MediaRoom

Farmers Insurance Responds to Melinda Ballard's Allegations

Farmers Insurance Group of Companies today was sued by Melinda Ballard alleging libel as a result of a defamatory and false statement. Ms. Ballard is a Farmers claimant who received an outrageous $32 million dollar award in Travis County over water leak claims on her home that she purchased in 1990 for $275,000 at a foreclosure auction. Farmers would be happy to discuss any of the details of this matter at any time. Farmers has only stated the facts of their claim to the media. Attached is a fact sheet on this claim.

Farmers Insurance Group of Companies includes the nation's third-largest home and auto insurers. Headquartered in Los Angeles and doing business in 41 states, the Farmers Insurance Group of Companies provides home, auto, business, life insurance and financial services to more than 10 million households through 17,000 exclusive and independent agents and district managers.

Ballard points from Brief

-- Farmers is confident it will win its appeal of the Ballard lawsuit.
-- The trial court committed numerous errors. It ignored the law, and it improperly excluded evidence in order to prevent the jury from hearing the true facts of this case.

For Example:
-- This case should have been tried in Hays County (not Travis County) -- where the Ballard house is located. The law is clear on that. But the judge -- who knew Ballard, and had presided over one of her prior divorces -- ignored the law simply to retain this case.
-- Moreover, the trial court excluded key evidence that showed the true facts of this case. The evidence that the Court did not let the jury see, shows unequivocally that Ms. Ballard and Mr. Allison's lawsuit was without any merit, and that their insurance claim and lawsuit were, from the start, designed solely to make money -- not to repair their house.
-- The contractor that Ms. Ballard first contacted to repair her hardwood floor testified that he would have repaired the floor for $89,289. Ms. Ballard, however, told him his estimate was too low, and had him raise his bid to $127,950 before she submitted it to Farmers.
-- Ms. Ballard then obtained other, higher bids (ranging from $139,794.14 to $171,844.50). These bids were created simply by taking the inflated $127,950 bid and adding more overhead and profit to it.
-- Finally, Ms. Ballard submitted a bid from "Boessling Floors" in the amount of $194,269. Ms. Ballard falsely represented that "Boessling Floors" was recommended to her by and Austin architect, Dick Clark, and that "Boessling Floors" came to her house to inspect her floor, and bid $194,000 to repair it. In reality, there is NO "Boessling Floors". Mr. Boessling manufactures pool tables. He never heard of an architect named Dick Clark, and never had been to Ms. Ballard's house. The "Boessling Floors" bid was actually a "dummy bid" created to make the other inflated bids appear more reasonable.
-- The trial court excluded this evidence, and permitted the jury to believe that the inflated and fabricated bids submitted by Ms. Ballard were legitimate.
-- While Ms. Ballard claimed at trial her fear of "toxic mold" in her house, she told her public adjuster that she would "snort stachybotrys if that what it took to hurt" Farmers. The trial judge excluded this evidence from the jury, and instead permitted the jury to award Ms. Ballard $5,000,000 for "mental anguish" that she claimed was caused by the mold in her house, and by Farmers not paying her on the highest of her inflated bids that she submitted.
-- Ms. Ballard claimed that mold from under her hardwood floor contaminated her entire house. The trial court, however, refused to let Farmers' expert testify to the fact that test results showed that no mold was, in fact, growing under Ballard's floor and therefore Ballard's claim was false.
-- Ms. Ballard claimed that Farmers delayed in adjusting her claim. The fact is, she filed 14 separate water claims between December 1998 and September 2000. (She claimed that all of the buildings on her property incurred toxic mold damage.) Farmers adjusted each of Ms. Ballard's claims as they were made, and paid on those claims as they came in.
-- The trial court excluded evidence that Ballard intentionally obstructed Farmers' efforts to adjust her claims.

-- Ballard claimed that Farmers failed to make a good faith attempt to settle her claim, and the Court let the jury award Ballard $12 million in punitive damages.
-- The true facts are that less than two months after mold was first discovered in her home, Farmers and Ballard had a mediation. At that time, Ballard's experts claimed that it would cost $1 million to remediate the entire house. Farmers' experts thought it would cost approximately $400,000.
-- Farmers offered Ballard $734,000 in settlement.
-- Ballard's response was that she demanded $10 million to settle just her property claims, and that she retain "media rights".
-- The jury never heard this evidence.

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SOURCE: Farmers Insurance Group

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