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News

Steven Badger Quoted in Insurance Law360 Regarding Contractors Illegally Acting as Public Adjusters

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Steven Badger, a partner in the Dallas office of Zelle, was quoted in an Insurance Law360 article titled There's A Storm Brewing For Some Texas Contractors.

A class action born in the aftermath of a May 2011 hail storm could have far-reaching effects on the Texas roofing industry as a state court considers claims that a contractor illegally acted as a public insurance adjuster.

Two weeks ago, the Texas Supreme Court confirmed it would not hear Lon Smith Roofing and Constructions challenge of a trial court order certifying a class of potentially 3,000 state residents who hired Lon Smith as far back as 2003. Named plaintiffs Joe and Stacci Key have said the contractor ran afoul of a state law prohibiting companies from negotiating property insurance claims on behalf of homeowners. Now, with the case back in Tarrant County District Court for further litigation, that courts eventual decision could be a watershed event for the more than 10,000 contractors who work with insurance companies to fix storm-damaged property in the Lone Star State.

Badger is quoted in the article as stating: Contractors have no role in the insurance claims process. They are there to repair damage, not to adjust insurance claims, said Badger, whose practice currently focuses solely on issues arising from hail damage claims. This case is important because it shows the serious consequences to contractors who continue to engage in this conduct.

Click here to read the article (subscription required).