

THOUGHT LEADERSHIP

News

FEDERAL COURTS CONTINUE TO UPHOLD PAYMENT OF APPRAISAL AWARD AS PROTECTION AGAINST ALL CLAIMS

Newsbrief

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A federal district judge in Fort Worth recently added to the growing body of Texas law holding that a carrier's prompt payment of an appraisal award protects against all causes of action arising out of the loss, including breach of contract, Insurance Code violations, and bad faith. In *Braden v. Allstate Veh. & Prop. Ins. Co.*, No. 4:18-CV-00592-O, 2019 WL 201942 (N.D. Tex. Jan. 15, 2019) (slip op.), Allstate invoked appraisal on a residential wind/hail claim, promptly paid the resulting award, and immediately moved for summary judgment on all claims in the pending lawsuit.

The court granted Allstate's motion for summary judgment in full, relying on the Supreme Court of Texas opinion in *Menchaca* to conclude that because Braden had received all the policy benefits she was entitled to when she was paid the appraisal award, she could not maintain any extra-contractual claims after payment.

In a minor evidentiary sideshow, Braden challenged Allstate's payment summary as valid proof of the payments it had made or when it had actually sent them, arguing Allstate should have submitted copies of the checks themselves as the "best evidence." The court noted the copies of the checks would not have provided better evidence of the date they were sent out, and overruled the objections.