

Steven Badger Quoted in Claims Journal Regarding Class Action Against Roofer in Hail Damage Solicitation

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Steven Badger, a partner in the Dallas office of Zelle, was quoted in a *Claims Journal* article titled “Texas Appeals Court Allows Class Action Against Roofer in Hail Damage Solicitation.”

Contractors acting as public adjusters illegally could face class action lawsuits, according to a new decision by a Texas appeals court. The finding could result in a pool of 3000 affected customers of A-1 Roofing.

The decision stems from an underlying case involving damage to the plaintiffs’ roof due to a May 2011 hailstorm. The plaintiffs notified their insurance carrier and signed a contract with A-1 (also known as Lon Smith Roofing and Construction) for roof replacement in the amount of \$33,769.50. The plaintiffs received \$18,926.69 from their homeowners’ insurer and paid that amount to A-1. To collect the balance owed, A-1 filed suit against the plaintiffs, obtaining a default judgment. The plaintiffs challenged the default judgment and obtained a judgment voiding it. A-1 appealed. The plaintiffs then filed a declaratory judgment against the roofer, indicating the contract was null and void since it wasn’t licensed to act as a public adjuster. They also alleged violations under Texas’ Deceptive Trade Practices Act and requested class certification for both claims.

“The primary reason for the dramatic increase in the number of hail claims in Texas are contractors that inject themselves into the claims process,” said Badger. “They solicit homeowners using door hangers, call centers, and other means to aggressively market to homeowners with the promises of a free roof. The homeowner then signs an agreement giving the contractor the right to negotiate the insurance claim and install the roof for the amount of the insurance proceeds. These types of contracts are a favorite among storm chaser contractors who travel city-to-city looking for work after hail events. There are even seminars and entire conferences that teach contractors how to

market to homeowners using these contracts.”

[Click here to read the article on the *Claims Journal* website.](#)