

## [Lammert et al v. Auto Owners Mut. Ins. Co.](#)

Year: 2018

Court: Tennessee Supreme Court

Case Number: M2017-02546-SC-R23-CV

Tennessee law upholds a policyholder's reasonable expectations of coverage. Consistent with those principles, the cost of labor should not be depreciated. Depreciation of labor results in policyholders not receiving the full amount that they reasonably are entitled to under their actual cash value coverage, and it often results in policyholders also being unable to collect replacement cost value benefits for which they have paid an additional premium. That is an often life-changing loss for the policyholders and provides a windfall to the insurer. UP argued in its brief that it is not logical to depreciate labor, nor is it permissible to construe ambiguities in an insurance policy in favor of an insurer as to deprive the insured of their bargained for protection. The court reached the right result in their opinion.

UP's brief was authored pro bono by William F. "Chip" Merlin, Jr., Esq. and Shane S. Smith, Esq. of the Merlin Law Group