

Exhibit A1

**IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF LOUISIANA**

DEBORAH ROBIN, individually and on
behalf of others similarly situated,

Plaintiff-Petitioner,

v.

STATE FARM MUTUAL AUTOMOBILE
INSURANCE COMPANY, STATE FARM
GENERAL INSURANCE COMPANY and
STATE FARM FIRE AND CASUALTY
COMPANY,

Defendants-Respondents.

CIVIL ACTION NO.: 24-391-RLB

CLASS ACTION

JURY DEMAND

FIRST AMENDED CLASS ACTION COMPLAINT

Petitioner, Deborah Robin, an individual of the full age of majority and resident of the Calcasieu Parish within this Judicial District, State of Louisiana, individually, and on behalf of all other persons similarly situated, hereinafter referred to as “Plaintiff” or “Putative Class Representative,” brings this suit as a class actual pursuant to Fed. R. Civ. P. 23(a) and (b)(3), against Defendants State Farm Mutual Automobile Insurance Company (“State Farm Mutual”), State Farm General Insurance Company (“State Farm General”), and State Farm Fire and Casualty Company (“State Farm Casualty”), respectfully representing as follows:

1. Defendant State Farm Mutual is an Illinois insurance company licensed to and conducting business in Louisiana, and who may be served pursuant to Louisiana CCP 1261, et al, by service upon the Louisiana Secretary of State. State Farm Mutual is incorporated under the laws of the State of Illinois with its corporate headquarters located in Bloomington, Illinois. According to the State Farm website State Farm Mutual, in coordination with other affiliated entities,

conducts business in Louisiana and throughout the country under the brand State Farm, and is currently serving more than 87 million policies.¹ In the State of Louisiana, State Farm Mutual underwrites auto insurance in coordination with other State Farm entities, all of which are registered with the Louisiana Department of Insurance with the same phone number ((309) 766-2311) and same address (One State Farm Plaza, Bloomington, IL 61710). Further, all the State Farm entities share the same website (<https://www.statefarm.com>). The State Farm entities issuing auto insurance policies in the State of Louisiana include: State Farm Mutual Automobile Insurance Company (“State Farm Mutual”), State Farm General Insurance Company (“State Farm General”), and State Farm Fire and Casualty Company (“State Farm Casualty”).

2. Defendant State Farm Casualty is an Illinois insurance company licensed to and conducting business in Louisiana, and who may be served pursuant to Louisiana CCP 1261, et al, by service upon the Louisiana Secretary of State. State Farm Casualty is incorporated under the laws of the State of Illinois with its corporate headquarters located in Bloomington, Illinois. Defendant State Farm Casualty is licensed to and conducting business in Louisiana under the State Farm brand and as part of the State Farm companies. State Farm Casualty underwrites auto insurance in coordination with the other State Farm entities, and is registered with the Louisiana Department of Insurance with the same phone number ((309) 766-2311) and same address (One State Farm Plaza, Bloomington, IL 61710) as State Farm Mutual and State Farm General. State Farm Casualty participates in drafting and underwriting the State Farm insurance policies, and in determining the policies and practices for claim payments made pursuant to such insurance policies, with no material differences relevant to the claims in this action, regardless of which State Farm entity may be identified on the insurance policy.

¹ See STATE FARM AUTO INSURANCE, available at <https://www.statefarm.com/insurance/auto> (last visited September 16, 2024).

3. Defendant State Farm General is an Illinois insurance company licensed to and conducting business in Louisiana, and who may be served pursuant to Louisiana CCP 1261, et al, by service upon the Louisiana Secretary of State. State Farm General is incorporated under the laws of the State of Illinois with its corporate headquarters located in Bloomington, Illinois. Defendant State Farm General is licensed to and conducting business in Louisiana under the State Farm brand and as part of the State Farm companies. State Farm General underwrites auto insurance in coordination with the other State Farm entities, and is registered with the Louisiana Department of Insurance with the same phone number ((309) 766-2311) and same address (One State Farm Plaza, Bloomington, IL 61710) as State Farm Mutual and State Farm Casualty. State Farm General participates in drafting and underwriting the State Farm insurance policies, and in determining the policies and practices for claim payments made pursuant to such insurance policies, with no material differences relevant to the claims in this action, regardless of which State Farm entity may be identified on the insurance policy.

4. Plaintiff at all times material hereto, was a citizen of the State of Louisiana and domiciled in Louisiana.

5. The Defendants are liable to Plaintiff and the Putative Class Representatives, and all others similarly situated for all elements of damages allowed by Louisiana law, whether past, present, and/or future damages, in an amount that is just and reasonable in the premises.

JURISDICTION AND VENUE

6. This Court has jurisdiction over this action pursuant to 28 U.S.C. § 1332 because (a) the Plaintiff is a member of the putative class defined herein, which consists of at least 100 members, and she and the Defendants are citizens of different states; (b) the amount-in-controversy

exceeds \$5 million dollars exclusive of interest and costs; and (c) none of the 28 U.S.C. § 1332 exceptions apply to this claim.

7. Plaintiff alleges that venue in this Honorable Court is proper pursuant to 28 U.S.C. 1391(a), because a substantial portion of the acts and course of conduct giving rise to the claims alleged occurred within the district and the Defendants are subject to personal jurisdiction in this district.

NATURE OF THE CASE

8. This is a Louisiana class action lawsuit by Plaintiff, individually, and on behalf of a putative class of persons (the “Class”), who were insureds under State Farm auto insurance policies issued for auto physical damage, pursuant to which Defendants were required to pay the “Actual Cash Value” (“ACV”) including replacement costs for insured vehicles which had been declared to be a total loss by Defendants.

9. The State Farm Defendants are large auto insurance carriers operating in the State of Louisiana. Two of the coverages Defendants sell to customers are comprehensive and collision coverage. Defendants systematically and uniformly underpaid Plaintiff and thousands of other putative Class Members amounts owed to its insureds who suffered the total loss of a vehicle insured with comprehensive and collision coverage.

10. Insureds, such as Plaintiff and the putative Class Members, pay a premium in exchange for Defendants’ promise to repair or pay for any damage to an insured vehicle caused by a covered peril. However, Defendants’ obligation is not limitless; rather, it is limited (or capped) to the ACV of the insured vehicle – for example, Defendants are not obligated to spend \$20,000 to repair extensive damage to a vehicle that is only worth \$5,000. Under such circumstances, where the cost to repair damage exceeds the value of the vehicle (less retained value), the vehicle is

considered a “total loss.” If a “total loss” occurs, Defendants’ contractual obligation is limited to paying the ACV of the total-loss vehicle.

11. ACV is defined by Louisiana law as the *cost to buy another vehicle*. A settlement for the “actual cash value” of a car must be “based on the actual cost to purchase a comparable motor vehicle.” L.A.S. § 22:1892(B)(5). *See also: Jouve v. State Farm Fire & Cas. Co.*, 74 So. 3d 220, 229 (La. Ct. App. 2011) (“Under Louisiana law, actual cash value is equal to replacement cost value less depreciation.”); *Cummings v. Allstate Prop. & Cas. Ins. Co.*, 675 F. Supp. 3d 660, 678 (“The Court interprets the language of L.R.S. § 22:1892(B)(5) as supporting Plaintiff’s argument that actual cash value includes all reasonably necessary costs associated with obtaining a replacement vehicle[.]”); *Buddington v. United Servs. Auto. Ass’n*, 2023 U.S. Dist. LEXIS 56044, *12 (“[T]he Court is satisfied that Plaintiffs have asserted viable breach of contract claims.”); *Wright v. GEICO Cas. Co.*, 2021 U.S. Dist. LEXIS 184553, *12 (“The generally accepted meaning of the term “replacement cost” may include all costs associated with replacement, which includes Regulatory Fees, as Plaintiff argues.”)

12. To replace a car in Louisiana, an insured is required to pay sales tax and other mandatory fees such as title, registration, and tag fees (“Purchasing Fees”) required to properly obtain ownership of and to operate a motor vehicle. These Purchasing Fees are included in the actual cost to buy another vehicle. L.R.S. § 22:1892(B)(5).

13. Throughout the class period, Louisiana prohibited the purchase, transfer, or lease of a vehicle without the transfer of title, and the payment of a minimum \$8.00 title transfer handling fee. L.R.S. § 32:412.1 (A)(3)(b):

- A. Except as provided for in Subsection E of this Section, the office of motor vehicles shall collect, in addition to any fee authorized by law, a handling charge of eight dollars for each of the following transactions:

...

(3) Vehicle titling and registration:

...

(b) Transfer of ownership.

14. Throughout the class period, Louisiana prohibited the purchase, transfer, or lease of a vehicle without proper registration, and the payment of a minimum \$3.00 license plate transfer fee. L.R.S. § 47:509 (B)(3) (“To affect such transfer and registration the owner of the vehicle shall pay a total registration transfer fee of three dollars. Such fee shall cover only the transfer of said registration.”).

15. Throughout the class period, Louisiana does not recognize the transfer of ownership of a motor vehicle without payment of the \$68.50 title fee, L.R.S. § 32:728 (a vehicle will not be legally transferred until the new owner makes a proper application for title).

16. “Purchasing Fees” are part of the actual cost to purchase a comparable motor vehicle and are made up of sales tax and fees necessary to title, tag, register, and inspect a vehicle.

17. Registration and plate fees are mandatory costs to purchase a comparable automobile because a tag transfer and new registration must be obtained for the replacement vehicle. L. R.S. § 47:509.

18. Mandatory registration and licensing fees shall be paid to the commissioner, for the registration and licensing by the State of Louisiana of all vehicles and motor vehicles. L. R.S. § 47:461.

19. Registration and tag fees include:

- i. License Plate Fee (cars only): \$23, L. R.S. § 47:532.1, (Private Passenger Trucks) \$10-28.00 (depending on vehicle price), L. R.S. § 47:462;

- ii. Annual License fee for vehicles: \$20.00 minimum fee with an additional \$2.00 for every additional \$1,000 in the selling price of the vehicle. Transfer License L. R.S. § 47:463.²
- iii. Truck license plate transfer fee: \$3.00 L. R.S. 47:461(2);
- iv. Annual License fee: trucks:
 - 1. Weight of 6,000 or less \$ 10.00
 - 2. 6,001 to 10,000 \$ 28.00L. R.S. § 47:462.
- v. Public license tag agents/retail motor vehicle charges: \$23.00. Said fees are in addition to the registration license tax or other authorized fees, sales taxes, and transactions. The convenience charge shall not exceed twenty-three dollars per authorized transaction. However, the public license tag agents shall collect and retain the full amount of the convenience charge.”
L. R.S. § 47:532.1.

20. A vehicle will not be legally transferred until the new owner makes a proper application for title and pays the concomitant fees. L. R.S. § 32:706. Marketable title.

21. Title fees include:
- i. Title fee of \$68.50 L. R.S. § 32:728;
 - ii. Title transfer handling fee of \$8.00, L. R.S. § 32:412.1;

² The cost to buy a replacement vehicle requires payment of two years of registration fees: “(1) For each passenger-carrying automobile, operated only for private use, an annual registration license shall be collected each two years in advance in amounts fixed by the following schedule:
(a) For an automobile having an actual value of ten thousand dollars or less, the annual license tax shall be ten dollars.
(b) For an automobile having an actual value of greater than ten thousand dollars, the annual license tax shall be the base tax of ten dollars plus an additional tax of one dollar per each one thousand dollars of actual value above ten thousand dollars. L. R.S. § 47:463(Emphasis added).

- iii. Title Lien Fee / Lien Recordation Fee: \$10.00–\$15.00 L. R.S. § 32:728;
- iv. Title Notary Fee, certificate of title assigned before a notary by seller to purchaser: \$15.00, L. R.S. § 32:705(A);
- v. Bill of Sale/Lease Notary Fee, original notarized bill of sale or invoice specifying the actual consideration involved and full description of vehicle. \$15.00. L. R.S. § 6:969.18B.

22. Inspections are a mandatory requirement in order to register and operate a vehicle on Louisiana roadways.

23. Inspection fees include:

- i. Brake Inspection fee of \$10.00. L.R.S. § 32:1306;
- ii. Emissions Inspection fee in applicable parishes and municipalities. L.R.S. § 30:2054(B)(8).

24. Defendants systematically refuse to pay the full ACV replacement cost including but not limited to any amount for, in some cases, sales tax on the vehicle value or some or all title transfer fees or plate transfer fees and registration fees, despite its obligation to pay the reasonably necessary costs to buy another vehicle and thus breaching Plaintiff's and other Class members' policies and depriving them of the full benefits thereunder.

25. This lawsuit is brought on behalf of Plaintiff and on behalf of all other similarly situated insureds who have suffered damages due to Defendants' practice of refusing to pay reasonably necessary ACV in total loss claims under comprehensive and collision coverages.

DEFENDANTS

26. In committing the wrongful acts alleged herein, Defendants have pursued or joined in the pursuit of a common course of conduct, and have acted in concert via agreement with, and

conspired with, one another in furtherance of the improper acts, plans, schemes, and transactions that are the subject of this Complaint.

27. In addition, each of the Defendants rendered substantial assistance in the wrongs complained of herein. In taking such actions to substantially assist the commission of the wrongdoing complained of herein, each Defendant acted with knowledge of the primary wrongdoing, and was aware of his, her or its overall contribution to and furtherance of the wrongdoing.

28. For example, State Farm Mutual provides claim servicing, management and administrative services to affiliated State Farm entities (including all of the other Defendants) through certain agreements spanning the past decade, including: joint servicing, management and/or cost allocation agreements, cash management agreements, pooling agreements, and general agency agreements.

29. State Farm Mutual performs material insurance operations related to auto insurance policies underwritten by State Farm entities in the State of Louisiana. Most relevant to this action, State Farm Mutual manages and implements the adjustment of total loss automobile claims made on policies of insurance issued by it and any State Farm entities in Louisiana, including but not limited to Defendants State Farm Casualty, and State Farm General, pursuant to the same policies and practices, by the same adjuster employees working in the same claims centers, utilizing a single website (www.statefarm.com), and using the same address, telephone number, trademarks and letterhead on correspondence. Consistent with these common adjustment policies, practices, and employees, job postings at the State Farm website refer throughout to “State Farm” as the entity advertising for employment. *See, e.g., Exhibit A.*

30. State Farm Mutual owns the website www.statefarm.com and provides marketing services for each State Farm entity, including but not limited to Defendants State Farm Casualty and State Farm General.

31. Customers in Louisiana can purchase from State Farm Mutual website a policy from any of the State Farm entities, including but not limited to Defendants State Farm Casualty and State Farm General.

32. State Farm Mutual employs the adjusters who adjust auto insurance claims covered by a policy underwritten by each State Farm entity, including but not limited to Defendants State Farm Casualty, and State Farm General in the State of Louisiana.

33. Through these adjustors, as detailed at the State Farm website, State Farm Mutual investigates, handles, and adjusts all insurance claims using the same policies and procedures, regardless which State Farm entities were identified or disclosed in the relevant policy.

34. Consistent with these claims practices, Plaintiff's valuation report refers only to the State Farm Insurance Companies, without reference to any individual State Farm entity.

Exhibit B (Vehicle Valuation Report).

35. Consistent with all the above, **State Farm[®] Terms of Use for statefarm.com[®]**, the State Farm website, defines "State Farm" as "State Farm Mutual Automobile Insurance Company, its affiliates and subsidiaries." *See* TERMS OF USE, *available at* <https://www.statefarm.com/customer-care/disclosures/terms-of-use> (last visited September 16, 2024).

36. State Farm Mutual, as opposed to the other State Farm entities, is the owner of hundreds of patents related to how it processes insurance claims and performs other insurance functions on behalf of the State Farm entities. *See* **Exhibit C**.

37. In *toto*, the various agreements between Defendants enabled them to and they did aid and abet each other to act in concert through State Farm to systemically and uniformly fail to pay the full applicable Purchasing Fees on total loss auto claims made on their materially identical, standardized policies issued to Plaintiff and other members of the Class in the State of Louisiana.

STATEMENT OF FACTS

38. Defendants' Policy covered Plaintiff and Class Members and are all based on standardized policy language with identical or nearly identical material terms for collision and comprehensive coverage on first-party total loss physical damage claims. See **Exhibit D** ("Policy").

39. The Policy required Defendants to pay Actual Cash Value³ for the total loss, which includes "any applicable state taxes and/or fees."⁴ Such reasonably necessary replacement costs include sales tax, title fees (including transfer handling fees), notary fees and registration and license plate transfer fees (hereinafter referred to collectively as, "Purchasing Fees") on all total loss claims.

40. The Policy promises to pay for "loss" to a covered auto. Loss is defined as "direct, sudden, and accidental damage to . . . a *covered vehicle*." *Id.* at 23 (original emphasis preserved).

41. Relating to physical damage collision coverage, the Policy specifically provides "[w]e will pay for loss caused by collision to a covered vehicle." *Id.* at 24.

42. The Policy explains:

³ <https://www.statefarm.com/claims/auto/total-loss#ACV> ("We base your vehicle's value on its year, make, model, mileage, overall condition, and major options – minus your deductible and applicable state taxes and fees.")

⁴ **What Happens if Your Car Is Totaled? - State Farm®** ("You'll receive the determined actual cash value of the vehicle, minus the deductible you chose when insuring it, as well as any applicable state taxes and/or fees.")

We have the right to choose to settle with you or the owner of the covered vehicle in one of the following ways:

- a. Pay the cost to repair the covered vehicle minus any applicable deductible.
- ...
- b. Pay the actual cash value of the covered vehicle minus any applicable deductible.”

Id. at 26-27 (original emphasis).

43. The Policy’s limits of liability are therefore the Actual Cash Value of the vehicle at the time of loss or the cost to repair the vehicle to its pre-loss condition (less the deductible).

44. Taken together, these Policy provisions obligate Defendant to pay for “loss” (i.e., damage to the auto) by either paying for the “loss” (i.e., damage) or by repairing or replacing the vehicle. However, if the cost of paying for the loss (i.e. damage) or the cost of repairing or replacing the vehicle *exceeds* the value of the vehicle, Defendant is entitled under the limitation of liability to elect to pay the “actual cash value” of the vehicle.

45. Defendants violated the Policy provisions requiring that it pay “loss” on comprehensive and collision claims. “Loss” expressly includes a total loss and obligates Defendant to pay actual cash value pursuant to the policy’s Limits and Loss Settlement provision.

46. The Policy contains no provision setting out a difference in coverage based on whether a total loss vehicle is replaced after the total loss. The Policy contains no provision setting out a difference in coverage based on whether a total loss vehicle is leased, owned, or financed. The Policy imposes no condition that an insured replace a total-loss vehicle to receive full coverage under the Policy.

47. The Policy does not exclude from coverage the reasonably necessary sales tax or Purchasing Fees.

48. The Policy expressly incorporates the mandates of Louisiana insurance law and regulations. The Policy states, pertinent part:

The coverage provided by this policy is done so in accordance with Louisiana insurance law. If any provisions of this policy are in conflict with Louisiana statutes, the policy is amended to conform to the minimum requirements of the statutes.

Id. at 42.

49. Therefore, incorporated into the Policy is Louisiana law requiring that a settlement for the “actual cash value” of a car must be “based on the actual cost to purchase a comparable motor vehicle.” L.R.S. § 22:1892(B)(5).

50. Through its website, Defendants represent a “total loss” is when “the cost of repairs exceeds the vehicle’s ACV.” *See* statefarm.com; *Total Loss Claims: Is my vehicle a total loss?* <https://www.statefarm.com/claims/auto/total-loss> (last visited on April 30, 2024). A total loss may also occur when the “vehicle can’t be repaired safely” or the “state regulations for damage severity require a total loss declaration”. *Id.*

51. Defendants further represents on the State Farm website that, if a car is “totaled,” Defendants will pay its insureds “the determined actual cash value of the vehicle, minus the deductible you chose when insuring it, *as well as any applicable state taxes and/or fees.*” *See* statefarm.com; *WHAT HAPPENS IF YOUR CAR IS TOTALED? What Happens if Your Car Is Totaled? - State Farm®* (last visited on April 30, 2024) (emphasis supplied).

52. Defendants, as a general business practice, elects to pay “actual cash value” every time it determines a vehicle to have sustained a “total loss.”

53. Defendants represent through the State Farm website, that “actual cash value” includes applicable taxes and fees. *Id.*

54. The Policy and Louisiana Law require Defendants to pay sales tax and reasonably necessary Purchasing Fees on total loss claims.

55. ACV replacement costs include all reasonably necessary Purchasing Fees incident to transfer of ownership and new registration and Defendants were required to pay them under the Policy and Louisiana law.

56. Throughout the class period, Louisiana levied a sales and use tax on the sale or lease of any automobile sold or leased throughout the State of Louisiana. L.R.S. §§ 47:301-37:318.

A. State Farm Mutual Breached the Policy by Failing to Pay Reasonably Necessary Replacement Costs on Total Loss Claims.

57. Plaintiff entered a Louisiana automobile policy agreement to be insured by State Farm Mutual under terms contained in the “form” policy.

58. The Policy provided physical damage coverage for Plaintiff’s 2011 Honda CR-Z Hybrid, VIN JHMZF1D63BS002972 (the “Insured Vehicle”).

59. Plaintiff’s Vehicle was titled and registered in accordance with Louisiana law. Plaintiff paid sales tax and Purchasing Fees for the total loss vehicle prior to the loss.

60. On or about November 20, 2022, Plaintiff was involved in an auto collision while operating the Insured Vehicle. Plaintiff submitted a claim to State Farm Mutual for the Insured Vehicle physical damage caused by the collision, claim number 18-43M4-52G.

61. Because State Farm Mutual determined that the cost to repair exceeded the cost to replace the vehicle, State Farm Mutual declared that the Insured Vehicle was a “total loss” and State Farm Mutual, not the insured, elected pursuant to the Policy to pay the ACV of the vehicle instead of the higher cost to repair the vehicle.

62. State Farm Mutual determined the Insured Vehicle had an actual cash value of \$4,799.00. *See Exhibit E* at 1 (Total Loss Settlement).

63. State Farm Mutual subtracted the deductible of \$500.00, added \$489.50 for state sales tax, and added \$76.50 for tag and title fees. State Farm determined the final net payment to be \$4,865.00. *Id.*

64. Plaintiff replaced her total-loss vehicle with a replacement vehicle. The cost to replace her vehicle included all reasonably necessary replacement costs, including all Purchasing Fees such as all sales tax, title, registration, and transfer fees.

65. Both the Policy and the applicable Louisiana law require, in any cash settlement, payment of all Purchasing Fees, regardless of whether the insured vehicle was leased or owned, whether it was replaced, or whether salvage was retained.

66. State Farm Mutual breached its Policy by failing to pay all reasonably necessary replacement costs to Plaintiff, including Purchasing Fees related to the registration, tag fees and fees incidental to the transfer of ownership.

67. Plaintiff and all Class Members similarly situated with first-party total loss claims were damaged by State Farm Mutual's breach of the Policy by its failure to pay all of the reasonably necessary replacement costs on their total loss claims.

68. Each Class Member was insured by State Farm Mutual for total losses under the same material terms as the Policy insuring Plaintiff.

69. Like the Plaintiff, each Class Member submitted a claim to State Farm Mutual during the class period, which State Farm determined was a covered total loss.

70. State Farm Mutual breached its insurance policy with each Class Member by failing to pay all reasonably necessary replacement costs on the Class Member's total loss claim.

71. Plaintiff and all Class Members satisfied all terms of the Policy and all conditions precedent, such that the insurance policy was in effect and operational at the time of the accident, and the total loss claim was deemed covered claims by State Farm Mutual.

72. Plaintiff and Class Members are entitled to expenses of litigation, including all attorneys' fees and costs pursuant to L.R.S. § 22:1892(B)(1) and L.R.S. § 22:1973.

73. State Farm Mutual has acted in bad faith and State Farm Mutual's failure to pay full ACV replacement costs was arbitrary, capricious, or without probable cause. State Farm Mutual has caused Plaintiff and Class Members unnecessary trouble and expense by their failure to comply with the clear requirements of the Policy and Louisiana law.

74. There is no legal justification for State Farm Mutual's conduct in failing to pay full ACV replacement costs on Louisiana first-party total loss claims.

B. Defendants Violated L.R.S. 22:1892B(5)(b) by Failing to Pay the Actual Cost to Purchase.

75. The failure to include Purchasing Fees such as title, registration, transfer, and inspection fees, was arbitrary and capricious because the payment is lower than "the actual cost to purchase" a replacement vehicle.

76. The Defendants' failure to properly pay the actual cash value of their insureds' losses constitutes a breach of contract.

77. Moreover, the aforementioned conduct – and breaches of contract – are the result of actions that constitute bad faith and are capricious and arbitrary in violation of Defendant's duties and obligations to its insureds.

78. State Farm’s conduct set forth herein constitutes violations of L.R.S. § 22:1973A in that State Farm violates its “duty of good faith and fair dealing” by failing to “adjust claims fairly and promptly and to make a reasonable effort to settle claims” with its insureds.

79. Upon information and belief, Defendants intentionally refuses to pay the actual cost to purchase a replacement vehicle about which it knowingly and intentionally misinforms and misleads insureds concerning the obligations under its policy and otherwise violates its duty of good faith and fair dealing and Louisiana law.

80. State Farm’s conduct set forth herein constitutes violations of L.R.S. § 22:1973B(5) in that Defendants fail “to pay the amount of any claim due any person insured by the contract within sixty days after receipt of satisfactory proof of loss” and such failure is “arbitrary, capricious, or without probable cause.”

81. Defendants’ Policy, to the extent inconsistent, is conformed to comply with Louisiana law.

82. Plaintiff and Class Members are entitled to expenses of litigation, including all attorneys’ fees and cost pursuant to L.R.S. § 22:1892(B)(1) and L.R.S. § 22:1972.

83. Defendants acted in bad faith and the failure to pay full ACV replacement costs was arbitrary, capricious, or without probable cause. Defendants have cause Plaintiff and Class Members unnecessary trouble and expense by the failure to comply with the clear requirements of the Policy and Louisiana law.

84. There is no legal justification for Defendants’ conduct in failing to pay full ACV replacement costs on Louisiana first-party total loss claims.

CLASS ACTION ALLEGATIONS

85. Plaintiff brings this lawsuit as a class action seeking representation of the Class pursuant to Fed. R. Civ. P. 23(b)(1), (b)(2), (b)(3) and/or (c)(4), as may be deemed appropriate by the Court.

86. Plaintiff asserts claims for breach of contract on behalf of the State Farm Mutual Class defined as follows:

All State Farm Mutual Automobile Insurance Company, State Farm General Insurance Company, and State Farm Fire and Casualty Company insureds, from the earliest allowable time through the date the class is certified, who were or are Louisiana residents who received a first-party payment on an automobile total-loss claim that did not include the full amount of Purchasing Fees (including sales tax, title fees, registration fees, and/or tag fees) as part of the actual cash value payment.

Plaintiff reserves the right to amend this class definition as additional facts are discovered and become known.

87. The Class excludes (a) Defendants' officers, directors, employees, or legal representatives; (b) all United States District Judges and United States Magistrate Judges to whom this case is or was assigned, along with any members of their immediate families; (c) all Insureds who made a valid claim for comprehensive and collision coverage and were fully paid for Purchasing Fees; (d) any person who timely opts out of the Class; and (e) any lawyer who has entered their appearance in this action and any past or current employee of the Plaintiff's lawyers' firms who was employed by any of those firms during the pendency of this action.

88. **Numerosity.** The Class is so numerous that joinder of all individual claims at issue is impracticable. It is believed that there are thousands of Louisiana residents whose claims resulted in a total loss payment from State Farm that did not include title transfer handling fees and/or license plate transfer fees during the class period. Thus, numerosity is established within the meaning of Rule 23(a)(1).

89. **Commonality.** There are common issues of law and fact as to:

- a. Whether the Policy requires State Farm to pay full ACV replacement costs, including sales tax and Purchasing Fees on first-party total loss claims; and
- c. Whether State Farm breached the Policy by failing to pay full ACV replacement costs, including sales tax, title transfer handling fees and/or license plate transfer fees.

Thus, commonality is established within the meaning of Rule 23(a)(2).

90. **Typicality.** Plaintiff's claims and defenses are typical of the claims of all Class Members. State Farm injured Plaintiff and Class Members through uniform misconduct and Plaintiff's legal claims arise from the same core practice—State Farm's failure to pay full ACV, including all reasonably likely Purchasing Fees and sales tax on first-party total loss claims under Louisiana physical damage policies. Plaintiff suffered the same harm as all Class Members: damages for unpaid replacement costs required under the Policy. Plaintiff's interests are identical to those of the other Class Members, within the meaning of Rule 23(a)(3).

91. **Adequacy.** Plaintiff will fairly and adequately represent and protect the interests of the Class because:

- a) Plaintiff has retained counsel experienced in litigating consumer class actions and complex litigation, and counsel will adequately represent the interests of the Class;
- b) Plaintiff and her counsel are aware of no conflicts of interest between Plaintiff and absent Class Members or otherwise;
- c) Plaintiff and her counsel have adequate financial resources to assure that the interests of the Class will not be harmed; and

- d) Plaintiff is knowledgeable concerning the subject matter of this action and will assist counsel in the prosecution of this litigation and protection of the putative Class Members' interests in this regard.

Thus, adequacy is established within the meaning of Rule 23(a)(4).

92. A class action provides a fair and efficient method for adjudicating this controversy and is superior to the other available methods of adjudication in that:

- a) Neither the size of the Class, nor any other factor, make it likely that difficulties will be encountered in the management of this Class as a class action;
- b) The prosecution of separate actions by individual Class Members, or the individual joinders of all Class Members in this action, is impracticable and would create a massive and unnecessary burden on the resources of the courts and could result in inconsistent adjudication, while a single class action can determine, with judicial economy, the rights of each member of the Class;
- c) Because of the disparity of resources available to Defendant versus those available to individual Class Members, prosecution of separate actions would work a financial hardship on many Class Members;
- d) The conduct of this action as a class action conserves the resources of the parties and the court system and protects the rights of each Class Member and meets all due process requirements as to fairness to all parties. A class action is also superior to the maintenance of these claims on a claim-by-claim basis when all actions arise out of the same circumstances and course of conduct; and
- e) Because the claims may be small or nominal in nature, individual actions will be rendered financially impractical if not impossible.

COUNT I: BREACH OF CONTRACT

93. The allegations in the preceding paragraphs are hereby incorporated by reference.

94. This count is brought by Plaintiff individually and on behalf of the Class members against State Farm Mutual Automobile Insurance Company.

95. Plaintiff and all Class Members were covered insureds under their Policies with State Farm Mutual and complied with all Policy terms relating to their total loss claims.

96. Each Policy and Class Member made a claim under their Policy that State Farm Mutual determined to be a first-party total loss covered claim.

97. The Policy required that State Farm Mutual pay Plaintiff and all Class Members for the “loss” to their insured vehicles.

98. However, if the value of the “loss” exceeds the value of the damage, referred to as a “total loss,” State Farm is entitled, under the limitation of liability provision, to elect to pay the “actual cash value” of the vehicle.

99. If State Farm Mutual does not pay the full value of the “loss,” and State Farm Mutual instead elects to pay ACV, it is obligated to pay the full amount of ACV.

100. State Farm Mutual determined that Plaintiff’s and all Class Members’ vehicles experienced a total loss.

101. State Farm Mutual elected to pay Plaintiff and Class Members ACV instead of paying the higher cost of loss to repair or replace.

102. By electing to pay ACV, State Farm Mutual was required under its Policy, to pay reasonably necessary expenses incurred in the cost to buy another vehicle, which were reasonably likely to be incurred on the replacement of their total loss vehicles. Such costs include sales tax and Purchasing Fees on total losses because such taxes and fees are reasonably necessary costs to replace the totaled vehicle.

103. Alternatively, if State Farm Mutual's policy does not require it to pay for ACV, then under the Loss provision, State Farm Mutual owes the higher cost of repair of the vehicle regardless of ACV.

104. State Farm Mutual failed to pay Plaintiff and all Class Members full ACV replacement costs, including all sales tax and Purchasing Fees owed under the Policy on their first-party total loss claims.

105. State Farm Mutual's failure to pay Plaintiff and Class Members' full ACV replacement costs included in the cost to buy another vehicle including sales tax, and Purchasing Fees constitutes a breach of State Farm Mutual's Policies.

106. As a result of State Farm Mutual's breaches, Plaintiff and Class Members have suffered damages and are entitled, under their Policies, to sums representing all ACV replacement costs, including but not limited to unpaid sales tax on the value of the total loss vehicle at the time of loss, unpaid title transfer fees, new registration and license plate transfer fees, as well as prejudgment and post judgment interest, attorneys' fees, and all costs and expenses of litigation.

107. Plaintiff and the Class Members are entitled to an award of attorneys' fees and costs under Louisiana law and all contractual and statutory provisions allowing for recovery of attorneys' fees.

COUNT II: DEFENDANTS' VIOLATION OF L.R.S. 22:1892

108. This count is brought by Plaintiff individually and on behalf of the Class members against State Farm Mutual Automobile Insurance Company, State Farm General Insurance Company, and State Farm Fire and Casualty Company.

109. As to Plaintiff and members of the putative Class, Defendants failed to fairly and promptly adjust claims and failed to make a reasonable effort to settle claims with its insureds, which constitutes a violation of its good faith duties.

110. Similarly, Defendants failed to pay the amount of claim due its insureds within the statutorily prescribed time of sixty days. Moreover, such failure, as outlined herein, was “arbitrary, capricious, or without probable cause.”

111. As such, Plaintiff and members of the Class are entitled to all damages, penalties, attorney fees, costs, and relief permitted by law and deemed by this Court to be just and proper.

COUNT III: EXPENSES OF LITIGATION
(L.R.S. § 22:1892 and L.R.S. § 22:1973)

112. The allegations in the preceding paragraphs are hereby incorporated by reference.

113. This count is brought by Plaintiff individually and on behalf of the Class members against State Farm Mutual Automobile Insurance Company, State Farm General Insurance Company, and State Farm Fire and Casualty Company.

114. L.R.S. § 1892 requires an insurer to pay its insureds the amount of a claim due within thirty days after receipt of proof of loss.

115. L.R.S. 22:1973(A) requires an insurer to act with good faith and fair dealing, to adjust claims fairly and promptly, and to make a reasonable effort to settle claims with the insured.

116. State Farm violated L.R.S. § 1892 and § 1973 by failing to pay Plaintiff and all Class Members full ACV after determining that the vehicles sustained total losses.

117. At the time State Farm declared the vehicles total losses, State Farm knew that its Policies obligated it to pay full replacement costs of the vehicles, less depreciation.

118. State Farm advertised on its website that it pays the ACV cost to replace the vehicle based on the cost of comparable vehicles in the insured’s geographic area. [What Happens if Your Car Is Totaled? - State Farm®](#) (last visited on April 29, 2024).

119. Despite its advertised promise to pay ACV, Defendant failed to pay Plaintiff and Class Members the full amount owed within thirty days of receipt of proof of the loss.

120. State Farm has acted in bad faith, been stubbornly litigious, and caused Plaintiff and Class Members unnecessary trouble and expense by failing to comply with the clear requirements of the Policies and Louisiana law.

121. There is no legal justification for State Farm's conduct in failing to pay full ACV replacement costs, including title transfer handling fees and license plate transfer fees, on Louisiana first-party total loss claims.

122. Plaintiff and Class Members are entitled to, and expressly pray for, expenses of litigation, including all attorneys' fees and costs pursuant to L.R.S. § 22:1892(B)(1) and L.R.S. § 22:1973.

JURY DEMAND

Plaintiff, individually and on behalf of the putative Class, respectfully requests a trial by jury on all issues triable by jury.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually, and on behalf of the Class including all other persons similarly situated, prays that State Farm Mutual Automobile Insurance Company be duly cited and served with this Petition, be required to appear and answer the same, and after due proceedings had, that there by judgment rendered herein in favor of Plaintiff and the Class, and against Defendant as follows:

- a) For an order certifying this action as a class action on behalf of the Class, with Plaintiff serving as representative of the Class and with the undersigned serving as Counsel for the Class;
- b) For notice to be sent to the Class in a form and manner approved by the Court and comporting with due process;

- c) For an award of compensatory damages in amounts owed pursuant to the policies of insurance and Louisiana law;
- d) For all penalties, expenses, and relief allowable by law;
- e) For all other damages according to proof;
- f) For an award of attorneys' fees and expenses pursuant to L.R.S. §22:1892(B)(1) and/or L.R.S. §22:1973 or other applicable law;
- g) For costs of suit incurred herein;
- h) For pre-judgment and post-judgment interests on any amounts awarded; and
- i) For such other general and/or equitable relief to which the Plaintiff and/or the Class may be entitled that this Court deems just and proper.

Dated: September 16, 2024

Respectfully submitted,

/s/ Soren E. Gisleson, Esq.

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