the district court's ruling. Many plaintiffs' attorneys will misread Knudson as standing for the proposition that fiduciaries of ERISA Plans can no longer file federal actions or otherwise force reimbursement of ERISA liens pursuant to their Plan language. However, this could not be further from the truth. Knudson simply means that an ERISA Plan must apply its equitable remedies before settlement or while it can still trace the settlement funds to the possession, custody, or control of the beneficiary. Lawyers representing health plans should do the following to avoid defensive maneuvers on the part of plaintiffs' attorneys and beneficiaries, and assure protection of their ERISA liens:

(1) Put all parties on notice. If the settlement money is disbursed and you cannot trace it, you probably do not have a claim for reimbursement or an equitable lien under ERISA. The goal should be to avoid disbursement of the funds before the Plan's subrogation/reimbursement rights are declared by the court. A valuable first step toward this end is to send a letter to all parties in the case advising them of your subrogation rights and the Plan language that you have. Ask each of them to agree to hold the settlement funds until the Plan's subrogation rights have been determined by the court. You are simply trying to preserve the settlement status quo until the Plan's rights are ruled on by the court. If you can get the other party to sign the letter you have sent them and agree to hold these monies in trust, you have gone a long way toward earmarking these funds as "traceable" under Knudson for purposes of reimbursement. Once such an agreement is entered into, you should be able to go about collecting your subrogation interest with the help of your subrogation lawyer by citing the applicable Plan language and applicable case law. This would also be an ideal time to work out the lien by compromise.

(2) If efforts fail to obtain an agreement to hold the Plan's subrogation interest in trust or negotiate payment of the lien, you should probably take immediate action. Engage subrogation counsel to ask the trial court to enter an order agreeing to place any settlement or third party proceeds into the registry of the court or otherwise into some interest bearing account pending the determination of the Plan's subrogation rights. We have been successful in accomplishing this for many of our clients, and once it is done, most of the damage of Knudson can be avoided. You can also seek an ex parte temporary restraining order in federal court to have the court preserve the status quo. Once the court issues a preliminary injunction, your subrogation case can once again be handled as an ordinary ERISA recovery matter. At that

point, you can ask the court to place a constructive trust over the funds - inequitable remedy allowed by ERISA.

Remember, the test in Knudson is not whether money is in the defendant's possession, but whether the remedy that the Plan seeks to impose is legal or equitable - only equitable remedies are allowed. It is also important to remember that the Knudson Plan did not involve typical subrogation rights, but only reimbursement rights. The term "subrogation" does not appear anywhere in the Knudson majority opinion. This reasoning is drawn from the dissenting opinion in Bauhaus USA, Inc. v. Copeland, 292 F.3d 439 (5th Cir., May 21, 2002). This important dissent by Justice Wiener is a tremendous critique of the poor logic in Knudson and logically illustrates the narrowness of that opinion. It also provides a good summary of the rights a fiduciary has under ERISA.

LESSONS LEARNED FROM DECISIONS ISSUED SINCE KNUDSON

Administrative Committee of the Wal-Mart Stores v. Varco, 2002 WL 47159, 27 Employee Benefits Cas. 1420 (N.D. Ill., Jan. 14, 2002).

Lesson Learned: If possible, seek equitable action in federal court, such as a TRO, *before* a state court has distributed the settlement funds.

Primax Recoveries, Inc. v. Sevilla, 2002 WL 58816, 27 Employee Benefits Cas. 1660 (N.D. Ill., Jan. 15, 2002).

Lesson Learned: Somehow, someway, fashion a claim for constructive trust and equitable restitution.

Hotel & Restaurant & Bar Employees Fringe Benefit Fund v. Trong, 2002 WL 171725 (D. Minn., Jan. 31, 2002).

Lesson Learned: If you file a federal court action, be sure to carefully fashion your remedies as "equitable remedies".

Great-West Life & Annuity Insurance Co. v. Brown, 192 F.Supp. 1376 (M.D. Ga. March 22, 2002).

Lesson Learned: A Plan will always be able to force its reimbursement rights under ERISA by seeking restitution or institution of a constructive trust on funds which are traceable, identifiable, and are in control of the beneficiary.

Yerby v. United Healthcare Insurance, 2002 WL 595122, 27 Employee Benefits Cas. 2420 (Ms. Sup. Ct., April 18, 2002).

Lesson Learned: While suit brought by a Plan under § 1132(a)(3) may only seek equitable relief, if suit is brought by a beneficiary under § 1132(a)(1)(B) "to enforce its rights under the terms of the Plan", the Plan may seek both legal and equitable remedies.

Bauer v. Gylten, 2002 WL 595122664034, 27 Employee Benefits Cas. 2580 (D. ND, April 22, 2002).

Lesson Learned: Where counsel for defendants or plaintiffs agree to maintain the funds at issue pending determination of the Plan's subrogation rights, a constructive trust will be available.

Hamrick's, Inc. V. Roy, 2002 WL 753208 (Tenn. Ct. App., April 29, 2002).

Lesson Learned: The Plan should be able to intervene in the underlying state court action.

Primax Recovery's, Inc. v. Duffy, 204 F.Supp.2d 1111 (N.D. Ill., May 7, 2002) (Citing Health Control Cost Controls v. Ross, 1997 WL 222877 (N.D. Ill. 1997)).

Lesson Learned: A Plan should be able to assert a lien on specific funds not yet received

in the underlying third party action.

Bauhaus U.S.A., Inc. v. Copeland, 292 F.3d 439 (5th Cir., May 21, 2002).

Lesson Learned: An injunction to compel the payment of money is not equitable, and a dissent is sometimes more well-reasoned than the majority opinion.

In re Carpenter, 36 Fed. Appx. 80, 2002 WL 1162277 (4th Cir., Va., June 3, 2002) (unpublished).

Lesson Learned: A Plan may seek an equitable lien on particular property in the hands of Plan beneficiaries.

Unicare Life & Health Insurance Company v. Saiter, 37 Fed. Appx. 171, 2002 WL 1301574 (6th Cir., Ohio, June 10, 2002) (unpublished).

Lesson Learned: Carefully plead your complaint in federal court. Simply seeking monetary payments from the beneficiary or third party tortfeasor due under reimbursement or subrogation provisions of your Plan do not constitute "equitable" causes of action.

IBEW-NECA Southwestern Health & Benefit Fund v. Douthitt, 211 F.Supp. 812 (N.D. Tex., June 25, 2002).

Lesson Learned: A constructive trust will be allowed where funds are being held by the plaintiff's attorney in his client's trust account.

Great-West Life & Annuity Insurance Co. v. Perkins, 2002 WL 1816438 (W.D. Wash., July 9, 2000).

Lesson Learned: ERISA authorizes an injunction where the settlement monies are being held by the beneficiary or the defendant.

Westaff (U.S.A.), Inc. v. Arce, 2002 WL 1869615 (9th Cir., Az., Aug. 15, 2002).

Lesson Learned: Remind your lawyer to plead for an equitable lien or constructive trust. Legal remedies will not cut it.

Primax Recoveries, Incorporated v. Carey, 2002 WL 1968339 (S.D. NY, Aug. 23, 2002).

Lesson Learned: Suing in federal court before the state court action is unresolved probably won't work, unless your plea for some sort of prophylactic action in the state court is denied.

Administrative Committee of the Wal-Mart Stores, Inc. v. Varco, 2002 WL 31189717 (N.D. Ill., Oct. 2, 2002).

Lesson Learned: Restitution of funds that are traceable and in the possession of the beneficiary, as well as a constructive trust over these funds, are equitable remedies which a federal court has jurisdiction over.

While the unfortunate decision in Great-West Life & Annuity Insurance Co. v. Knudson is problematical and does complicate ERISA recovery efforts, it is not terminal. The peculiar facts of Knudson and the open doors which the Supreme Court has left us provide ample opportunity for successful subrogation. However, it will keep us honest and will require us to work and subrogate diligently in order to maximize our ERISA subrogation recoveries. Please feel free to contact Gary Wickert if you have any questions regarding your health insurance recovery efforts.

STATUTE OF LIMITATION LIST AVAILABLE

Matthiesen, Wickert & Lehrer, S.C. is pleased to make available to our clients, at no charge, a revised, comprehensive list of the various statute of limitations for all 50 States. This information was compiled for inclusion in the

annual update to our book, *Workers' Compensation Subrogation In All 50 States*, but it is available for the asking by contacting Jamie Breen at jbreen@mwl-law.com.

(Briefcase Notes Continued from Page 1)

Although, this is not a unique holding in the medical benefits context. Reed v. Bradley, 2000 Wis. App. 165, 238 Wis.2d 439, 616 N.W.2d 916. (A plaintiff is entitled to recover for the reasonable amount of medical services rendered, not the amount paid if the insurer paid less than fair market value). However, Paulson, has extended the rights of the insured to include property damage.

FACTS

The Paulson court does not recognize a distinction between medical benefits and property damages. Paulson, at ¶ 38, 649 N.W.2d at 654. In other words, the current status of the law as articulated in Paulson entitled an insured to seek the difference in any amounts paid by a carrier and any amounts received by the carrier in a subrogation action, as long as the original amount paid was reasonable. This decision leaves no motive for the third party carrier to negotiate a settlement with the subrogated carrier, since the insured would be entitled to recover any reduction of the lien.

The Paulsons sought property damages, medical expenses, lost wages and pain and suffering from a third party tortfeasors as a result of an automobile accident. The Paulsons' automobile carrier, Midwest Security Insurance Company, was named as a subrogee in this suit. The Paulson vehicle was repaired at a cost of $7,542.44, which was paid by Midwest Security. Midwest Security thereafter negotiated with the third party tortfeasor, Allstate, a separate settlement for its subrogated property loss, in an amount of $4,929.71 - roughly 70 percent of the amount Midwest Security had paid for repairs. At trial, the Paulsons attempted to show that the value of the vehicle was $10,500 prior to the collision, and only $2,000 after. The Paulsons wanted to recover the difference between the actual property damages sustained by them, and the $4,929.71 settlement made by Midwest Security. The trial court did not allow the plaintiffs to make such a recovery, but the Court of Appeals reversed it. They reversed it, holding that Midwest Security was entitled to $4,929.71 paid by it, and the Paulsons were entitled to recover the remaining $2,112.73. The Wisconsin Supreme Court will now decide whether the Court of Appeals was in error.

In an earlier Court of Appeals decision, Wisconsin had rejected the argument that allowing an insured to recover the reasonable costs of medical services as opposed to the actual costs of medical services runs contrary to the established public policy of promoting settlements. (Reed, Infra, n.2.) The court reasoned "[t]he agreement between State Farm [subrogated carrier] and American Family [third party carrier] did not constitute a settlement of the action, or any major portion of it . . . [t]he agreement did not abrogate the necessity for a trial, or curtail the proceeding in any meaningful way. (Paulson, at 442, 616 N.W.2d at 918.)

However, in a property damage claim, frequently the insured is not an interested party. As far as the insured is concerned they have been compensated for their damages. As a result, an insured typically does not purse third party claims under these circumstances. Consequently, an insured generally has no interest in whether its carrier reduces its subrogated claim against the third party carrier in order to settle the claim. Therefore, the rationale of the Reed court for overcoming the public policy promoting settlement cannot be extended to the factual situation of the Paulson case. The Court of Appeals, failed to recognize that a settlement between the subrogated carrier and the third party will, in almost every case, terminate, or at a minimum substantially curtail the proceedings.

The rationale of the Paulson decision promotes a situation where a third party carrier receives no benefit for a subrogated carrier reducing its lien, since the insured would be entitled to the difference. As such, a third party carrier is less likely to settle a property damage case unless the insured waives this entitlement. This would stagnate the negotiation process for both the third party carrier, as well as, the subrogated carrier. This runs counter to the established public policy favoring settlements. As such, the Supreme Court should recognize a distinction between a subrogation claim for medical benefits and a subrogation claim for property damage, in order to promote settlement in subrogation actions. To hold otherwise would run afoul of the well-established public policy of promoting settlement.

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Many of our clients are taking advantage of the new feature of our web site located at www.mwl-law.com. Our web site now contains a link entitled "Submit Subrogation Questions". Simply click on the link, and a form will appear on which you can submit subrogation questions from all lines of insurance to subrogation professionals. Questions are usually responded to within a day after receiving the question. When submitting questions, please be sure to include all relevant information regarding the question, such as the line of insurance involved, the date of loss (if relevant), and the state or states involved. If additional information is needed, a clarification e-mail will be sent to you. We continue to look for innovative and efficient ways of serving our client's subrogation needs. Please feel free to utilize this free service the next time you have a subrogation issue or question that arises.

NEW DECISION COMPLICATES WORKERS' COMPENSATION SUBROGATION IN GEORGIA

On May 2, 2002, the Georgia Court of Appeals decided the case of CGU Insurance Co. v. Sabel Industries, Inc., 564 S.E.2d 836 (Ga. App. 2002). Already a difficult state to subrogate workers' compensation benefits in, this case makes workers' compensation subrogation in Georgia more difficult yet. Georgia is one of the few states which codifies the made whole doctrine into its workers' compensation statute. The workers' compensation carrier will not be allowed to recover its workers' compensation lien unless and until an injured employee is "made whole". In order to be "made whole", the claimant must recover all elements of its damages from the third party action and workers' compensation benefits combined. The problem, however, seems to be with regard of who had the burden of showing that the injured worker was or was not made whole. The Court of Appeals decision in CGU Insurance Co. v. Sabel Industries, Inc., decides that issue and more.

Douglas Harrison was catastrophically injured while driving his vehicle in the course and scope of his employment. CGU, the workers' compensation carrier, paid $212,333.92 in medical and indemnity benefits. Harrison and his wife filed a third party action against the owner and driver of the other vehicle, and the case was ultimately settled for $4.5 million. CGU was not a party to the case and did not intervene into the third party action. The Harrisons filed a motion to confirm the settlement, to add CGU as a party defendant, and to dissolve the worker's compensation lien. CGU filed a motion to intervene, which was granted. A hearing was held in front of the trial court to determine whether CGU was entitled to recover on its subrogation lien. CGU presented evidence, including experts who testified about the value of the plaintiff's case. Nonetheless, the trial court granted a directed verdict in favor of the Harrisons,

indicating that CGU had not carried its burden of proving that the Harrisons were "made whole". In short, the decision confirmed that it is the carrier's burden in Georgia to prove that an injured worker is "made whole". Where credible evidence indicates that the claimant's injuries are severe and need continuing treatment, subjecting the claimant to future medical expense, lost wages, and pain and suffering, the burden is especially difficult to overcome. Of course, injured workers never come forth and simply stipulate that they are "made whole" - especially if denying it can wipe out a carrier's worker's compensation lien.

The logic of requiring a carrier to carry the burden of proving whether or not an injured worker is made whole is conspicuously absent. In this case, CGU presented the testimony of two experts in order to prove that Harrison was made whole. Zan Lanford, a certified rehabilitation registered nurse and rehabilitation consultant, testified concerning Harrison future medical and vocational needs, stating that its future medical needs were minimal and that his vocational outlook was bright given his education and vocational history. Patricia Killingsworth, a mediator and arbitrator, also testified on behalf of CGU. She evaluated Harrison's economic and non-economic losses, stating that the total loss was approximately $1.3 million. In this case, CGU neglected to prove something that would seem most difficult to prove - which portion of the settlement was for Mr. Harrison and which part was for Mrs. Harrison. Obviously, the burden is misplaced. Despite putting on an entire case as to damages, CGU was held not to have met its burden with sufficient mathematical certainty as to which portions of the lump sum settlement was subject to CGU's lien.

This decision and the Georgia statute overall, stresses the importance for workers' compensation carriers in Georgia to intervene into existing third party actions. Georgia statute proscribes no method by which a carrier can establish that a worker has been fully and completely compensated by recovery from third party tortfeasor. However, the best method for accomplishing this is to insist on utilization of a special verdict form. With a general verdict, there is no indication by the jury as to what portions of the award are applied toward economic as opposed to non-economic losses, and whether the worker had, as a result, been compensated for his losses. Carriers should intervene in third party actions in Georgia, insisting on special verdicts. Where cases settle before trial, the carrier should conduct discovery specifically directed at the claimant and the value of his claim. Request for admissions should also be submitted which can help pin down the value of the worker's claim before any made whole hearing has to be held.

This decision is just one in a long string of illogical decisions within the state of Georgia which indicate direct and affirmative hostility toward subrogation. The best defense against judicial activism of this sort is to fight back and zealously protect your subrogation liens in the state of Georgia.

CONSIDER JOINING THE NATIONAL ASSOCIATION OF SUBROGATION PROFESSIONALS

The National Association of Subrogation Professionals (NASP) is a non-profit trade association of insurance company subrogation specialists, attorneys practicing in the field of insurance subrogation, and vendors serving the subrogation needs of the insurance industry. Its purpose is to create a national forum for education, training, networking and sharing of information on an industry-wide basis. Each year, an annual NASP conference is held at changing locations throughout the country. This conference presents an opportunity for resourcing, education, exchanging ideas, and training in the area of subrogation. The NASP 2003 conference will be held at the Reno Hilton in Reno, Nevada on November 2 - 5, 2003.

NASP is also kicking off regional chapters throughout the country. These chapters will

provide more convenience and year round access to NASP educational opportunities and other benefits. Apparently, the United States is broken down into six regions.

Western Region - Washington, Oregon, Idaho, California, Nevada, Utah, Arizona and New Mexico

North Central Region - Montana, North Dakota, Wyoming, South Dakota, Nebraska, Minnesota, Iowa, Wisconsin and Illinois

South Central Region - Colorado, Kansas, Oklahoma, Texas, Louisiana, Arkansas, Missouri, Mississippi, Kentucky, Tennessee and Alabama

Midwest Region - Michigan, Indiana, Ohio, West Virginia and western Pennsylvania

Southeast Region - Florida, Georgia, South Carolina and North Carolina

Northeast Region - New York, Vermont, New Hampshire, Maine, Massachusetts, Connecticut, New Jersey, Rhode Island, Maryland, Virginia, Delaware, District of Columbia and eastern Pennsylvania

Each region is headed by a regional director, who is in charge of individual chapters within that region. The following are the Regional Directors for the various regions throughout the county.

Western Region
Bill King - (714) 532-1621
North Central Region
Gary Wickert - (262) 377-9499
South Central Region
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If you are interested in participating as a chapter committee member, in attending local NASP continuing education opportunities, or simply being put on a mailing list for future events, please contact the regional director of your region.

Membership in NASP in only a phone call away. Contact the NASP office at 952-928-4661 or toll free at 888-828-8186. You can also complete a form located on the NASP web site at www.subrogation.org. The members area on the web site contains information and access to educational and informational articles in the field of subrogation. NASP is also the host of a forum that allows members to share information about recent developments in subrogation laws on a state-to-state basis. Becoming a member of NASP is a large step in the direction of educating the subrogation personnel within an insurance company or TPA.

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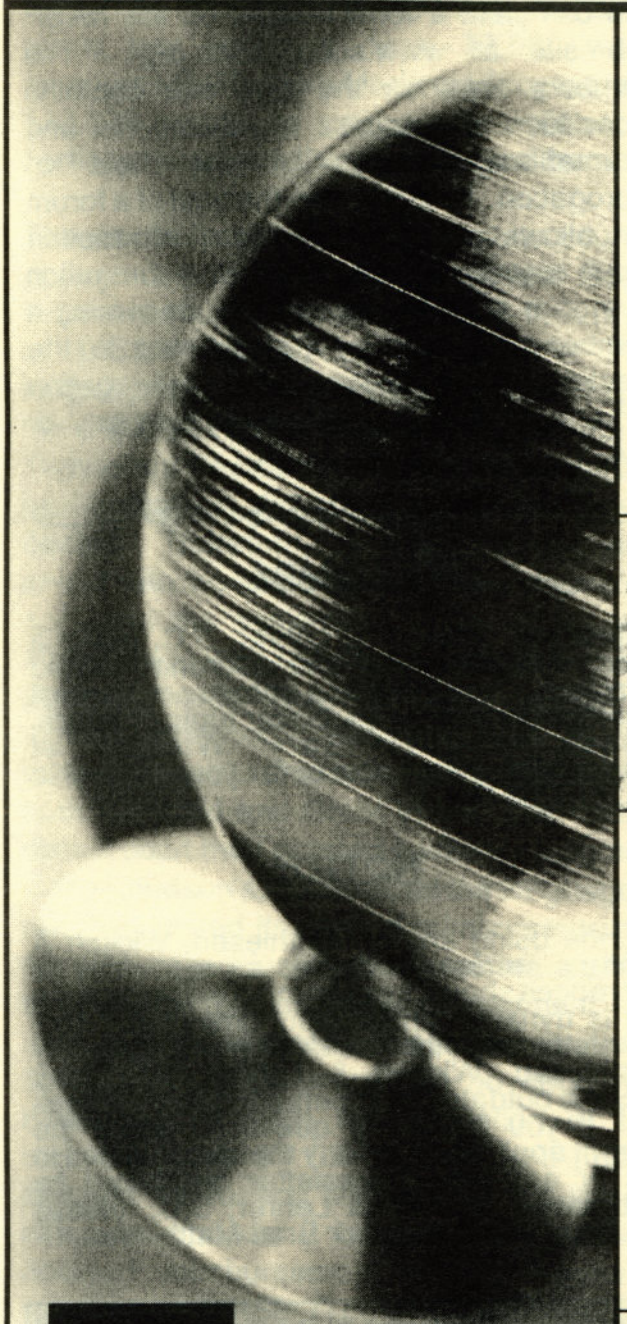

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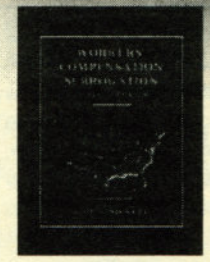

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"On one catastrophic Wisconsin inland marine loss in which London underwriters didn't feel strongly about recovery prospects, I saw first hand how Gary Wickert helped turn a naturally occurring flood loss into a $7 million recovery." – **Fred Blazye,** *Lloyds of London, Claims Center, London, England*

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