

Cedar Bluff Townhome Condominium Assn. v. American Family Mut. Ins. Co.

Year: 2014

Court: Minnesota Supreme Court

Case Number: A13-0124

Under Minnesota law, insurers are required to replace damage and undamaged property with the same “like kind construction and similar use” to ensure uniform appearance and prevent decreased property values resulting from mismatched repairs. UP urged the Court to estop insurers from conducting “spot-repairs” and charging unjustified premiums while doing so. In a decision issued December 17, 2014, the Minnesota Supreme Court agreed with UP and upheld the Court of Appeals’ decision that spot damage on siding, where no reasonable color match is available, requires replacement of all siding where the policy requires replacement with property “of comparable material and quality.” The Court also found that siding that is not actually damaged by hail still sustains “direct physical loss or damage” where color mismatch results from the inability to replace the hail-damaged siding with siding of reasonably similar appearance.

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