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Posted on June 8, 2009 by [Chip Merlin](#)

## [Is the State Farm Policy Really Worth Anything?](#)

What is the value of insurance if it does not pay for insured losses? Imagine if you had a significant accidental water damage to your home or business, do you know whether your insurance company has your back? Will it really be there to help you? Don't count on it. Today, modern insurance companies are re-writing their insurance policies to limit what is covered and excluding many losses that used to be covered under all-risk policies. State Farm, as an insurance industry leader, is leading the charge of making an insurance product that no consumer should trust as providing the amount of coverage the insurance product afforded 25 years ago. It is always important to remember that [Policyholders Buy Insurance for Peace of Mind and Not Economic Advantage](#) and that concept is being defeated as carriers try to gain economic advantage by changing small print in the policy that may have significant consequences discovered by the policyholder only after disaster happens. To be [Fair And Balanced](#) with State Farm, I could have substituted Allstate, Nationwide and USAA into the title.

Need an example of how the small print is killing the so called, "all-risk" concept of insurance? See the recent California case of *Freedman v. State Farm Ins. Co.*, 173 Cal. App. 4th 957 (Cal. App. 2d Dist. 2009). Here are the facts:

"In or about 2000, the Freedmans' home was repiped, and an upstairs bathroom was remodeled, including the replacement of drywall to cover the new piping. On or about August 12, 2005, "extensive water leakage was discovered in the upstairs bathroom wall. One wall was discolored and wet. The drywall fell apart on touch and mold was seen on pieces of the wall. The tile floor was wet and the ceiling immediately downstairs was wet and soft." When the drywall was removed, it was discovered that a nail that had been used to hang the drywall had penetrated entirely through a pipe. "The pipe was corroded around the points of entry of the nail, and water was release[d] through that area of corrosion." A damage restoration company discovered mold both upstairs and downstairs. On or about August 15, 2005, the Freedmans submitted a claim to State Farm. *State Farm conducted an inspection and, on or about August 25, 2005, denied the claim.*" (emphasis added)

Now, I bet most State Farm policyholders are wondering, "Is there any type of pipe breakage where water leaks that would be covered?" I would ask that question as well because once you read what State Farm does not cover, most policyholders probably wonder if "all-risk" means anything. State Farm's website conspicuously avoids advertising or discussing all the exclusionary language it relies upon to deny claims. However, [I did find this promise and statement by State Farm on its website:](#)

**"We protect the roof over your head and everything under it, especially your sense of security.**

State Farm® has been writing homeowners insurance for over 60 years. Today, we insure about 15 million homes.

We offer broad protection that you can trust, plus affordable rates, and outstanding service.

The State Farm Homeowners Insurance Policy offers protection for your dwelling, as well as your personal possessions and personal liability."

The lesson to policyholders and the purchasers of insurance is that the small print is reserved for the policy because most would not purchase the product if it accurately advertised accidental losses would not be covered. While not close to all the exclusions found in the State Farm policy, the exclusionary language cited by the Court in the Freedmans' State Farm policy was:

"Paragraph 2 of Section I—Losses Not Insured provides: "We do not insure for any loss to the property described in Coverage A which is caused by one or more of the items below, regardless of whether the loss occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these: ... g. wear, tear, marring, scratching, deterioration, inherent vice, latent defect or mechanical breakdown; ... h. corrosion, electrolysis or rust ... ."

Paragraph 4 of Section I—Losses Not Insured provides: "We do not insure under any coverage for any loss which is caused by one or more of the items below, regardless of whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these: ... c. Water Damage, meaning: ... (4) continuous or repeated seepage or leakage of water or steam from a: ... (c) plumbing system ... ."

Paragraph 5 of Section I—Losses Not Insured provides: "We do not insure for loss described in paragraphs 2., 3. and 4. immediately above regardless of whether one or more of the following: (a) directly or indirectly cause, contribute to or aggravate the loss; or (b) occur before, at the same time, or after the loss or any other cause of the loss:... a. conduct, act, failure to act, or decision of any person, group, organization or governmental body whether intentional, wrongful, negligent, or without fault;... b. defect, weakness, inadequacy, fault or unsoundness in:... (2) design, specifications, workmanship, construction, grading, compaction; ... of any property (including land, structures, or improvements of any kind) whether on or off the residence premises ... ."

Many State Farm policyholders reading these exclusions probably worry that anything that accidentally breaks down will not be covered. State Farm and its competitors should make customers aware of how much is not covered, rather than advertise its affordable rates and those syrupy feel good advertisements. The true nature of the insurance company is determined by the coverage sold and the performance of the claims department. Those advertisements have nothing to do with what truly happens in the field on a day to day basis. Just ask the Freedmans.

The Court upheld State Farm's denial for a number of reasons which I quote below:

"...the Freedmans' policy exclude third parties' negligent conduct and defective workmanship whenever they interact with an excluded peril...Corrosion and continuous or repeated seepage or leakage of water are excluded perils under the Freedmans' policy...Thus, the Freedmans' policy excludes contractor-negligence-induced corrosion and contractor-negligence-induced continuous or repeated seepage or leakage of water...The Freedmans have introduced no evidence that contractor negligence caused their loss in any way apart from the nail's role in triggering corrosion and a water leak...Accordingly, the Freedmans' loss is not covered..."

...

...the Freedmans contend that the exclusion is "ambiguous" because it does not say how long a leak must last in order to be "continuous" or how many times the leak

must stop and start in order to be "repeated." The argument fails because it does not purport to show that the application of the exclusion to the stipulated facts of this case is in any way unclear. The parties stipulated that the water that damaged the Freedmans' home leaked "through [the] area of corrosion" around the nail through the pipe. Given the small size of the hole(s) through which the water leaked, and given the extensive amount of water damage ("One wall was discolored and wet. The drywall fell apart on touch and mold was seen on pieces of the wall. The tile floor was wet and the ceiling immediately downstairs was wet and soft."), the leak must have lasted a sufficiently long time, or stopped and started sufficiently many times, to count as "continuous" or "repeated" under any reasonable construction of those terms...

...the Freedmans argue that the exclusion applies only to "normal deterioration of the plumbing system," not to leaks "caused by some force other than deterioration." We disagree because the policy language is inconsistent with the Freedmans' interpretation. The policy excludes "coverage for any loss which is caused by [continuous or repeated seepage or leakage of water from a plumbing system], regardless of whether the event occurs suddenly or gradually, involves isolated or widespread damage, [or] arises from natural or external forces." ...**The policy thus expressly provides that leaks are excluded regardless of whether they are caused by natural forces such as normal deterioration or external forces such as a nail driven through a pipe.**

...the Freedmans argue that application of the exclusion here would violate the efficient proximate cause doctrine, because contractor negligence is a covered peril and was the efficient proximate cause of their loss. We have already discussed and rejected that argument...

### III. The Mold Coverage

The Freedmans argue that because their policy includes an endorsement relating to mold, the damage caused by mold is covered. We disagree.

The mold endorsement provides limited coverage for losses caused by "fungus," which is defined to include "any type or form of fungi, including mold or mildew." Within the specified limitations, such losses to the Freedmans' dwelling are covered if they were "caused by or directly result[ed] from" either a specified peril under the personal property coverage or a peril not otherwise excluded.

...the mold damage to the Freedmans' dwelling was caused by the water leak, which was caused by corrosion, which was caused by the nail through the pipe. As we have explained...ante, contractor-negligence-induced corrosion and contractor-negligence-induced continuous or repeated seepage or leakage of water are excluded perils..." (emphasis added)

The Freedman result is exactly the type of denial I referred to in a speech I gave fifteen years ago. At an American Bar Association National Institute on Coverage, I delivered a paper entitled "*Does this Insurance Policy Cover Anything? An Insured's Perspective of the Late Twentieth Century All-Risk Policy.*" I suggested that the anti-concurrent causation language and re-writing of exclusions rendered the all-risk coverage illusory. Many scoffed at my suggestion that the exclusionary causation language adopted by many insurance companies invited creative findings of excluded causes "directly, indirectly, in any sequence, or as part of or a result of a loss," so that a loss would be denied or threatened to be denied. This is exactly what is happening and is the result I feared.

I am delivering a presentation at the Annual Convention of the National Association of Public Insurance Adjusters this week. In preparation, I spoke with a colleague, [Jonathon Wilkofsky](#) who will be part of a panel in the educational discussion. Jonathon was the NAPIA Co-Person of the year with me in 2007. In our discussion, Jonathon complained that he was being forced to request the New York Department of Insurance to decertify newly written exclusions as against public policy in a number of instances. **His perception is the same as mine--insurers are significantly limiting the amount of coverage with small, but significant, changes in policy language that most, including regulators, would not appreciate until after a loss occurs.**

*Are there insurers that offer better protection? Yes.* Policyholders should ask their agents that question and should seek alternatives from truly independent agents. After all, if you have a great rate from your insurer, but you collect less or not at all, how truly affordable is that type of insurance? Can you say it has the value that provides peace of mind or a sense of security? I suggest reading [Chubb Calls Competitors Cheap And Unfair](#) to obtain one example of a company that generally offers more coverage to commercial and residential policyholders.

Tags: [Allstate](#), [Chubb Group](#), [Court Opinion](#), [Exclusion](#), [Insurance](#), [NAPIA](#), [Nationwide](#), [State Farm](#), [USAA](#)

**Comments (28)** Read through and enter the discussion with the form at the end

Eric Hyman - June 8, 2009 5:19 PM

I suggest that you contact the law firm that represented the Insured in the appellate case and mount an appeal to the California Supreme Court.

[Chip Merlin](#) - June 8, 2009 6:56 PM

Eric,

Thanks for your suggestion of giving me some pro bono work in California.

Sandy Burnette - June 14, 2009 7:30 PM

Chip:

While I try to resist responding to all your posts, and it sometimes takes quite a bit of restraint to hold myself back, once again I find you have crossed the proverbial line.

Your opening sentence questioning "what is the value of insurance if it doesn't cover an insured loss" is beyond misleading, it is simply untrue. By definition, an "insured loss" is covered. Suggesting that "insured losses" are not covered by insurance companies is an oxymoron. (Yes, claims are often wrongfully denied. But we have courtrooms to make sure that is corrected.)

It makes for sensational reading when you write those things and it creates a platform for you to once again rail at insurance companies, but unfortunately it just isn't true. This post is nothing more than an expression of the belief that anything bad that happens to somebody "ought" to be covered by their insurance policy.

Why? Do you seriously believe everything should be covered and nothing should be excluded? Try that with the warranty on your car or the warranty on your refrigerator or the warranty on anything else you own. That tired old line you use about the "fine print" of a policy is not even true--there is no "fine print" in an insurance policy, as you well know. The insurance regulators make sure of that. But saying that certainly stirs up the anti-insurance hordes and supports your platform against insurance companies, never mind that it just isn't true.

By the way, the exclusion in the California case you reference has been around for about 75 years, Chip. It is not a part of some new conspiratorial plot to sneak in language to exclude losses which were previously covered. There is nothing vague or ambiguous about it, either, as the court noted in its opinion. How could it be more clear? Your call for

insurance companies to "advertise their exclusions" or "warn" prospective insureds that there are actually things in their policy which are not covered is the classic "not my fault" excuse whenever somebody is surprised to find out that a loss they had is not covered.

How about the notion of actually reading the policy before you buy it? How about the idea that people should take responsibility for their own failure to read over their policy to find out what is covered and what is not? You made no mention of that in your post.

Look, anybody who has ever had a loss which was not fully covered has been disappointed. I know what that is like first-hand and I suspect you do, too. But blaming the insurance company when something which is clearly excluded and properly denied--and upheld by a court--is just wrong. All Risk is not "All Loss", as the courts have often noted.

As you said, there are policies which provide more coverage than others. Tell your clients to go buy them. They are usually far more expensive for reasons which are self-evident; otherwise, those companies would have a virtual monopoly on the homeowner's market.

But if you want to promote the notion that homeowner's policies should cover everything, then at least start there. There really is "no free lunch", Chip. A more complete "peace of mind" is available, it just costs a lot more. But don't complain when you buy a product which says what it covers and says what it doesn't cover, after you find out that what is not covered really isn't covered, just as it says.

I promote the idea that people should read their policies. You should do the same. This post should have started--and stopped-- right there.

AJS - June 16, 2009 7:23 PM

Nope, the policies are not even worth the paper they are written on.

I recently found a leak from a busted pipe below my foundation. Apparently, it had been leaking awhile but how was I to know? I have Hardi Board siding which it rot free and had no signs internally of a leak. State Farm denied me.

So, I hired a contractor. Well, the leak came from a shower pipe. When the contractor went to fix my drywall inside they discovered they entire shower area was wet and affected with black mold. So, the entire shower area will have to be demolished and rebuilt.

I again called State Farm, and they again denied me. So, I have paid their high Florida premiums for 9 years totalling \$20K and they refuse to cover an \$8K claim which was a low bid from a really nice and honest contractor. Again, if they can prove a homeowner neglected a leak that would be one thing, but I had no indication of any problems until that one day when the leak was found. Not my fault.

What good were my premiums when State Farm always seems to find a loophole to get out of covering things?

Good Riddance State Farm....will be switching to another company and suing you as soon as my damage is repaired!

Barbara Duncan - July 3, 2009 10:26 AM

I have a question . . .

I live in a small townhome community in Florida in which each building contains 7 individual units that attach to each other. The owner of a unit died last summer, and the unit has been unoccupied since that time.

We learned that as a result of standing water being found on part of the floor (some tiled/some carpeted) on the ground floor, a mold problem has developed.

Since the mortgage company has not yet taken any action yet to rectify the situation, the other occupants of that building are concerned about the mold spreading through the building.

Should the mold spread to adjacent units and "damaged" them, would this damage be covered if the unit owner has a State Farm mold/fungus endorsement?

Gail reed - December 28, 2009 12:48 AM

TO SANDY BURNETT!!

You are obviously a "State Farm" employee, MAYBE YOU CAN GET ME A COPY OF MY ACTUAL POLICY,SINCE NOW THAT I HAVE A CLAIM, STATE FARM DOESN'T SEEM TO WANT ME TO KNOW WHAT'S IN MY POLICY!!!!!!!!!!!!!!!!!!!!

It's now been 6 months since I made my online request, large envelopes that I assumed were my policy, were just simple forms. So, I drove to my local office in person to make a request, I was told "it would take several weeks, since it could only be sent from company headquarters".

PLEASE, Cut the B#@@\$7t.

Not having a policy to read, or online access to my account, which was removed when I notified them I had a claim, just gives me time to read what a horrific company State Farm is, and braces me for an upcoming battle.

And maybe you should check out the new law in Washington state, the Insurance Fair Conduct Act!!

Another thing I've discovered while WAITING for my policy to arrive.

JackM - January 10, 2010 7:33 PM

For information about other mold cases involving State Farm, go to <http://truthaboutmold.info>.

Anthony Murdock - January 22, 2010 5:02 PM

Gail Reed,

In many states, insurance companies cannot assert their exclusions before they provide a physical copy of the policy to their insureds.

After all, it is too late if the first time you are given notice of a policy exclusion is after you have already had a loss.

MLHARRISFL - March 12, 2010 8:48 AM

Citizens Property & Casualty has a similar exclusionary endorsement. It states losses are not covered if it is the result of seepage or repeated leaking which occurs over a period of 14

days or more.

They use the exclusion to deny water damage which is hidden or otherwise not discovered by the PH for 14 days or more. The problem is that the carrier has no way of knowing how long the seepage lasted or that it lasted for more than 14 days. It could have started and ended at any time. What proof are they offering to support the denial? Nothing other than the inexperienced opinion of an adjuster.

This would require PH's to inspect their property every 14 days. Including whatever they are able to inspect inside the walls, in the attic, in the basement. Because if they fail to discover it within 14 days, the carrier will not pay for the ensuing damage. What about homeowner's who rent the property, homeowner's who go on a 3 week vacation? This is putting an unreasonable onus on the HO to discover the loss.

As the carriers continue to shrink their coverages with additional exclusions, they continue to raise their premiums.

Sending policies to PH which contain ambiguous language that even lawyers don't clearly understand is simply unfair. The PH is looking for assurance and the carrier is looking to make money. These goals are not compatible.

Wendell Slater - April 10, 2010 6:31 PM

My name is Wendell Slater I was insured with state farm for over ten years and when I really needed them they were not reliable. We must evaluate who we are paying our insurance premiums to in the future because of the so many dishonest companies that surface when a claim is filled. I am a victim of these circumstances in January 17, 2007 I was a victim of a fire that destroyed my home and my claim was denied in November 20, 2009 state farm caused me to be homeless with a family of 11. There were clauses on the insurance policy that were in fine print and I never read them. Laws need to be passed, so that customers will understand all of the print on a policy for full understanding before signing anything or paying any money.

Washington State Access to Safe Drinking Water Council - June 1, 2010 11:46 PM

Seattle, Wash. - The Washington State Access to Safe Drinking Water Council (WSASDWC) has recently published a report which is highly critical of municipalities in Washington State for not providing residents options to purchase water or sewer line insurance. The WSASDWC report gave several communities an "F" for failing to carry any insurance products that would help residents insure their water and sewer lines for breaks or leaks. Specifically in the study, Seattle, Tacoma, Yakima, Spokane, Pasco, Bellevue, Vancouver, Everett, Wenatchee and Kennewick received the worst scores.

The WSASDWC was particularly critical of the City of Kennewick after a local news station aired the following reports which detailed how the Benton County Public Utility District and other municipal entities (i.e., City of Kennewick) would not fix a broken water pipe despite the fact Benton PUD broke the pipe. The residents in Kennewick were left without adequate drinking water supplies for several days.

- <http://www.keprtv.com/news/local/91664144.html>;
- <http://www.keprtv.com/news/91001969.html>.

According to data in the study collected from public works departments, about 50,000 property owners a year in Washington state face repair or replacement bills for busted or broken water and/or sewer lines that range from \$1,500 to \$6,000. Additionally, most water and/or sewer lines were installed between 1900 to 1970 in Washington state and are over 40 years old.

As cities and communities age across Washington State and the United States the probability of leaks from older water pipes and related infrastructure will increase dramatically, which will put additional financial pressure on homeowners to fix and replace water pipes.

- <http://environmentalism.suite101.com/article.cfm/fragile-water-infrastructure-in-the-us>;
- <http://www.buffalonews.com/2009/11/30/877764/aging-water-lines-put-pressure.html>.

"If cities in Washington state are not going to repair or take responsibility for water and sewer lines from the street or meter to the residence, then they need to provide residents private sector insurance options so situations like the one in Kennewick do not occur in the future," said Dan Miller, Director of Advocacy of the WSASDWC. "It is inexcusable that so many Washington state cities are not offering insurance or warranty products to help homeowners fix leaks in private water or sewer lines, and to minimize disruptions in access to clean drinking water."

Neal - November 12, 2010 11:31 AM

Pipes under house foundation broke. Agent says that SF will not cover the repair of the pipes, contract labor as this is now called wear and tear. How is something that is unaccessible now considered wear and tear?

SF agent said they will pay for carpet. I am going to be out over \$4,000 for something that was supposedly covered (I thought) in original policy coverage. Is there anything or someone else I may speak with.

I am 77 yrs old, do not make contact with plumbing under foundation and find it very disturbing that the homeowner policy changes for convenience.

Another Screwed State Farm Policy Holder - December 22, 2010 2:39 PM

Sadly, insurance companies engage in what can only be described as bait and switch tactics aka unfair business practices. The comments made by Sandy Burnette, who is obviously an insurance company hack, bear this out. I have read insurance policies, including GLC and homeowner policies. The policies are long, confusing, legally technical and at times contradictory. Bottom line, when seeking homeowners coverage (or any insurance coverage for that matter) do not ask what is covered. Instead, ask for a list of all the types of conduct, occurrences and damages that are not covered. What you will find is that there are more things not covered than covered, even though the policies are marketed as "all-risk." Insurance companies are, for the most part, the evil step sister of Wall Street. They are all about making money, and lots of it. Claims about great coverage and customer service are just ruses to get you to buy their policies and line their pockets.

Teresa McCormick - May 30, 2011 8:46 PM

My suggestion is just cover it up, sell the house and make State Farm defend you when you are sued. After all Washington State is teaching home inspectors that mold should not be reported on home inspections. You will probably get away with it if you sell it to a woman over 50 who will not go into the attic, crawlspace and on the roof herself. Her inspector will probably have an arbitration clause or state that he is not responsible for any more than what you paid him. The seller (you) can plead ignorance of what the naughty contractor you hired did and your case will be thrown out of court. Of course it would help even more if you work for Weyerhaeuser. Be sure you tell the neighbors what you are doing and how noble a motive you have like you want to leave the proceeds to your ill grandchild or you don't want your husband to work forever. Don't worry they won't tell the new neighbor what you did until well after they are already sick from the mold. Don't worry they will not testify for the new neighbor either. State Farm will see that the new owner never gets into court and ends up paying your legal fees as well as all the repairs. That's how it goes in Washington State.

Mike Murphy - August 14, 2011 4:47 PM

So .... not State Farm, but USAA.

We recently found that we had raccoons living under our house. During their stay, they tore up all the insulation underneath the house and destroyed all of the sub-floor ductwork. \$6,500 later and we submitted a claim. USAA has formally denied the claim because "vermin" are not covered.

Now we are in a debate about what constitutes "vermin" ...

MarcA - September 13, 2011 1:22 PM

Public Adjusters represent the insureds in negotiating claims with insurers. Going it alone is ludicrous, at best. Would you go to court without a lawyer? A PA knows the policy language and is your best bet to not get screwed by the company that wrote it and then interprets it. Can you say "loaded dice" Go ahead, roll 'em. Cavaet Emptor.

Russell Coletti - December 5, 2011 11:27 AM

My son was rear ended at a stop light June, 7th, 2011. Progressive was the woman's Insurer. My sons car was pushed into the car in front of him and caused \$1700 in damage to that car. His Insurance company is State Farm. They now are holding up payment to us via Progressive because of \$600. Progressive is willing to pay us \$7400 (our car was valued at \$12,00) but it won't release the money because State Farm is worried about losing \$600. Our son is a special needs child with a small part time job. He has had to find ways to get to school and his job for over 6 months now. State Farm is a multi BILLION dollar corporation who has cause our family so much stress over \$600.00. Merry Christmas. You're in good hands? WE know where their cold hands are!

[Eliza Winters](#) - January 11, 2012 3:47 PM

Thanks for all of the great comments. Has anyone used them for commercial property insurance? It sounds like there are mixed reviews but I think it probably depends on which type of plan that you have with them. Any specific information on this type of policy would be great.

Judy Crosby - April 15, 2012 12:55 PM

I recently found that the tile floor in the shower of a rental home I own had cracked and seperated causing water damage to surrounding sheetrock, floor(on slab) and cabinet. After 23 years of paying State Farm without a claim EVER I am being denied coverage for this loss. I am 71 years old and this is my only source of income. I have a very reasonable estimate of \$6,500 to replace the shower, sheetrock and floor. I was told it has gone on too long and is considered a maintenance issue or lack thereof. Shower floors don't just cave in how do I know it's leaking until I know.

Tracie - May 17, 2012 5:57 PM

WARNING! If you hit an animal with your car be sure you pick up the carcass and carry it with you so the adjuster (who apparently must have a degree in physics and forensic pathology) will believe you. . .at 1:30 am on a dark country road on the way home from her job, our daughter was not in the state of mind to do so, she was more upset that she had killed "Bambi" . . .

Dear State Farm:

. . ."At STATE FARM you're more than just a policy number. That's why our agents go out of their way to help you get to a better STATE. . ."

REALLY. . .our agent is wonderful but your claims department, not so much. We hit a deer which shattered the windshield and damaged the right side of our car and we were told to take the car to the body shop, which we did. . .now YOUR ADJUSTER has determined that we did not hit a deer and we have basically been told that we are lying. After 30+ years as LOYAL STATE FARM Customers we are now being forced to take our business elsewhere. We have never made a claim and this is the response we receive for our loyalty. . .STATE FARM has gotten us to another state, DISGUST!

Ed - May 29, 2012 10:21 PM

But what good is complaining about it here going to do. I haven't found a single policy that covers anything useful for my commercial property and I can't figure out for the life of me why people have property insurance. It doesn't cover anything that actually may happen to your property. I was denied a claim by Harleysville that was absolutely ridiculous. The court doesn't do anything as the policies really are worded in a way that everything is basically excluded. You say ask a broker? That is an even bigger joke as even my broker(a friend) didn't really understand that what happened to my building wouldn't be covered. Now, because I didn't know to get my own Adjuster, I can't get an adjuster to help me because I am in the lawsuit phase if I want to pursue it. If I do, I risk the money that every attorney wants up front win or lose. Plus, have you ever tried to hire an attorney as the insured? You will find a million attorneys but they all represent the insurance companies. Can someone, anyone explain to me why you would pay,( in my case 15k a year) when the only thing the policy covers is some remote event in the 10 million to 1 range? That policy should cost 2k. Would you buy 15k a year in lottery tickets? No, then why buy insurance for a covered loss that is even less likely than hitting the MegaMillions. I don't mean to say damage to your property is as rare as the hitting the lottery, just the possibility of a loss occurring that is actually covered by ANY insurance company. If I wanted to have actual real coverage, I imagine it would cost close to a 100k a year and they would still find a way...

[Mark Goldwich](#) - June 14, 2012 2:55 PM

State Farm stands on language that says plumbing losses are excluded if they occur "over a period of time". There is no such thing as a plumbing loss that does NOT occur "over a period of time", and the phrase is not defined. So, why don't they simply say plumbing losses are not covered? Also, State Farm routinely pays for (covers) pipe leaks. In other words, they pick and choose which they feel like paying for, with no more rhyme or reason than the whim of the adjuster or manager on that given day. If they don't want to cover water losses, they should just say so, and reduce the premium accordingly. Ah, maybe that's it...they want the premiums, and the ability to decide which claims they will pay for. Pretty slick.

Dennis Johnson - October 2, 2012 3:35 AM

Just a thought about the comments suggesting that you carefully read your entire policy prior to submitting a claim. This is probably good advice if you have received your policy. However, how do you suggest this carefull review of the policy when you have just purchased the policy from an agent and you are waiting the 30-45 days before you get your policy in the mail? What if you have a claim before you actually receive your policy? Of course the insurance companies would use the statement that ignorance of the law is no excuse or a similar quote while denying your claim. I was unable to obtain a copy of my policy in the agents office at the time I purchased it. According to my agent each policy is slightly different due to the different elements of the declarations depending on what coverages you select. My agent did agree to let me see a policy while in the office, however with all the legalese and fine print it would take hours to "carefully review" all the provisions of a typical policy. Score another one for the big boys.

Guy - October 2, 2012 8:58 AM

So I'm about to find out if State Farm's homeowner's insurance is worth anything firsthand.

My house is approx. 80 years old. Just over a week ago on a Sunday morning, the main sewer line under the basement slab obviously broke, backed up the toilets and basically every drain in the house. It also started leaking into the basement from under the slab. Of course, it's one of those deals where you can't call 6 different companies for estimates as you don't have that luxury (I mean, ya can't move to a hotel until it's fixed)...it needs to be fixed ASAP (in my opinion anyway).

So I had it fixed (to the tune of \$9100), and filed a claim online with State Farm. So far they've called me once and left a message, and sent me a letter saying to contact them because they were unable to reach me by phone...??? They only called once.

My guess is I'll end up paying for it all myself, but after handing them money for the last 15 years (with no claims filed by me), I figure it's worth a shot.

I'm gonna call the 'Claim Representative' later today. I'll be glad to share the results, whatever they may be.

Thomas - *December 5, 2012 10:49 PM*

Some good information on State Farm Coverage

linda - *March 26, 2013 9:37 PM*

We've had State Farm for over 50yr. Recently my grandson took all my jewelry, laptops, trumpet and many other items. And sold them all. He is now awaiting trial for this. When we turned this in to State Farm, they denied it because he had access to the house. What are we paying insurance for? What good is it?

Linda Quiroz - *April 1, 2013 11:49 AM*

I can't wait till we get rid of this phony Ins. Co. We had a water leak from our shower that leaked thru our garage ceiling and we called a plumber to come and check it. sure enough a water leak from our shower that was damaging the wood beams. we contacted our agent and they sent a claim adjuster to come and check damages. We had to tear down our sheet rock ceiling in our garage so they can see the damage. Well she was there less that 20 minutes and said it was a old house and they will not take care of anything. We should of known about it before, and I said to my husband to tell the agent how were we suppose to know that, we don't live in the walls of our home. WELL THEY DENIED OUR CLAIM. AFTER MORE THAN 20YRS. THEY CAN'T EVEN FIX OUR 8K CLAIM. I'M SO GLAD WERE GOING TO ANOTHER INS. COMPANY.

OH BY THE WAY HAVE YOU SEEN THE MOVIE "RAINMAKER" HOW AN INS. COMPANY CAN RIP OFF LOYAL CUSTOMERS. SHAME ON YOU FARMERS INS.

Thomas Putman - *April 26, 2013 4:18 PM*

It has recently been my experience that a State Farm homeowner's policy is good only to satisfy the mortgage lender that you have insurance. If there should be a claimable situation, don't expect State Farm to honor the policy, or their word. They will harrass, lie, and cheat to avoid paying out for claims. My advice, is that a person should go for the cheapest Home insurance possible. You'll still get screwed, but it will cost less.