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INSURANCE

Hurricane victims gain court victory

Destroyed homes require full payout

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Hurricane victims who are part of a class-action lawsuit against state-backed **Citizens Property Insurance Corp.** notched a victory in Leon County Circuit Court on Thursday, when a judge ruled that Citizens should pay the full amount of their policy, regardless of whether wind or storm surge destroyed their homes.

The ruling by Circuit Judge P. Kevin Davey "is the right ruling," said Stuart Michelson, a Fort Lauderdale attorney who worked on the class-action case with Tallahassee attorney Scott Maddox.

Michelson handled a similar case stemming from 1999's Hurricane Irene. That case went to the 4th District Court of Appeal in West Palm Beach, which ruled that if a house is deemed a total loss, insurers are obligated by the state's valued policy law to pay the insurance policy's limits.

No damages were set Thursday. Citizens plans to appeal the ruling, said company spokesman Justin Glover.

The class-action suit included about 500 victims of last year's hurricanes, most of them from the Panhandle.

The ruling will not have any bearing on legislative action taken earlier this month to limit what insurers have to pay out, if a house is totally destroyed by a hurricane. The Legislature passed a law that limited what insurers pay out only to the perils covered under a policy — basically meaning that a wind insurer won't pay for flood damage, and vice versa.

Maddox, a Democratic candidate for governor, said he plans to ask Gov. Jeb Bush to veto the entire package of insurance legislation that includes the changes to the state's valued policy law.