

Louisiana Couple Beats State Farm in First Federal Katrina Insurance Trial

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NEW ORLEANS – A jury on Wednesday sided with a south Louisiana couple in the first federal trial in Louisiana against State Farm Insurance Cos. over Hurricane Katrina damage.

An attorney for plaintiffs Michael and Judy Kodrin and a State Farm spokesman estimated the award would be about \$350,000. But U.S. District Judge Carl Barbier said he'd have to calculate the amount and did not immediately issue a finding.

"We're just happy it's over, and that the jury was fair and just," Judy Kodrin said, adding later: "It never was about the money for us. It was about justice more than anything."

State Farm spokesman Phil Supple said the company was weighing its options, including a possible appeal. "We felt evidence presented by our experts would have resulted in a different verdict," he said.

The eight-member jury was asked to decide whether wind or floodwater was responsible for demolishing the Kodrins' home in Port Sulphur.

Jurors decided that State Farm owed the couple roughly \$200,000 for wind damage, which was the maximum allowed by their homeowner policy, plus about \$150,000 in penalties for failing to adjust their claim in a timely fashion, a lawyer for the Kodrins said.

The couple claimed winds destroyed their house hours before water topped a nearby river levee and flooded their Plaquemines Parish neighborhood in August 2005. But State Farm, which says its homeowner policies cover damage from wind but not rising water, denied the couple's claim, concluding storm surge destroyed the house.

After a two-day trial, it took the jury more than four hours to reach a verdict.

In his closing argument Wednesday morning, John Redmann, an attorney for the Kodrins, accused State Farm of giving adjusters an "edict" to look for flood damage and to maximize flood damage estimates, suggesting State Farm was overbilling the federal flood insurance program so the company could limit its liability for wind damage.

"That's a good neighbor?" he asked in a play on the company's slogan. "That's an outrage."

But State Farm attorney Ryan Acomb urged jurors not to be swayed by emotions and to make a decision based on the evidence. In this case, that points to water causing the damage, he said.

He said the Kodrins were reluctant to settle their flood claim because the policy limit is smaller than the homeowner policy limit for wind. He said the Kodrins were seeking nearly \$2 million, which he called "completely unreasonable."

The Kodrins had sought penalties against the company, plus the policy limits for wind, and Redmann had said he did not know what that would add up to.

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