

Steven Badger Quoted in Insurance Law360 Regarding Fraudulent Hail Claim Lawsuit

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Steven Badger, a partner in the Dallas office of Zelle, was quoted in an *Insurance Law360* article titled Home Insurer Turns Tables On HOA's Coverage Suit.

Auto-Owners Insurance Co. turned around a homeowners associations lawsuit alleging it failed to adequately cover property damage from a hailstorm, after a Colorado federal jury found in favor of the insurers counterclaim that the condo complex put in a fraudulent claim.

The suit was originally filed by Sunflower Condominium Association, which claimed the insurance company breached its contract, acted in bad faith and was liable for a special projects fee after it failed to fully compensate the condo complex for storm damages that Sunflower said should have been covered by its policy.

The verdict is significant, according to Badger, who represents the first-party insurance industry in fraud and other improper conduct matters. He said it was rare to see insurance litigation backfire so dramatically on a plaintiff, and that the case was a good example of the gamesmanship we are seeing more and more often from certain public adjusters and their estimators.

In the past there has been no downside to public adjusters and their estimators grossly inflating claim measures, often for their own financial gain. There was nothing the insurance companies could do other than try to disprove these estimates, he said. The Sunflower jury verdict is significant as it recognizes that the practice of grossly inflating estimates is fraudulent and there will be consequences.

[Click here to read the article \(subscription required\).](#)