UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF ALABAMA

Joshua Lee Henderson and Meredith Ashley Henderson v. State Farm Fire and Casualty Company, et al.

Civil Action No. 24-023-JB-M · No. Civil Action No. 24-023-JB-M; 1:24-cv-00023 · Decided April 9, 2026

SUMMARY

The United States District Court for the Southern District of Alabama addresses State Farm's motion for summary judgment in a Hurricane Sally homeowners' insurance dispute. The court holds that the plaintiffs waived their appraisal rights and, alternatively, that appraisal is unavailable because the parties dispute coverage, causation, and the scope of damage. The order also excludes the plaintiffs' proposed expert, Byron Johnson, for failure to comply with Federal Rule of Civil Procedure 26(a)(2)(B).

CASE DETAILS

COURT	United States District Court for the Southern District of Alabama
WRITING FOR THE COURT	Jeffrey U. Beaverstock
JURISDICTION	United States District Court for the Southern District of Alabama
DECIDED	April 9, 2026
DOCKET	Civil Action No. 24-023-JB-M; 1:24-cv-00023
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved for summary judgment on plaintiffs' insurance claims, including appraisal, breach of contract, bad faith, and negligent hiring, training, and supervision claims. The court granted the motion in part and denied it in part.
STANDARD OF REVIEW	Summary judgment is appropriate when the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law. The evidence and reasonable inferences must be viewed in the light most favorable to the nonmoving party, but a mere scintilla of evidence or colorable evidence is insufficient to create a genuine issue for trial.
PRECEDENTIAL VALUE	unpublished district court order; persuasive only

PARTIES	Joshua Lee Henderson, Meredith Ashley Henderson v. State Farm Fire and Casualty Company, et al.

TOPICS

summary judgment · insurance coverage · insurance bad faith · civil procedure · breach of contract

PRACTICE AREAS

insurance coverage · insurance bad faith · civil procedure · contracts · remedies

QUESTIONS PRESENTED

1. Whether plaintiffs waived their contractual right to appraisal by substantially participating in litigation without seeking to compel appraisal.
2. Whether appraisal was unavailable because the parties disputed coverage, causation, and the scope of damage rather than only the amount of loss.
3. Whether State Farm was entitled to summary judgment on plaintiffs' breach-of-contract claim because plaintiffs allegedly lacked evidence of the actual cash value of repairs.
4. Whether State Farm was entitled to summary judgment on plaintiffs' bad-faith claims because the undisputed evidence showed an arguable or debatable reason for the claim determination and an investigation of the claim.
5. Whether plaintiffs' negligent hiring, training, and supervision claim should be dismissed.
6. Whether plaintiffs' designated expert Byron Johnson should be excluded for failure to provide the report required by Federal Rule of Civil Procedure 26(a)(2)(B).

HOLDINGS

1. Plaintiffs waived their contractual right to appraisal by allowing the action to proceed for more than a year, participating in discovery, litigating dispositive motions, and failing to seek an order compelling appraisal despite the issue having been raised earlier in the litigation.
2. Appraisal was unavailable because the dispute involved coverage and causation, not merely the monetary amount of agreed-upon damage.
3. State Farm was not entitled to summary judgment on the breach-of-contract claim merely because plaintiffs' excluded expert did not calculate actual cash value. The claim could proceed because the parties disputed the extent and amount of covered damage, plaintiffs identified other experts, and the court could not determine at the summary-judgment stage that plaintiffs would lack trial evidence.
4. State Farm was entitled to summary judgment on plaintiffs' bad-faith claims because the undisputed evidence showed that State Farm investigated the claim and had an arguable or debatable reason for denying portions of it.
5. Summary judgment was warranted on the negligent hiring, training, and supervision claim because plaintiffs conceded the issue at the hearing.

6. Byron Johnson was excluded from testifying as an expert because plaintiffs failed to provide the written expert report required by Federal Rule of Civil Procedure 26(a)(2)(B), and the failure was neither substantially justified nor harmless under Rule 37(c)(1).

KEY QUOTATIONS

> *"Appraisers are not vested with the authority to decide questions of causation, coverage, or liability."* (III.A.2)

> *"Even crediting the above facts relied on by Plaintiffs, State Farm is entitled to summary dismissal of Plaintiffs' bad faith claim because while the facts portray a less then amicable dispute over the investigation of the claim, they do not negate the fact that an investigation took place or that there was an arguable basis for the result."* (III.C.2)

> *"Accordingly, Johnson is excluded from testifying as an expert witness."* (I, before II)

FACTUAL BACKGROUND

Plaintiffs owned a residence in Fairhope, Alabama, insured by State Farm when Hurricane Sally struck on September 16, 2020. Plaintiffs reported storm damage, and State Farm conducted multiple inspections, retained an independent engineer, made multiple supplemental payments, and ultimately paid $37,301.55 after applying the policy deductible and depreciation. The parties continued to dispute whether damage to portions of the roof, siding, windows, chimney, and other property was caused by Hurricane Sally or by excluded preexisting conditions. Plaintiffs demanded appraisal in August 2022, but State Farm declined, and plaintiffs later filed suit.

PROCEDURAL HISTORY

Plaintiffs filed the action on December 21, 2023, asserting breach of contract, bad faith, negligent hiring/training, and appraisal claims arising from State Farm's handling of a Hurricane Sally homeowners-insurance claim. Discovery occurred, expert disclosures were made, and State Farm moved for summary judgment and to exclude plaintiffs' expert Byron Johnson. The court excluded Johnson under Federal Rule of Civil Procedure 37(c)(1), granted summary judgment on the appraisal, bad-faith, and negligent hiring/training/supervision claims, and denied summary judgment on the breach-of-contract claim.

DISPOSITION

other

CASES CITED

- Rogers v. State Farm Fire & Cas. Co., 984 So. 2d 382, 387, 392 (Ala. 2007)
- Companion Life Insurance Co. v. Whitesell Manufacturing, Inc., 670 So. 2d 897, 899 (Ala. 1995)
- Hales v. ProEquities, Inc., 885 So. 2d 100, 105-106 (Ala. 2003)
- Morewitz v. W. of England Ship Owners Mut. Prot. & Indem. Ass'n (Luxembourg), 62 F.3d 1356, 1366 (11th Cir. 1995)
- Carcich v. Rederi A/B Nordie, 389 F.2d 692, 696 n.7 (2d Cir. 1968)

- Paw Paw's Camper City, Inc. v. Hayman, 973 So. 2d 344 (Ala. 2007)
- Caribbean I Owners' Ass'n v. Great Am. Ins. Co., 619 F. Supp. 2d 1178, 1183 (S.D. Ala. 2008)
- Luce v. Certain Underwriters at Lloyd's London, 2020 WL 2564680, at *5 (S.D. Ala. May 20, 2020)
- Haman Inc. v. Chubb Custom Insurance Co., 2021 WL 1208863, at *10 (N.D. Ala. Mar. 31, 2021)
- Reynolds Metal Co. v. Hill, 825 So. 2d 100, 105-106 (Ala. 2002)
- State Farm Fire & Cas. Co. v. Slade, 747 So. 2d 293, 303-307 (Ala. 1999)
- National Security Fire & Casualty Co. v. Bowen, 417 So. 2d 179, 183 (Ala. 1982)
- Koch v. State Farm Fire & Cas. Co., 565 So. 2d 226, 229 n.4 (Ala. 1990)
- Davis v. Cotton States Mut. Ins. Co., 604 So. 2d 354, 358-359 (Ala. 1992)
- Alfa Mut. Fire Ins. Co. v. Thomas, 738 So. 2d 815, 822 (Ala. 1999)
- National Savings Life Ins. Co. v. Dutton, 419 So. 2d 1357, 1362 (Ala. 1982)
- Insurance Co. of N. Am. v. Citizensbank of Thomasville, 491 So. 2d 880, 883 (Ala. 1986)
- Bonner v. Safeco Ins. Co. of Am., 458 F. Supp. 3d 1354, 1357-1358 (S.D. Ala. 2020)
- Coleman v. Unum Grp. Corp., 207 F. Supp. 3d 1281, 1284 (S.D. Ala. 2016)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 249-252 (1986)
- Bailey v. Allgas, Inc., 284 F.3d 1237, 1243 (11th Cir. 2002)
- O'Ferrell v. United States, 253 F.3d 1257, 1265 (11th Cir. 2001)
- Burton v. City of Belle Glade, 178 F.3d 1175, 1187 (11th Cir. 1999)
- Miranda v. B&B Cash Grocery Store, Inc., 975 F.2d 1518, 1534 (11th Cir. 1992)
- Mercantile Bank & Trust v. Fidelity & Deposit Co., 750 F.2d 838, 841 (11th Cir. 1985)
- Howard v. BP Oil Co., 32 F.3d 520, 524 (11th Cir. 1994)
- Celotex Corp. v. Catrett, 477 U.S. 317, 324 (1986)
- Clark v. Coats & Clark, Inc., 929 F.2d 604, 608 (11th Cir. 1991)
- Vega v. Invsco Group, Ltd., 2011 WL 2533755, at *2 (11th Cir. 2011)
- Walker v. Darby, 911 F.2d 1573, 1577 (11th Cir. 1990)
- Tipton v. Bergrohr GMBH-Siegen, 965 F.2d 994, 998 (11th Cir. 1992)
- Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 587 (1986)
- Bendik v. USAA Cas. Ins. Co., 2019 WL 9466018, at *2 (M.D. Fla. Oct. 25, 2019)
- Schambeau Properties, LP v. Waffle House, Inc., 2011 WL 13136819, at *2 (S.D. Ala. Oct. 20, 2011)
- Hickey v. State Farm Fire and Casualty Company, 2023 WL 6370915, at *12 (S.D. Ala. 2023)