

## Judge: Insurance benefit can't exceed loss amount for home destroyed by Katrina

by Clarionledger.com

GULFPORT — A federal judge has ruled that a homeowner can recover insurance payments that equal no more than his actual loss, even if more than one policy exists.

U.S. District Court Judge L.T. Senter Jr. issued the ruling this week in a lawsuit brought by Richard Tejedor of Long Beach.

"The benefit derived from insurance should be no greater in value than the loss," Senter quoted from a 1984 Mississippi case.

Tejedor has sued State Farm Fire & Casualty Co. Tejedor has collected \$200,000 from the National Flood Insurance Program for the destruction of his Gulf Coast home.

Any damages Tejedor might be entitled to from his State Farm policy can't duplicate the flood payment, Senter said. The judge said the same principal applies to personal property, for which Tejedor collected \$80,000 from his flood policy.

Senter dismissed claims that State Farm misrepresented the policy as providing full coverage for a hurricane. Tejedor did not object, acknowledging he sought flood coverage on his own.

Senter said the lawsuit will continue on the issue of whether State Farm owes Tejedor money for wind damage and if the company should pay punitive damages, an extra award designed to discourage bad behavior. Punitive damages would be in addition to money owed under the insurance policy.

Senter said State Farm did not hire an engineer to investigate the claim, but submitted two engineering reports on the property only after Tejedor filed suit. Those reports concluded storm surge caused the house walls to collapse. State Farm acknowledged wind damage to the roof.

"Whether and when (State Farm) actually tendered a sum for any benefits under the policy ... is unclear and worthy of factual development," Senter said.

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