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CITY-COUNTY BUILDING

Main Claims Line
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RE: SUBROGATION DENIAL TO INSURANCE CARRIER

To Whom it May Concern:

Please be advised that the City of Pittsburgh is governed by the Political Subdivision Tort Claims Act, 42 Pa. C.S.A. §8541, et seq. The City is governed by Subchapter "C" of Chapter 85 titled, "Actions Against Local Agencies".

Under the Political Subdivision Tort Claims Act (Subchapter "C"-Actions Against Local Agencies), there are exceptions to governmental immunity provided it falls within the limits set forth in the subchapter. The limitations pertain to the amount of damages. Specifically, if a claimant (i.e., the injured party) receives or is entitled to receive benefits under an insurance policy as a result of losses which are recoverable, the amount of benefits must be deducted from the amount of damages. 42 Pa. C.S.A. §8553(d). In other words, in cases where claimants have the appropriate insurance coverage, the City of Pittsburgh, *if liable*, is only responsible for paying the claimant's deductible. There are no provisions regarding the payment of subrogation claims made by insurance companies. Further, the payment of subrogation claims would clearly contradict the intent behind the limitations on damages as set forth in §8553.

As a result, your claim against the City of Pittsburgh, for subrogation is denied. Further, we must deal directly with the individual property owner with respect to reimbursement for their deductible amount. Your insured must file a claim with this office for their deductible. Upon receipt of their claim they will be notified in writing, upon completion of our investigation, as to the determination of their claim for their deductible.

Very truly yours,

Margaret A. Vitale
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Paralegal