



NEWS

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MTA FILES SUIT AGAINST ARGONAUT INSURANCE

The MTA has filed a lawsuit against Argonaut Insurance Company of Menlo Park, Ca., for failing to honor its contracts, particularly those involving coverage for the MTA's rail construction program on Hollywood Boulevard.

Argonaut provided primary liability and workers' compensation insurance for the MTA mass transit construction program from 1986 through June of this year, when the company unilaterally canceled its policies.

MTA contends that Argonaut canceled these policies despite written promises and assurances to the MTA that it would not do so, and despite the millions of dollars in premiums paid by the Authority.

"We believe their action violates Argonaut's duties under California law," said MTA CEO Joseph Drew. "We are seeking damages from the insurance carrier to offset costs, as well as punitive damages."

In the lawsuit, the MTA also seeks an accounting of the substantial deductible payments charged by Argonaut over the years it held the policies. In addition, the MTA seeks redress for what it considers substantial irregularities in the handling of workers' compensation claims.

The lawsuit was filed in Los Angeles Superior Court on August 30, 1996. The MTA is represented by Wasserman, Comden & Casselman, attorneys David B. Casselman and Glenn A. Brown, Jr.

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