

FORMAL REBUTTAL TO PARTIAL DENIAL - FULL COVERAGE REQUIRED

Date: November 20, 2024

VIA CERTIFIED MAIL #7024-1670-0000-3421-9876 AND EMAIL

TO:

Statewide Insurance Company
Attn: Robert Jenkins, Senior Adjuster
Attn: Marcus Williams, Claims Supervisor
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 REBUTTAL TO PARTIAL DENIAL - FULL COVERAGE REQUIRED

Claim #: CL-2024-11-00789
Policy #: HO-2024-GA-4827-001
Date of Loss: October 28, 2024
Your Partial Denial Letter: November 18, 2024
Amount Approved: \$67,500
Amount Improperly Denied: \$34,900
Total Claim Due: \$102,400

Dear Mr. Jenkins:

Your letter dated November 18, 2024 improperly denies \$34,900 of my documented claim while approving only \$67,500. This rebuttal comprehensively demonstrates why your partial denial violates our contract, misapplies policy terms, ignores evidence, and constitutes bad faith. Full payment of \$102,400 is required immediately.

I. EXECUTIVE SUMMARY OF IMPROPER DENIALS

Overview of Disputed Items

Category	Item/Damage	Your Position	Amount Denied	Error Type
Structure	Master bedroom ceiling	"Cosmetic only"	\$4,500	Factual
Structure	Hardwood floors	"Can be refinished"	\$8,200	Technical
Contents	Electronics	"Excessive depreciation"	\$3,400	Legal
Contents	Living room furniture	"No proof of value"	\$5,600	Procedural
ALE	Months 4-6	"Unreasonable delay"	\$9,000	Contractual
Code	Electrical upgrades	"Not covered"	\$4,200	Policy
Total Improperly Denied:			\$34,900	

II. DETAILED REBUTTAL BY CATEGORY

A. STRUCTURAL ITEMS IMPROPERLY DENIED

1. Master Bedroom Ceiling Replacement - \$4,500 Denied

Your Position: "Water stains are cosmetic only, can be painted"

Why This Is Wrong:

Factual Errors:

- RestorePro's report states: "Drywall saturated, structural integrity compromised"
- Moisture readings: 35% (17% is maximum acceptable per industry standards)
- Photos clearly show 3-foot sag and separation from joists
- Visible mold growth behind paint layer

Technical Standards: Per IICRC S500 Water Damage Restoration Standards:

- Gypsum board with > 17% moisture must be replaced
- Category 2 water damage requires removal
- Painting over water damage violates Georgia Building Code §404.2.1

Supporting Evidence:

- Moisture log sheets dated November 5 & 12 (Attachment A)
- RestorePro estimate specifying replacement requirement

- 23 photos showing progressive sagging from Nov 1-15
- Georgia Building Code §404.2.1 requiring replacement

Correct Resolution: Full ceiling replacement is required: \$4,500

2. Hardwood Floor Replacement - \$8,200 Denied

Your Position: "Floors can be sanded and refinished"

Why This Is Wrong:

Industry Standards for Wood Floor Water Damage:

Condition	Your Assessment	Actual Condition	Required Action
Moisture content	Not tested	22% (tested 11/5)	> 17% = replace
Cupping severity	"Minor"	3/16" measured	> 1/8" = replace
Subfloor condition	Not inspected	Water damaged	Requires replacement
Age of flooring	Ignored	18 years	Near end of life

National Wood Flooring Association Guidelines:

- Cupping > 1/8" typically non-reversible
- Maximum 2-3 sandings in floor lifetime
- This floor already sanded twice (2010, 2016)

Expert Opinion:

Mark Peterson, Certified Wood Floor Inspector: "Floors exhibit irreversible cupping and crowning. Moisture has delaminated adhesive layers. Refinishing would fail within 12 months."

Correct Resolution: Replacement required per industry standards: \$8,200

B. CONTENTS ITEMS IMPROPERLY DENIED

3. Electronics Depreciation - \$3,400 Denied

Your Position: Applied 75% depreciation to 3-year-old electronics

Why This Is Wrong:

Proper Depreciation Calculation:

Item	Age	Your Depreciation	Proper Rate	Correct Depreciation
Samsung 65" TV	3 years	75%	30% (10-yr life)	\$450 not \$1,125
MacBook Pro	2 years	75%	33% (6-yr life)	\$660 not \$1,500
Bose Sound System	3 years	75%	20% (15-yr life)	\$200 not \$750
PlayStation 5	1 year	75%	20% (5-yr life)	\$80 not \$300

Legal Standards:

- Georgia case law limits electronics depreciation
- Anderson v. State Farm, 234 Ga. App. 123: "Useful life must be reasonable"
- Industry standard: 5-10 years for electronics, not 4 years

Documentation Provided:

- Purchase receipts from Best Buy showing dates and prices
- Model numbers for current replacement cost
- Insurance industry depreciation guidelines

Correct Calculation:

- RCV: \$5,400
- Proper depreciation: \$1,390
- ACV owed: \$4,010 (not \$1,350)
- Additional owed: \$2,660

4. Living Room Furniture Proof - \$5,600 Denied

Your Position: "No receipts, cannot verify value"

Why This Is Wrong:

Proof Standards Under Policy:

Policy page 47: "Proof of loss may include photographs, receipts, estimates, or other reasonable documentation"

Documentation I Provided:

1. 47 photos of all furniture items with damage
2. Online comparable pricing from Pottery Barn and Restoration Hardware
3. Room-by-room inventory with detailed descriptions

- 4. Sworn proof of loss statement dated November 10, 2024
- 5. Credit card statements showing Ashley Furniture purchases

Legal Precedent:

- Miller v. Farmers Insurance, 445 Ga. App. 789: "Receipts not required if other proof exists"
- State v. Progressive, 567 Ga. 234: "Photos plus affidavit sufficient"

Comparable Pricing Analysis:

Item	Description	Comparable Item	Current Price
Sofa	3-seat leather, brown	Pottery Barn Turner #4521	\$2,199
Dining Set	6-chair oak	Restoration Hardware Salvaged Wood	\$3,400

Correct Resolution: Accept documented values: \$5,600

C. ADDITIONAL LIVING EXPENSES DENIED

5. ALE Months 4-6 - \$9,000 Denied

Your Position: "Repairs could have been completed in 3 months"

Why This Is Wrong:

Timeline Reality:

Month	Planned Activity	Actual Delay	Cause	Your Responsibility
Month 1	Emergency repairs	Completed	N/A	N/A
Month 2	Scope agreement	15 days late	Your delays	Yes
Month 3	Permit approval	On schedule	City process	No
Month 4	Begin repairs	3 weeks late	Scope disputes	Yes
Month 5	Continue repairs	Delayed	Partial payment	Yes
Month 6	Complete repairs	Pending	Supplement delays	Yes

Your Contribution to Delays:

- 21 days to approve initial scope
- 14 days to process first supplement
- 3 reinspections required due to your disputes
- Partial payment prevented contractor from ordering materials

Policy Language:

Section VII.D.2: "ALE covered for reasonable time to repair/replace"

- No arbitrary 3-month limit
- "Reasonable" includes processing delays
- Your delays extend coverage period

Correct Resolution: ALE owed for actual displacement: \$9,000

D. CODE UPGRADES DENIED

6. Electrical Code Updates - \$4,200 Denied

Your Position: "Code upgrades not covered"

Why This Is Wrong:

Policy Ordinance & Law Coverage:

Policy Endorsement IL-02-46: "We will pay for increased costs due to enforcement of building codes"

Required Code Updates:

Code Requirement	Year Enacted	Triggered By	Cost
AFCI breakers	2008	Panel work	\$1,200
GFCI outlets	2011	Kitchen/bath work	\$800
Grounding upgrade	2014	Electrical repair	\$900
Hardwired smoke detectors	2020	Ceiling work	\$400
200-amp panel upgrade	2017	50% renovation	\$900

Building Department Letter:

"Permits cannot be issued without bringing electrical to current code" - Gainesville Building Dept, November 15, 2024 (Attachment B)

Coverage Trigger:

- Repairs exceed 50% of structure value
- Code compliance mandatory for permits
- Cannot legally repair without upgrades

Correct Resolution: Code coverage applies: \$4,200

III. SYSTEMATIC ERRORS IN YOUR DENIAL

A. Factual Determination Errors

You Failed to Inspect:

- Never looked above ceiling tiles in master bedroom
- Skipped subfloor examination despite visible buckling
- Ignored crawlspace where foundation damage visible

You Misrepresented Evidence:

- Called 3-foot ceiling sag "minor staining"
- Described 3/16" floor cupping as "slight"
- Characterized 35% moisture as "damp"

B. Policy Interpretation Errors

Adding Requirements Not in Policy:

- Original receipts for 10-year-old furniture (Policy says "reasonable documentation")
- 75% depreciation schedule not stated anywhere in policy
- 3-month ALE limit not specified in contract

Ignoring Favorable Provisions:

- Ordinance and law coverage endorsement IL-02-46
- Replacement cost coverage provisions
- "Reasonable proof" standard on page 47

C. Legal Standard Violations

Unfair Claims Practices Act Violations:

- Misrepresenting policy provisions (O.C.G.A. § 33-6-4)
- Failing to acknowledge documentation
- Offering substantially less than owed
- Not providing reasonable explanation

Prompt Payment Law:

- Georgia law requires payment within 15 days of agreement
- Now 22 days on undisputed portions

- Interest accruing at 12% per annum

IV. DAMAGES FROM IMPROPER PARTIAL DENIAL

Direct Consequences

Impact	Description	Cost/Damage
Unable to complete repairs	RestorePro won't proceed without payment	Ongoing damage
Additional mold growth	5 days additional exposure	\$3,500 remediation
Extended displacement	Extra 3 months ALE	\$9,000
Contractor cancellation	Lost deposit with RestorePro	\$1,500
Material price increases	6% increase since November 1	\$2,800
Total Additional Damages:		\$16,800

V. DEMAND FOR IMMEDIATE ACTION

Payment Required Within 10 Days:

Category	Amount Due	Interest (12% APR)	Total
Ceiling replacement	\$4,500	\$127	\$4,627
Floor replacement	\$8,200	\$232	\$8,432
Electronics (additional)	\$2,660	\$77	\$2,737
Furniture	\$5,600	\$158	\$5,758
ALE months 4-6	\$9,000	\$255	\$9,255
Code upgrades	\$4,200	\$119	\$4,319
TOTAL DUE:	\$34,160	\$968	\$35,128

VI. RESERVATION OF RIGHTS

This rebuttal does not waive:

- Right to full policy benefits
- Bad faith claims under O.C.G.A. § 33-4-6
- Statutory penalties
- Attorney fees under O.C.G.A. § 13-6-11
- Punitive damages
- Regulatory complaints

VII. GOOD FAITH OPPORTUNITY

Despite your improper denial, I offer this opportunity:

Option 1: Full Reversal

- Pay all denied amounts plus interest
- Acknowledge coverage
- Expedite payment within 5 days

Option 2: Neutral Appraisal

- Invoke appraisal clause
- Split costs 50/50
- Complete within 30 days

CONCLUSION

Your partial denial cannot withstand scrutiny. The evidence, policy language, and Georgia law mandate full payment. Each denied item is supported by documentation, industry standards, and policy provisions.

Pay the improperly denied amounts immediately or provide legally sufficient justification for any maintained denial position within 10 days.

Time is of the essence as damages compound daily.

Sincerely,

Sarah Thompson

Michael Thompson

November 20, 2024

Attachments:

1. Moisture reading logs (November 5 & 12)
2. Gainesville Building Department code letter
3. Peterson Flooring evaluation report
4. Complete photo documentation (147 photos)
5. Furniture comparable pricing printouts
6. Timeline of delays chart
7. Policy provisions highlighted

8. Georgia legal authorities cited

cc:

- Georgia Department of Insurance
- James Mitchell, Public Adjuster
- Williams & Associates (attorneys under consideration)
- Claim File