

**IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF ILLINOIS
SPRINGFIELD DIVISION**

ILLINOIS SCHOOL DISTRICT)
AGENCY, an intergovernmental)
cooperative,)

Plaintiff,)

v.)

No. 02-3173

PACIFIC INSURANCE)
COMPANY, LTD.,)

Defendant.)

OPINION

JEANNE E. SCOTT, U.S. District Judge:

This matter comes before the Court on Defendant Pacific Insurance Company's (Pacific) Motion for Summary Judgment (d/e 126) (Motion). The Plaintiff, the Illinois School District Agency (Agency), brought this lawsuit and another lawsuit against the Martin Boyer Company (Martin Boyer Action), to recover the attorney fees and expenses that the Agency incurred defending a third lawsuit brought against the Agency by the East Moline, Illinois, School District (East Moline Action). The Agency secured a judgment in the Martin Boyer Action in the amount of \$564,000.00

(Judgment). The Judgment, including interest and costs, has been paid in full in the amount of \$756,480.00. Pacific now asks for summary judgment in this action because the Agency has been compensated in full, and so, is not entitled to any further recovery for this injury. The Court agrees. The Motion for Summary Judgment is allowed.

STATEMENT OF FACTS

The material facts are undisputed. Motion, at 2-7; Plaintiff's Response to Pacific's Motion for Summary Judgment (d/e 130), at 2. The Agency issued a general liability policy to the East Moline, Illinois, school district (East Moline). A family named Mancilla sued East Moline for injuries that resulted when a child in the Mancilla family brought mercury home from an East Moline school (Mancilla Action). East Moline tendered the defense of the Mancilla Action to the Agency. The Martin Boyer Company (Martin Boyer) was the Agency's third party administrator at the time. Martin Boyer agreed to provide a defense without a reservation of rights. The Agency then changed administrators. The new administrator stopped providing a defense to East Moline in the Mancilla Action. East Moline then brought the East Moline Action against the Agency to recover the cost to defend the Mancilla Action. The Agency prevailed in the East

Moline Action. The Agency brought the Martin Boyer Action to recover the costs to defend the East Moline Action.

Pacific had issued an errors and omissions policy to the Agency. After prevailing in the East Moline Action, the Agency made demand on Pacific to cover the costs incurred to defend the East Moline Action. Pacific offered partial payment, which was refused. The Agency then brought this action to recover the costs to defend the East Moline Action.

This Court entered judgment in favor of the Agency for part, but not all, of its claim against Pacific. Amended Judgment entered January 12, 2005 (d/e 98). The Agency appealed, and the Seventh Circuit reversed and remanded for further proceedings. Illinois School Dist. Agency v. Pacific Ins. Co., Ltd., 471 F.3d 714 (7th Cir. 2006). In the interim, the Agency secured the Judgment against Martin Boyer for all of the costs incurred to defend the East Moline Action. Martin Boyer has paid the Judgment in full, including costs and interest, in the sum of \$756,480.00. The Agency incurred \$490,246.21 in attorney fees and costs to prosecute the Martin Boyer Action.

ANALYSIS

Pacific now seeks summary judgment. Pacific must present evidence

