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State Farm critics not surprised by today's ruling

By TOM WILEMON
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GULFPORT - The decision against State Farm Fire and Casualty Co. this morning by U.S. District Court Judge L.T. Senter Jr. surprised most courtroom observers, but not Dr. Wesley McFarland who had watched the company's wind expert testify on Wednesday.

"All he talked about was shingles," said McFarland, who also has a suit pending against State Farm.

Senter ordered State Farm to pay policy limits to Norman and Genevieve Broussard. A bathtub and a slab was about all that was left of their Biloxi home after Hurricane Katrina. State Farm said the Broussards were not covered for their losses because the company contended that storm surge, not wind destroyed their home.

"I'm absolutely delighted," McFarland said. "I think the decision will cause a rapid settlement on a lot of the outstanding policies. I think this is nothing but good news for the entire Gulf Coast."

Chip Merlin, a consumers lawyer who has a long history of battling State Farm in court, was not surprised by the judge's decision. He is not optimistic, however, that the ruling will lead to a quick resolution to homeowner disputes with the company. Merlin is not involved in the Broussard case but is representing other clients against State Farm.

"We've gone against State Farm for a long period of time in a lot of different venues in a lot of different cases," Merlin said. "Just because there has been this decree today doesn't necessarily mean that State Farm is going to follow this very hard-working and well-reasoned judge's opinion. Historically, they have not. State Farm might be thinking this is the third inning of a long drawn-out battle."

Merlin said he was not surprised by the judge's decision today because of a ruling Senter made last August in the case of Paul and Julie Leonard against Nationwide Mutual Insurance Company. It was also a wind-versus-water case. Senter wrote in that decision "coverage is not negated merely because an excluded peril (in this case storm surge flooding) occurs at or near the same time."

Merlin said Senter's decision today was "extremely predicable" because of the opinion he wrote in the Leonard case.

Read more reaction to the decision at sunherald.com and in Friday's Sun Herald.