



4410-15

## DEPARTMENT OF JUSTICE

### Notice of Lodging of Proposed Settlement Agreement under the Comprehensive Environmental Response, Compensation, and Liability Act

On June 5, 2019, a proposed Settlement Agreement (“Agreement”) was lodged with the Circuit Court of Cook County, Illinois in In the Matter of the Rehabilitation of Centaur Insurance Company, No. 87 CH 8615, entered into by the United States, on behalf of the United States Environmental Protection Agency (“EPA”), the Department of the Interior (“DOI”), the National Oceanic and Atmospheric Administration of the Department of Commerce (“NOAA”), and Robert H. Muriel, Acting Director of the Illinois Department of Insurance, who acts as the Rehabilitator of Centaur Insurance Company (“Rehabilitator”).

The Centaur Insurance Company (“Centaur”) is an insurance company in rehabilitation under the jurisdiction of the Circuit Court of Cook County, Illinois County Department, Chancery Division. In November, 2017, the United States filed a proof of claim (“POC”) under Section 205 of the Illinois Insurance Code, 215 ILSC 5/205, which provides that claims may be filed against insurance companies in receivership by persons with liability claims against insureds covered by the companies’ policies. The United States, on behalf of EPA, filed a \$500,000 claim under a 1980 Centaur policy issued to the Sharon Steel Corporation (“Sharon Steel”) with a limit of \$500,000. The POC alleged that Sharon Steel is liable for response costs incurred or to be incurred by EPA at the Sharon Steel Superfund Site in Farrell and Hermitage, Pennsylvania, under Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 U.S.C. 9607. The United States, on behalf of DOI and NOAA, filed a \$1.25 million claim under a 1982 Centaur policy issued to LCP Chemicals & Plastics, Inc. (“LCP”), which has a remaining policy limit of \$1.25 million. The POC alleged

that LCP is liable under Section 107 of CERCLA for assessment costs and natural resource damages related to hazardous substances that migrated from the LCP Superfund Site in Linden, New Jersey to Piles Creek. Finally, the United States, on behalf of EPA and DOI, filed a \$10 million claim under two Centaur policies issued in 1980 and 1981, respectively, to Avtex Fibers, Inc. (“Avtex Fibers”), each with a limit of \$5 million. The POC alleged that Avtex Fibers is liable under Section 107 of CERCLA with respect to response costs incurred or to be incurred by EPA as well as assessment costs and natural resource damages at the Avtex Fibers Site in Front Royal, Virginia.

Pursuant to the Agreement, the Rehabilitator will (a) resolve the claim filed under the policy issued to Sharon Steel by making a \$500,000 payment to EPA, (b) resolve the claim filed under the policy issued to LCP by making a payment of \$967,000 to NOAA and \$33,000 to DOI, and, (c) resolve the claim filed under the policies issued to Avtex Fibers by making a \$4,330,000 payment to EPA and a \$670,000 payment to DOI.

Under the Agreement the United States is providing a covenant not to file a civil action against the Rehabilitator or Centaur with respect to (a) all liabilities and obligations to DOI and NOAA under the LCP Policy arising pursuant to CERCLA at any site, (b) all liabilities and obligations to EPA and DOI under the Avtex Policies arising under CERCLA at any site, and (c) all liabilities and obligations to EPA under the Sharon Steel Policy arising under CERCLA at any site, whether such liabilities and obligations are known or unknown, reported or unreported, and whether currently existing or arising in the future. The covenant applies not only to the Rehabilitator and Centaur, but also to their respective subsidiaries, affiliates, parent companies, successors and assigns and their respective officers, directors and employees.

The publication of this notice opens a period for public comment on the Agreement. Comments should be addressed to the Assistant Attorney General, Environment and Natural Resources Division, and should refer to In the Matter of the Rehabilitation of Centaur Insurance Company, No. 87 CH 8615 (Ill. Circuit Ct. Cook County), D.J. Ref. No. 90-11-3-10462. All comments must be submitted no later than thirty (30) days after the publication date of this notice. Comments may be submitted either by e-mail or by mail:

<i>To submit comments:</i>	<i>Send them to:</i>
By e-mail	pubcomment-ees.enrd@usdoj.gov
By mail	Assistant Attorney General U.S. DOJ – ENRD P.O. Box 7611 Washington, D.C. 20044-7611

During the public comment period, the Agreement may be examined and downloaded at this Justice Department website: <https://www.justice.gov/enrd/consent-decrees>. We will provide a paper copy of the Agreement upon written request and payment of reproduction costs. Please mail your request and payment to:

Consent Decree Library  
U.S. DOJ – ENRD  
P.O. Box 7611  
Washington, D.C. 20044-7611

Please enclose a check or money order for \$3.75 (25 cents per page reproduction cost) payable to the United States Treasury.

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