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September 29, 2006

To the Honorable Common Council  
of the City of Milwaukee  
Room 205, City Hall  
200 East Wells Street  
Milwaukee, WI 53202

Re: Resolution authorizing cancellation of the City of Milwaukee's  
subrogation claim against Annie Alford for payments made  
pursuant to the City's Basic Health Plan

Dear Council Members:

Enclosed please find a resolution authorizing the release of a subrogation claim against  
Annie Alford.

Counsel for WPS, the claims administrator for the Basic Health Plan at the time the  
City's payments were made, recommends this settlement because the defendant insurance  
company has tendered its policy limits to settle the case. Under Wisconsin law, a  
subrogated health insurance plan can recover on its claim only if the injured person is  
first made whole for his or her injuries. Because of the high damages in this case (total  
medical expenses were approximately \$46,000), it is extremely unlikely that a court  
would find that the \$50,000 settlement amount will fully compensate the plaintiff for her  
injuries. Under these circumstances, WPS has recommended authorization to cancel this  
claim. We recommend adoption of the resolution.

Very truly yours,

GRANT F. LANGLEY  
City Attorney

ELLEN H. TANGEN  
Assistant City Attorney

Enclosure  
c: Mark Colbert, WPS (w/enc1)  
EHT:eht  
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