

STATE OF ILLINOIS  
IN THE CIRCUIT COURT OF THE SEVENTEENTH JUDICIAL  
DISTRICT BOONE COUNTY, ILLINOIS

RMS INSURANCE SERVICES, INC., )  
an Illinois corporation d/b/a FLANDERS )  
INSURANCE AGENCY, INC., and )  
OWEN G. COSTANZA, an individual, )  
 )  
Plaintiffs, )

vs. )

CASE NO. 2021-L-30 )

DONALD G. SATTTLER, an individual, )  
MARION THORNBERRY, an individual, )  
ELISABETH M. RODGERS, an individual, and )  
and CHERYL RUSSELL-SMITH, an individual, )  
 )  
Defendants. )

DEFENDANTS', DONALD G. SATTTLER, MARION  
THORNBERRY, AND ELISABETH M. RODGERS,  
735 ILCS 5/2-615 MOTION TO DISMISS COUNT I, COUNT II,  
AND COUNT III OF THE PLAINTIFFS' COMPLAINT REGARDING  
INTENTIONAL INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE

NOW COME the Defendants, DONALD G. SATTTLER, MARION THORNBERRY, and  
ELISABETH M. RODGERS, by their attorney, TRENT M. FERGUSON, and for their 735 ILCS  
5/2-615 Motion to Dismiss Count I, Count II, and Count III of the Plaintiffs' Complaint  
Regarding Intentional Interference with Prospective Economic Advantage filed herein against  
the Plaintiffs, RMS INSURANCE SERVICES, INC., an Illinois corporation d/b/a FLANDERS  
INSURANCE AGENCY, INC., and OWEN G. COSTANZA, an individual, state as follows:

The question presented by a motion to dismiss under Section 2-615 is whether sufficient facts are contained in the pleadings which, if proved, would entitle the Plaintiffs to relief.

Anderson v. Vanden Dorpel, 172 Ill.2d 399 (1996).

In Count I, II, and III, of their First Amended Complaint, Plaintiffs are seeking recovery under a theory of intentional interference with prospective economic advantage.

To state a cause of action for intentional interference with prospective economic advantage, a plaintiff must allege (1) a reasonable expectancy of entering into a valid business relationship, (2) the defendant's knowledge of the expectancy, (3) an intentional and unjustified interference by the defendant that induced or caused a breach or termination of the expectancy, and (4) damage to the plaintiff resulting from the defendant's interference. Anderson v. Vanden Dorpel, 172 Ill. 2d 399 (1996).

Plaintiffs' factual allegations regarding their reasonable expectation of a business relationship in their First Amended Complaint consists of the following:

A. Count I – Tortious Interference with Prospective Business Advantage  
Against Defendant Sattler

Paragraph 51 – “Plaintiffs held reasonable expectancies of entering into valid business relationships with potential third party insurance clients and customers throughout the community at large, including, without limitation, the Belvidere School District.”

Paragraph 54 – “As a result of Sattler’s actions and false statements, in addition to the Belvidere School District, several other prospective commercial contacts of Plaintiffs’ stopped returning Plaintiffs’ telephone calls and/or refused to speak with Plaintiffs.”

B. Count II - Tortious Interference with Prospective Business Advantage  
Against Defendant Thornberry

Paragraph 57 - Plaintiffs held reasonable expectancies of entering into valid business relationships with potential third party insurance clients and customers throughout the community at large, including, without limitation, the Belvidere School District.”

Paragraph 61 - "As a result of THORNBERRY’s false statements and actions, several prospective commercial contacts of Plaintiffs’, including, without limitation, the Belvidere School District, stopped returning Plaintiffs’ telephone calls and/or refused to speak with Plaintiffs.

C. Count III - Tortious Interference with Prospective Business Advantage  
Against Defendant Rodgers

Paragraph 64 - Plaintiffs held reasonable expectancies of entering into valid business relationships with potential third party insurance clients and customers throughout the community at large, including, without limitation, the Belvidere School District.”

Paragraph 68 - As a result of RODGER’s false statements and actions, several prospective commercial contacts of Plaintiffs’, including, without limitation, the Belvidere School District, stopped returning Plaintiffs’ telephone calls and/or refused to speak with Plaintiffs.

The facts, or lack thereof, set forth in the Amended Complaint fall short of what is necessary to state a claim for intentional interference with prospective economic advantage.

In opposing a motion for dismissal, a plaintiff cannot rely simply on mere conclusions of law or fact unsupported by specific factual allegations. *Id.* at 408 citing Doe v. Calumet City,

161 Ill.2d 374 (1994); Quake Construction, Inv. v. American Airlines, Inc., 141 Ill. 2d 821, 289 (1990).

Illinois is, moreover, a fact-pleading jurisdiction, and a plaintiff must allege facts sufficient to bring his or her claim within the scope of the cause of the action being asserted. Anderson at 408.

That Plaintiffs cannot claim a reasonable expectancy on a mere hope for employment based on an interview or discussions with potential clients.

The Plaintiffs' declaration that they have several prospective commercial contacts, including the Belvidere School District, rests on nothing more than their own subjective belief. There are no facts alleged that support that conclusion.

Even in circumstances more favorable to an employee than those in this matter, Illinois courts have refused to find the sufficiently strong expectancy required to support a cause of action for intentional interference with prospective economic advantage.

In Werblood v. Columbia College, 180 Ill. App. 3d 967 (1989), the court determined that the plaintiff's expectation of a renewal of her current college employment contract was not sufficient to support a cause of action for intentional interference, even though officials had assured her that her employment was secure. Anderson at 409 citing Werblood.

Similarly, in Williams v. Weaver, 145 Ill. App. 3d 562 (1st Dist., 1986) the court held that a person held under a renewable contract did not enjoy a sufficient expectancy of continued employment.

Similarly, the Illinois Supreme Court held that progression past the initial interview as well as such assurances from the potential employer do not demonstrate a reasonable expectancy

of a contractual relationship or a legally protectable expectancy where plaintiff alleging she was the “leading candidate” for the position, that she had been assured that her interviews had gone well and that she was being ‘seriously considered’ for the job, and that those who had interviewed her were going to recommend that she be hired. Anderson at 408.

Here we only have the allegation that the Plaintiffs’ prospective business clients did not return Plaintiffs’ phone calls and nothing more.

To hold that Plaintiffs’ complaint states a cause of action for intentional interference with prospective economic advantage would considerably broaden the scope of the tort.

Under the Plaintiffs’ theory, the potential class of litigants could include all persons who state something negative about them to anyone in the area that knows the Plaintiffs sell insurance and then fail or refuse to return a phone call from the Plaintiff.

Similarly, Plaintiffs fail to provide any factual basis as to how the Defendants allegedly “knew of FLANDERS as well as Plaintiffs’ business expectancies in the community at large, upon information and belief, including, without limitation, with the Belvidere School District.”

If Plaintiffs’ contacts consisted of phone calls as they appear to allege, there is no factual explanation or reasonable inference on how the Defendants knew of such phone calls and this prospective business expectancies.

That a claim under intentional interference with prospective economic advantage requires the Plaintiffs to “specifically identify [third] parties who actually contemplated entering into a business relationship with him.” Chicago’s Pizza, Inc. v. Chicago’s Pizza Franchise, Ltd. USA, 384 Ill. App. 3d 849, 862 (1 Dist., 2008) quoting Intervisual Communs. v. Volkert, 975 F. Supp. 1092 at 1103 (N.D. Ill. 1997).

Here in an attempt to cure the previous of defect of only stating “business expectancies in the community at large” in their Complaint, Plaintiffs simply add “including, without limitation, ...the Belvidere School District.”

Plaintiffs not only fail to allege any facts that they had a reasonable expectation of a business relationship with the said School District but also fail to allege they had any past relationship with the school district or allege any facts on how the Defendants would have known about the alleged prospective business relationship.

Plaintiffs also fail to allege the Defendants’ alleged statements were ever made to any of the alleged prospective business persons or entities or that such persons or entities ever heard or knew of the alleged statements.

A review of the Belvidere School District’s Board of Education Business Services Committee agenda details dated June 7, 2021, show that the Board decided not to go with Plaintiffs’ proposal because “the coverages were not the same as we currently have and the Co-op has a riskier profile than the Co-op the District is currently in. The proposed Co-op insures Cities, Counties, etc., and is made up largely of riskier first responder service entities. This is something that we could look at in the future year if the Board desires.”. Attached hereto, marked “Exhibit A” and made a part hereof, is a copy of the Board’s agenda. Also attached hereto, marked “Exhibit B” and “Exhibit C”, respectively, and made a part hereof, are the Board’s agenda notes and the front page of the Plaintiffs’ proposal.

It turns out that the Belvidere School District renewed its insurance with the same provider and coverage they previously had.

All of this is public information and was readily available on-line on or around June 2021, and is still available on-line.

Plaintiffs added the Belvidere School District to their Amended Complaint which was filed with this Court on June 21, 2022.

In violation of Illinois Supreme Court Rule 137, Plaintiffs failed to perform any reasonable inquiry into whether these allegations were well grounded in fact.

WHEREFORE, the Defendants, DONALD G. SATTLER, MARION THORNBERRY, and ELISABETH M. RODGERS, pray that Counts I, II, and III of the Complaint at Law of the Plaintiffs, RMS INSURANCE SERVICES, INC., and OWEN G. COSTANZA, be dismissed with prejudice, and that the Defendants be awarded reasonable attorney fees under Illinois Supreme Court Rule 137.

DONALD G. SATTLER, MARION THORNBERRY,  
and ELISABETH M. RODGERS, Defendants,

By:   
TRENT M. FERGUSON, One of Their Attorneys

PROOF OF SERVICE

The undersigned certifies that a copy of the foregoing Defendants' Reply to Plaintiffs' Response to Defendants', Donald G. Sattler, Marion Thornberry, and Elisabeth M. Rodgers, 735 ILCS 5/2-615 Motion to Dismiss Count I, Count II, and Count III of the Plaintiffs' Complaint Regarding Intentional Interference with Prospective Economic Advantage was served upon the following:

Attorney Timothy P. Donohue  
228 West Main Street  
Barrington, IL 60010  
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Attorney Joseph M. Madonia  
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Chicago, IL 60660  
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via email on the 22<sup>nd</sup> day of August, 2022.

Kim Hines

ATTORNEY TRENT M. FERGUSON - #6303282  
RAY A. FERGUSON & ASSOC., LTD  
216 North Court Street  
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(815) 489-9500  
[rayferglaw@yahoo.com](mailto:rayferglaw@yahoo.com)





Belvidere Central Office located at 1201 Fifth Avenue

**Agenda Item Details**

Meeting Jun 07, 2021 - Board of Education Business Services Committee - 5:30 P.M.

Category A. Business Services Committee

Subject 3. Insurance Renewals

Type Action

**Submitter: Greg Brown**

**Issue:**

Here are the results of the annual insurance renewal process that started in January.

**Workers Compensation.** We had a payroll increase from year to year but continued to have solid claims experience. The experience factor was better than we expected and we received a 19.3% actuarial credit in our quote this year. The current year total program cost is \$227,117 versus \$226,017 last year. The overall percentage increase was .46%. All of the renewal documentation for Workers Compensation is attached.

**All Other Lines Review.** Property carriers have continued to have tough years for catastrophic claims such as tornadoes, wind, hail, and flood. On the liability side, there has been increased pressure on claims for sexual misconduct/abuse and concussions, as well as Cyber crimes. Liability carriers continue to look critically at school districts and their exposures re: sexual misconduct/abuse, concussions and most recently Cyber attacks. We expected to see modest increases in the coverages for most lines and a potentially dramatic increase in Cyber coverage. That is what took place on this renewal.

The current year total program cost is \$348,815 versus \$303,426 last year. The overall percentage increase was 14.96%, with. The nominal dollar increase was \$45,389, with \$34,164 (75%) of the increase due solely to Cyber coverage. All of the renewal documentation for the other lines is attached.

**Other Proposals.** We did receive some general pricing from one other broker that pitched the idea of switching to a different Co-op. The coverages were not the same as we currently have and the Co-op has a riskier profile than the Co-op the District is currently in. The proposed Co-op insures Cities, Counties, etc. and is made up largely of riskier first responder service entities. This is something that we could look at in future years if the Board desires.

**Recommendation/Possible Action: Approve the renewal as presented.**



[Agenda Item #3a Workers Compensation Full Membership.pdf \(1,857 KB\)](#)

[Agenda Item #3b WC Pricing Sheet.pdf \(112 KB\)](#)

[Agenda Item #3c WC Loss Ratio Sheet.pdf \(149 KB\)](#)

[Agenda Item #3d Property-Casualty Full Membership.pdf \(5,070 KB\)](#)

[Agenda Item #3e P&C Pricing Sheet.pdf \(98 KB\)](#)

[Agenda Item #3f P&C Loss Ratio Sheet.pdf \(147 KB\)](#)

[Agenda Item #3g SBLL Loss Ratio Sheet.pdf \(146 KB\)](#)

[Agenda Item #3h ICRMT Proposal.pdf \(470 KB\)](#)

**Agenda Item #9 Strategy Discussion on Insurance Renewals**

**Submitter: Greg Brown**

**Issue:**

Based on discussions last spring, we are looking at the possibility of securing first dollar carrier quotes. Here is a timeline and progress to date:

Month	Task	Product
September	Decide on Strategy Reach out to Other Non-CLIC District	<b>See write up below</b>
October	Contact Brokers	Potential RFQ
November	1. Finalize Scope for Quotes 2. Seek Preliminary Pricing	Gather info on current coverages
December	Receive Preliminary pricing	Preliminary quotes
January	1. Review Preliminary pricing 2. Submit Renewal info to CLIC	1. Go/No Go on putting out to bid 2. Complete renewal application for CLIC
February	Potential Notice to CLIC	Potential Withdrawal Notice to CLIC
March/April	Active Solicitation of Quotes	Formal RFP process
May	Receive Quotes from first dollar carriers and CLIC	Comparison/summary of all quotes received
June	Board Approval	

**Action:**

We compiled a list of all districts currently with CLIC and overlaid it with all districts in the State. We further concentrated on school districts greater than 5,000 students and also selected a handful of smaller districts in our region. The total number of contacts sent out numbered 28. As of September 29th, thirteen (13) districts had responded to our request for information. Of those responses we found the following:



Type	Insurer	PCL	WC	Notes
Co-op	SSCIP (Gallagher Co-op)	2	2	
Co-op	SSCRMP (Mercer Co-op)	1	1	
Co-op	PSIC (Gallagher Co-op)	2	2	
Co-op	ICRMT (Municipal Co-op)	1	1	
Trust	WCSIT		1	
TPA	CCMSI (Self Insured TPA)	2	2	
First Dollar	Alliant-Mesirow	2	1	
First Dollar	Assurance (Marsh & McLennan) -	1	1	
First Dollar	Star Insurance		1	
First Dollar	HUB Insurance	1	1	
First Dollar	Brian Feltes Insurance	1		

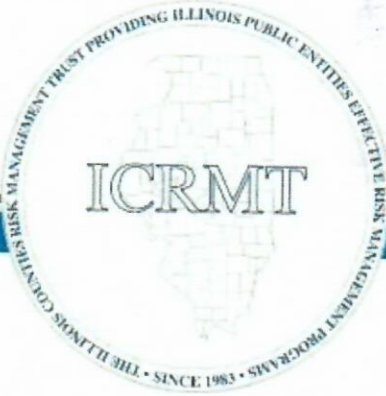
There is no clear pattern for non-CLIC districts. Many have simply opted to enter other Cooperatives, while a handful have worked directly with larger brokers. The districts that went with Assurance and Star went through a local broker contact. The districts with Alliant and Hub went direct. In speaking with several of the districts they indicated that they had prior experience with several regional brokers before joining the Co-op they are currently in. The names that came up more than once were:

1. Brian Feltes Insurance (already listed above)
2. The Horton Group (Orland Park) - we have worked with them in the past
3. Hub Insurance (already listed above) - we have worked with them in the past

**Recommendation:**

Looking for direction on where you want to go from here. Some options include but are not limited to:

1. Contacting one or two of the brokers noted above
2. Look at the possibility of joining a different co-op
3. Identify a local broker that can get access to the larger carriers for a first dollar quote
4. Approach one of the larger brokers in the Chicagoland area for a first dollar quote
5. Any other ideas the Board wants to pursue



# ILLINOIS COUNTIES RISK MANAGEMENT TRUST

## INSURANCE PROGRAM PROPOSAL

### Belvidere CUSD #100

**PRESENTED BY:**

Flanders Insurance Inc.

**Quote Number:**

Q2-1000864-2122-01

**POLICY YEAR:**

JUL 01, 2021 - JUL 01, 2022

**REQUESTED EFFECTIVE DATE:**

07/01/2021

Administered by

