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March 27, 2007

To the Honorable Common Council Of the City of Milwaukee Room 205 – City Hall

Re: CCFN 061563 – A Resolution Authorizing Cancellation of the City of

Milwaukee's Subrogation Claim Against Edward Raspor for Medical Services

under the Basic Health Plan

Dear Council Members:

Enclosed please find a resolution authorizing the release of a subrogation claim against Edward Raspor. As more fully set forth in the enclosed correspondence, 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 gone out of business and there are limited funds available for payment of this claim. 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 over \$200,000), it is extremely unlikely that a court would find that the \$22,500 settlement amount will fully compensate the plaintiff for his injuries. Under these circumstances, WPS has recommended authorization to cancel this claim. We recommend adoption of the resolution.

Very truly yours,

GRANT/Y/J/ANGLEY

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ELLEN H. TANGEN
Assistant City Attorney

Enclosures EHT:et

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