

Catalina J. Sugayan
Office Managing Partner, Chicago, Illinois

Insurance Coverage and Litigation
 Professional Liability Coverage
 Employment Practices Liability
 Risk Management
 Public Entity Liability



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Current Scope of Practice

Cathy Sugayan provides domestic and international insurers with coverage analysis, risk management counsel and litigation defense. Her services include policy drafting, claims evaluation, coverage opinions, claims resolution and monitoring of high-exposure cases.

Ms. Sugayan also defends insurers in complex litigation and coverage disputes in state and federal court and in mediation proceedings.

Her clients include leading U.S. and U.K. insurers as well as government entities, universities, school districts, churches and professionals. Substantive areas of experience include §1983 of the Federal Civil Rights Act, federal and state employment law, personal injury, land use and professional malpractice.

Litigation Matters

Ms. Sugayan's successful representations include the following:

- Secured several summary judgment and appellate court rulings for insurer clients in declaratory judgment suits involving policy exclusions, scope of coverage, trigger and number of occurrences, claims made issues, duties to defend and indemnify, late notice and available limits.
- Obtained favorable policy buy-back settlement agreement on behalf of London insurers in Catholic archdiocese bankruptcy action. Our clients provided in excess of \$100 million in insurance coverage over a 20-year period. As co-leaders of a joint defense group comprised of representatives for 11 insurers, we conducted extensive discovery in the insurance adversary proceeding to prove an "expected and intended" coverage defense. During litigation, we obtained favorable discovery rulings that our clients were not required to respond to discovery seeking information about claims not at issue in the proceedings and requests about reinsurance and "names."

- Successfully negotiated a favorable “hi-low” settlement in a complex federal court suit comprised of a class action alleging unlawful law enforcement activities against a municipality and coverage for same. Our client’s coverage liability was either \$0, \$1 million or \$11 million depending on the coverage theory applied. Negotiated mid-six-figure settlement payment.
- Defeated bad faith claims in declaratory judgment suit brought in federal court, involving allocation of a \$31 million loss payment for defamation, breach of contract and civil rights claims.
- Secured dismissal of our insurer client in a declaratory judgment lawsuit arising out of an insured state’s investment decisions regarding its state employee pension fund. Dismissal granted based on ripeness arguments and coverage defenses and affirmed on appeal.
- Obtained reduction of judgment and negotiated settlement on behalf of insurer in federal case involving a \$1.4 million verdict plus §1988 fees claim against a New York municipality. Coordinated with defense counsel on post-verdict motions to secure settlement involving greatly reduced payment by our client as well as contributions from the insured and from the TPA based on coverage defenses for specific types of damages and the policy’s notice and cooperation clauses.
- Successfully represented insurer and its insured county in the context of a \$57 settlement of a highway construction site accident case. Prior to trial, we obtained a demand from claimants for the \$11 million in coverage the codefendant construction company was required to provide to the county. We tendered that demand to the construction company’s insurers. Because the company’s insurers failed to settle the claims against the county within their limits, they paid the entire settlement even though the county and the construction company were found equally liable.

Affiliations, Activities and Accomplishments

Ms. Sugayan is admitted in Illinois (1985) and before the following courts: U.S. Supreme Court (1989); U.S. Court of Appeals for the Sixth (2008), Ninth (1996) and Seventh (1989) Circuits; U.S. District Court for the Northern District of Florida (2008), Northern District of Indiana (2006), Eastern District of Michigan (2004), Western District of Michigan (2009), Northern District of California (1993) and Northern District of Illinois (1986; Trial Bar, 1995); and Illinois Supreme Court (1985).

She is a member of the American Bar Association and the Association of Professional Insurance Women. Ms. Sugayan was recognized as an Illinois Leading Lawyer in insurance, insurance coverage and reinsurance (2005 – 2010). She was also honored as one of the “Most Powerful & Influential Women in Illinois” by the National Diversity Council (2011).

Publications and Presentations

Ms. Sugayan addresses legal and insurance organizations on issues such as employment practices, sexual misconduct, government liability, bad faith and risk management. Her presentations include:

- “Drilling Down the Duty to Defend: Beyond the Four Corners,” presented at the 2012 DRI Insurance Coverage and Claims Institute (March 2012).
- “Defending Claims When Coverage Is Disputed,” presented at Sedgwick’s London Insurance Seminar (October 2011).
- “Enhancing Performance of Difficult Employees and Minimizing Litigation Risk,” co-presented to the Central Claim Executives Association (May 2011).
- “Sexual Misconduct: Prevention & Response,” co-presented at EIIA Risk Management Conference (November 2010).
- “Liability and Coverage Exposures from Property Damage Catastrophe Claims,” co-presented at a client’s offices (October 2010).
- “Insurer versus Policyholder: A Typical Insurance Coverage Dispute,” presented before the Association of Professional Insurance Women (APIW) (September 2010).
- “Evaluating the Excess Carrier’s Rights and Obligations,” presented at the 2010 Claims & Defense Tactics Symposium, hosted by the Illinois Association of Defense Trial Counsel (March 2010).
- “Allocation Theories & Exhaustion Requirements,” presented at the PLRB/LIRB 2010 Claims Conference (March 2010); also at Sedgwick’s 22nd Annual London Insurance Seminar (October 2009); as well as at the DRI Insurance Coverage Claims Institute (April 2009).
- “Discovery Considerations Unique to London Market Insurers,” presented at Sedgwick’s 21st Annual London Insurance Seminar (October 2008).
- “Employment Practices Liability Exposures and Coverage Issues Facing U.S. Employers and Their Insurers,” presentation to client in-house counsel, underwriters and claims staff (May 2007).
- “Shifting Sands of Insurance Coverage – Latest Developments in Sexual Misconduct Claims,” ABA Tort Trial & Insurance Practice Section seminar (February 2007).
- “Clergy Sexual Molestation Claims,” Emerging and Environmental Claims Managers Association (EECMA) 2006 Conference (April 2006).
- “Employment Practices Liability,” Association of Professional Insurance Women (APIW), Chicago Chapter (November 2003).
- “Settling the Underlying Employment Liability Claim: Insurer Perspective,” Mealey’s Employment Practices Liabilities: Claims and Coverage Conference (January 2003).

- “Defending Against Employment Practices Claims,” Lloyd’s Worldwide Markets presentation (September 2002).
- “Defending Against Employment Practices Liability Claims,” American Re-Insurance Company 2001 Claims Seminar (September 2001).
- “Avoiding Bad Faith Exposure in Third Party Liability Actions,” DRI Extra-Contractual Liability Seminar (September 1999).
- “Insuring Sexual Harassment Risk: Traditional Business Insurance,” Mealey’s Sexual Harassment Litigation and Insurance Coverage Seminar (October 1998).
- “Coverage Issues in Employment Claims,” Practising Law Institute seminar, Insurance Coverage Litigation: Recovery in the 1990s and Beyond (January 1998).

Her publications include:

- “Coverage and Liability Issues in Sexual Misconduct Claims,” Munich Reinsurance America (author of four editions; latest edition: 2005).
- “Coverage for Sexual Misconduct, Harassment and Discrimination Claims,” *Mealey’s Emerging Insurance Disputes* (May 1997).

Education

Ms. Sugayan received her J.D. (1985) from Boston University and her B.A. (1982) from the University of Michigan, where she received High Honors in Economics.