

FORMAL REQUEST FOR MEDIATION - WIN-WIN OPPORTUNITY

Date: December 10, 2024

VIA CERTIFIED MAIL #7024-1670-0000-3421-8899 AND EMAIL

TO:

Statewide Insurance Company

Attn: Robert Jenkins, Senior Adjuster

Attn: Marcus Williams, Claims Manager

Attn: Legal Department

1500 Corporate Boulevard

Atlanta, Georgia 30339

FROM:

Sarah and Michael Thompson

4827 Oak Ridge Drive

Gainesville, Georgia 30506

(770) 555-0123 | sthompson@email.com

RE: FORMAL REQUEST FOR MEDIATION - WIN-WIN OPPORTUNITY

Claim #: CL-2024-11-00789

Policy #: HO-2024-GA-4827-001

Date of Loss: October 28, 2024

Amount in Dispute: \$52,000

Proposed Mediation Date: January 8-12, 2025 (flexible)

Dear Mr. Jenkins:

After 6 weeks of good faith negotiations, we remain at impasse on critical claim issues. Rather than proceed to expensive and time-consuming litigation, I propose mediation as a cost-effective path to resolution that benefits both parties.

I. EXECUTIVE SUMMARY OF DISPUTE

Current Positions

Issue	Your Position	My Position	Gap to Bridge
Roof coverage	Repair only (\$8,500)	Full replacement (\$24,000)	\$15,500
Water damage scope	Limited rooms	Entire second floor	\$18,000
ALE duration	3 months (\$9,000)	8 months (\$24,000)	\$15,000
Code upgrades	Not covered	Required by law (\$8,500)	\$8,500
Mold remediation	Excluded	Ensuing loss covered	\$6,000
Total Dispute:	\$45,500 offer	\$97,500 claim	\$52,000

Why Mediation Now?

- Positions are clear but entrenched
- Neither party wants litigation expense (\$50,000+ each side)
- Time-sensitive repair needs (winter weather approaching)
- 5-year relationship worth preserving
- Creative solutions possible beyond just dollars

II. LEGAL BASIS FOR MEDIATION

A. Policy Provisions

Your policy, Section IX, Paragraph 4 states: *"If we and you disagree on the amount of loss, either may request mediation. Mediation is non-binding unless both parties agree to be bound."*

B. Georgia Insurance Mediation Framework

Georgia Insurance Code §33-7-11.1:

- Mediation available for property claim disputes
- Department of Insurance mediation program available
- Reduced cost for consumer claims under \$100,000

Benefits in Georgia:

- Mediator familiar with Georgia insurance law
- Understanding of local construction costs

- Knowledge of recent storm patterns
- Awareness of Georgia jury attitudes

C. Court-Encouraged Resolution

Hall County Superior Court Standing Order 2024-03:

- Requires mediation before trial in insurance disputes
 - Early mediation viewed favorably
 - May impact attorney fee awards under O.C.G.A. §13-6-11
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III. SPECIFIC ISSUES FOR MEDIATION

A. Coverage Interpretation Disputes

Issue 1: Roof Damage - Wind vs. Wear

Your view: Only 3 sections wind damaged, rest is wear/tear

My view: Wind damaged entire roof requiring full replacement

Evidence to review: Engineer report, weather data, matching issues

Potential compromise: Replace windward slopes, repair leeward with matching

Issue 2: Water Damage Classification

Your view: Limited to visible damage only

My view: Category 2 water requires full floor treatment

Evidence to review: IICRC standards, moisture mapping, time elapsed

Potential compromise: Expanded scope with monitoring protocol

Issue 3: Mold Coverage

Your view: Separate exclusion applies completely

My view: Resulted from covered windstorm, ensuing loss doctrine

Evidence to review: Georgia case law, policy language, causation chain

Potential compromise: Cover remediation, split testing costs

B. Scope of Repair Disagreements

Component	Your Scope	My Scope	Mediation Opportunity
Drywall	Patch and paint	Remove and replace	Test moisture levels together
Flooring	Sand/refinish	Full replacement	Age and salvageability assessment

Component	Your Scope	My Scope	Mediation Opportunity
HVAC	Clean only	Replace unit	Efficiency testing and age review
Electrical	Spot repairs	Code upgrade	Review actual code requirements
Windows	Reseal	Replace 8 units	Test for seal failure

C. Valuation Differences

Pricing Disputes:

- Labor rates: Your \$35/hr vs. Market \$52/hr
- Materials: Xactimate pricing vs. Current quotes
- Overhead & profit: 10% vs. Industry standard 20%
- Post-catastrophe pricing: Normal vs. Demand surge

Mediation Benefits:

- Review actual contractor bids
- Consider geographic variations
- Examine timing impacts
- Explore payment structures

D. Claims Handling Issues

Process Complaints:

- 18-day initial inspection delay
- Three different adjusters assigned
- Missing documentation requests
- Conflicting coverage positions

Mediation Can Address:

- Acknowledge frustrations without fault
- Improve future process
- Focus on solutions not blame
- Build better communication

IV. PROPOSED MEDIATION FRAMEWORK

A. Mediator Selection

Option 1: Georgia Department of Insurance Program

Cost: \$300 total (split 50/50)

Mediators: Trained in Georgia insurance law

Timeline: Available January 8-12, 2025

Success rate: 78% in property claims

Option 2: Private Mediator Recommendations

1. Hon. Margaret Wilson (Ret.)

- Former Hall County Superior Court Judge
- 15 years insurance litigation experience
- 300+ successful insurance mediations
- Rate: \$400/hour (split 50/50)
- Available: January 9 or 11, 2025

2. Thomas Patterson, Esq.

- Former insurance defense attorney (20 years)
- Former insurance adjuster (10 years)
- Property loss expertise
- Rate: \$350/hour (split 50/50)
- Available: January 8, 10, or 12, 2025

3. Jennifer Martinez, CPCU

- Former State Farm claims executive
- Georgia property claims specialist
- Construction background
- Rate: \$375/hour (split 50/50)
- Available: Any date January 8-12

B. Proposed Process

Pre-Mediation Phase (December 20-31):

1. Jointly select mediator by December 20

2. Schedule session for January 8-12
3. Exchange 5-page position statements by January 3
4. Compile exhibits (limit 25 pages each)

Position Statements Should Include:

- Brief factual summary (2 pages)
- Key disputed issues (1 page)
- Settlement position (1 page, confidential to mediator)
- Supporting evidence (1 page summary)

Mediation Day Structure:

Time	Activity	Purpose
9:00 AM	Joint opening (30 min)	Set collaborative tone
9:30 AM	Your presentation (20 min)	Explain coverage position
9:50 AM	Our presentation (20 min)	Explain damages/needs
10:10 AM	Initial caucuses	Private mediator discussions
11:30 AM	Joint problem-solving	If progress being made
12:30 PM	Working lunch	Continue discussions
2:00 PM	Trading proposals	Narrow differences
3:30 PM	Final push	Close remaining gaps
4:30 PM	Agreement or impasse	Document outcome

C. Cost Allocation Proposal

Expense	Estimated Cost	Your Share	Our Share
Mediator (8 hours @ \$375)	\$3,000	\$1,500	\$1,500
Conference room			