United Policyholders
Empowering the Insured

Perry v. Allstate Indemnity

Year: 2019
Court: UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT
Case Number: 18-4267

One of the ways UP helps property owners impacted by disasters is by weighing in via “friend of the court” briefs in coverage and claim disputes that involve issues that commonly arise where properties have been totally destroyed or substantially damaged. When insurers depreciate losses and pay only actual cash value, it significantly reduces the amount of money available to loss victims. Here, we provided “bigger picture” considerations for the court on why insurers should only be permitted to depreciate items that lose value over time and/or as otherwise expressly provided in the policy contract, applicable law or common sense. Labor and non physical items do not lose value over time and should not be subject to depreciation. United Policyholders (“UP”) submitted this brief in support of the position of Plaintiff-Appellant, Andrea Perry, individually and on behalf of all other Ohio residents similarly situated (“Plaintiff” or “Appellant”), insureds under property insurance policies issued by Allstate Indemnity Company and eight affiliated companies (collectively “Defendants” or “Appellees” or “Allstate”). UP weighed in to assist both the attorneys and this Court by focusing on public policy considerations surrounding the analysis of whether labor costs and other non-physical cost items, such as contractor overhead and profit, should be depreciated in the context of reaching an actual cash value adjustment of a property insurance claim. We thank and acknowledge William “Chip” Merlin and Shane Smith of Merlin Law Group for lending their expertise as UP volunteers and generously drafting our brief pro bono.

William "Chip" Merlin and Shane Smith, Merlin Law Group