

THOUGHT LEADERSHIP

News

SUMMARY JUDGMENT GRANTED IN FAVOR OF STATE FARM LLOYDS ON WIND, HAIL AND EXTRA-CONTRACTUAL CLAIMS

Newsbrief

29 APR 2014

A U.S. District Court judge for the Dallas Division of the Northern District of Texas recently granted summary judgment in favor of State Farm Lloyds recognizing it had timely investigated the insured's wind and hail damage claim and promptly paid all that was owed on the claim. In *Bell v. State Farm Lloyds*, 2014 WL 1516254 (N.D.Tex., April 18, 2014), the insured presented a claim for damage to the insured property resulting from a June 22, 2013 hail storm. State Farm promptly acknowledged the claim and inspected the property finding some hail and wind damage. After receiving the insured's contractor's estimate, State Farm requested additional information. One month later, State Farm received a damage estimate from the insured's public adjuster that was surprisingly lower than State Farm's initial estimate as well as the insured's contractor's estimate. In October 2012, the insured requested a re-inspection and State Farm promptly obliged. The second adjuster wrote an estimate higher than the first adjuster's estimate, finding \$32,907.45 in damage and sent the estimate to the insured. State Farm subsequently received a "final invoice" for \$32,879 from the contractor who did the repairs and in December 2012, State Farm issued payment based on its slightly higher damage estimate, less the insured's deductible. The insured was apparently unhappy despite the payment of his claim and this lawsuit followed.

State Farm moved for summary judgment on all contractual and extra-contractual claims. Judge Barbara Lynn found there was no evidence that anything more was owed to the insured under the policy and granted summary judgment in favor of State Farm on the breach of contract claims. And, because there was no breach of contract, nor evidence of an act by State Farm that was so extreme it caused an independent injury, the court granted summary judgment in favor of State Farm on the common law and statutory bad faith claims. Lastly, the court found State Farm complied with its statutory time limits under Texas Prompt Payment of Claims Act and there was no evidence to support the insured's fraud claims. Accordingly, summary judgment was granted in favor of State Farm on all claims.

[Editor's Note: Chris Martin and Ryan Geddie of the firm's Dallas office had the privilege of representing State Farm in this lawsuit and congratulates it on this well-deserved result.]