



**COMMISSION  
AGENDA MEMORANDUM**

**Item No.** 6c

**ACTION ITEM**

**Date of Meeting** April 23, 2019

**DATE:** April 16, 2019  
**TO:** Stephen P. Metruck, Executive Director  
**FROM:** Elizabeth Black, Senior Port Counsel  
**SUBJECT:** OneBeacon Settlement

**ACTION REQUESTED**

Request Commission authorization for the Executive Director to enter into a settlement agreement in the form attached as Exhibit 1 with Lamorak Insurance Company and Bedivere Insurance Company, both formerly known as OneBeacon Insurance Company.

**EXECUTIVE SUMMARY**

The Port of Seattle was insured under two general liability insurance policies issued by OneBeacon Insurance Company (now known as "Bedivere") from 1960-1962. The policies themselves are considered lost, but Bedivere has provided defense coverage to the Port related to environmental cleanup costs based on evidence that the policies likely existed. The indemnity limit for each policy is \$100,000, and Bedivere has paid the Port approximately \$3.35 million in defense costs to date. This settlement agreement will release Bedivere from certain future claims under the policies in exchange for a payment of \$820,000.

**JUSTIFICATION**

Based on the lack of documentation regarding the policies, the low policy limits, and Bedivere's participation in the Port's defense to date, the benefits of settlement at this time outweigh the costs of pursuing the Port's claim further.

**DETAILS**

Further details will be presented by counsel in executive session on April 23, 2019.

**FINANCIAL IMPLICATIONS**

**Revenue:** Approximately \$820,000.

**ATTACHMENTS TO THIS REQUEST**

(1) Draft Settlement Agreement

**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

Briefing with counsel in executive session on April 23, 2019.