



Hotel owner sues insurers for \$8.5 M in unpaid Hurricane Rita claims

By Kelly Holleran

Atrium Hotels has filed a breach of contract complaint against three insurance companies, alleging they have refused to pay the total sum Atrium is seeking and have refused to abide by a contract that demands they appoint an appraiser if a cost agreement cannot be reached.

Atrium Hotels says there was \$17.1 million worth of damages after Hurricane Rita hit the Holiday Inn it owned in Beaumont, but Industrial Risk Insurers, Westport Insurance Corporation and Swiss Reinsurance America Corporation only paid it \$8 million, according to a complaint filed Sept. 30 in Jefferson District Court.

The three insurers had three years to solve the claim, but refused to make additional payments because they disagreed on the amount lost, the suit states.

Atrium claims a policy that both parties agreed on states that if neither can compromise on the amount one is owed, appraisers and umpires would be appointed so the matter could be swiftly resolved.

While Atrium has hired an appraiser, the three insurance companies have not set a date for an appraisal, according to the complaint.

Their appraiser refused to set a date to appraise the property without the permission of the three companies, the suit states.

Three years after Hurricane Rita, Atrium claims the companies have still failed to

either set a date for an appraisal or to pay the claim in full.

Atrium seeks a judgment that would force the insurance companies to immediately proceed to an appraisal, to appoint James LaRoe as an umpire to determine the disputed amount of loss and to mandate completion of an appraisal within 120 days after the umpire's appointment.

It also seeks attorney's fees, prejudgment and post-judgment interest and other relief the court deems just.

Philip H. Hilder of Hilder & Associates in Houston and Katherine Smith Dedrick of Childress Duffy Goldblatt in Chicago will be representing Atrium.

The case has been assigned to Judge Milton Shuffield, 136th District Court.

Case No. D182-470

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Katherine focuses on risk management, insurance recovery and disaster preparedness for corporate and sophisticated policyholders, as well as commercial litigation. Ms. Dedrick's legal experience, working the first 15 years of her career for the insurance industry coupled with her master's degree in business, provide a unique understanding of policyholder risk and the need for protection via risk transfer. Ms. Dedrick's knowledge of the inner workings of the insurance industry allows her to protect and work with policyholders, both pre- and post- loss.