

STUNNER!

Jury Awards \$2.5 Million in Punitive Damages

By ANITA LEE
calee@sunherald.com

GULFPORT — A jury awarded a Biloxi couple \$2.5 million in punitive damages after a federal judge found that State Farm denied their Hurricane Katrina claim without proving the excluded peril of water caused the loss.

“It is without dispute that Hurricane Katrina was a windstorm,” U.S. District Judge L.T. Senter Jr. told attorneys for both sides. “Once this was shown, the burden was in place on (State Farm) to establish that the plaintiff’s losses were attributable to a cause that was not covered by the policy, in other words, flood.”

Instead, Senter found, State Farm wrongly placed the burden on policyholders Norman and Genevieve Broussard to show wind caused their losses. Because Senter was convinced this was the only conclusion to reach, he did not send the case to the jury to make that determination.

Instead, he ordered State Farm to pay the Broussards’ policy limits of \$223,292, then called in eight jurors to tell them they should decide whether to award punitive damages, designed to deter future bad behavior.

To award punitive damages, the jury had to find State Farm’s behavior was more than a simple mistake. The company, the jury found, was aware of the harm it caused the Broussards.

“It’s a great day for South Mississippi,” Norman Broussard said as he and his wife left the courthouse arm-in-arm.

State Farm issued a statement saying, “We are surprised and disappointed by the judge’s ruling on coverage issues and the amount awarded by the jury for punitive damages. We believe the expert testimony supported a different result.”

“We are evaluating our next steps and feel an appeal of the decision is likely.”

State Farm’s wind expert, who holds a doctorate in civil engineering, said during the trial that he could determine a

75 percent likelihood existed that wind caused roof shingle damage of 0 to 35 percent, but that was the best he could do.

State Farm did not send an engineer to investigate the damage until after Broussard filed his lawsuit, although he had tried to convince the company he had wind damage.

Brick veneer on the house was found laying in four directions around the slab, indicating to the Broussards and the expert they hired that a tornado or tornadic-like winds blew apart the house before the storm surge arrived.

They received only \$2,000 from State Farm for emergency living expenses and a letter denying the property damage claim.

“Why didn’t State Farm do what a good neighbor could be reasonably expected to do,” the Broussard’s attorney, Bill Walker of Oxford, told the jury in his argument for punitive damages. “If State Farm had hired an engineer, they would have seen those four walls.

“You’ve heard that saying, ‘If these walls could talk.’ They were screaming.”

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