

Jury Awards Couple \$5.2 Million in Punitives From Insu

LOS ANGELES - A Pomona jury awarded \$5.2 million in punitive damages Wednesday against an insurance company for denying a couple adequate coverage for the loss of their home in a wildfire.

This is the first trial among hundreds of cases filed on behalf of policyholders harmed in the blazes that scorched Southern California in 2003.

"This jury sent a message to the insurance industry loud and clear that this type of conduct is not going to be tolerated. Period. End of report," plaintiffs' counsel Ricardo Echeverria said.

The punitive damages verdict came after the jury had assessed \$616,000 in compensatory damages to Larry Stone and his wife Linda Della Pelle to rebuild their Claremont home. That amount is roughly \$200,000 more than Fidelity National Insurance Company paid the couple, Echeverria said.

"They [the insurer] clearly misrepresented the policy limit," Echeverria of Claremont's Shernoff Bidart & Darras said.

Fidelity National Insurance Company based in Jacksonville, Fla. did not return a call seeking comment.

Fidelity's attorneys Orlando F. Cabanday and Janice M. Kroll of Marina Del Rey's Hennelly & Grossfeld did not respond to requests for a reaction to the verdict.

Stone v. Fidelity National Insurance Company, BC323305 (Los Angeles Super. Ct., verdict Nov. 9, 2005).

On Oct. 25, 2003, the fire severely damaged the couple's home. They promptly submitted a claim to Fidelity, according to their court papers.

"I would describe the way they were treated as reprehensible," Echeverria said.

Fidelity initially offered \$331,000, a "manufactured" estimate that didn't come close to covering the cost to rebuild the residence, he said.

When the couple balked, Fidelity hired an independent contractor, who assessed the replacement cost at \$467,000, with many home items still not valued, he said.

"Then they [Fidelity] ignored that and they still didn't pay the fair value," he said.

This case is among 210 that the Shernoff Bidart & Darras firm has filed jointly with Los Angeles' Girardi & Keese and Engstrom, Lipscomb & Lack.

Some 140 cases are pending and the rest have settled, Echeverria said. Other insurers are involved in addition to Fidelity.