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California Utility Settles Subrogation Claims From 2017, 2018 Cats for \$1.16 Billion

ROSEMEAD, Calif. - Southern California Edison has reached a \$1.16 billion settlement with all the holders of insurance subrogation claims in cases related to the 2017 Thomas and Koenigstein fires and the 2018 Montecito Mudslides.

More than 100 plaintiffs, including insurance companies and financial institutions, sued the utility, charging it was negligent in causing the fires and resulting mudslides, said Craig Simon, who served as co-lead counsel for the insurance companies. "This was a hard fought battle and the final settlement was fair and acceptable to both sides," he said.

Details of the settlement are confidential, said SCE, adding under the agreement, the utility admitted no liability or wrongdoing.

SCE will pay additional amounts for claims that may be made to policyholders prior to July 15, 2023, up to an agreed-upon cap, it said.

"We are making significant progress toward resolving wildfire-related litigation," Pedro J. Pizarro, president and chief executive officer of Edison International, parent company of SCE. "The settlement announced today resolves all the subrogation claims in the pending 2017 Thomas and Koenigstein fires and January 2018 Montecito mudslides litigation."

SCE said it will seek reimbursement for a large portion of the settlement from the approximately \$843 million of its remaining wildfire insurance for the wildfires and mudslides.

In addition, while other claims and potential claims related to those wildfires and mudslides remain, SCE has reached settlements with several hundred individual plaintiffs in those court cases, it said.

SCE said its wildfire risk mitigation efforts focus on hardening infrastructure, bolstering situational awareness capabilities and improving operational practices, while implementing enhanced data analytics and technology.

The California Public Utilities Commission approved SCE's latest Wildfire Mitigation Plan on June 11, it said.

The 2017 wildfires destroyed hundreds of homes and critical transmission lines serving Ventura County (Best's News, Dec. 5, 2017).

By early 2018, insurers received nearly 45,000 insurance claims totaling \$11.79 billion in losses from wildfires that burned in Northern and Southern California in October and December of 2017 (Best's News, Jan. 31, 2018).

(By Timothy Darragh, associate editor, BestWeek: Timothy.Darragh@ambest.com)

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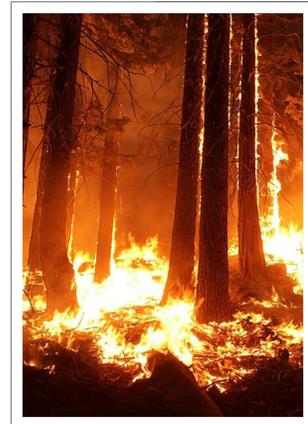
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