

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF LOUISIANA  
SHREVEPORT DIVISION

RMP PROPERTIES OF VALDOSTA, LLC D/B/A DELMAR AIRPORT INN AND SUITES <i>Plaintiff</i>	* * * * *	CIVIL ACTION NO. 5:26-CV-00962
VERSUS	* *	JUDGE ALEXANDER C. VAN HOOK
HOUSTON SPECIALTY INSURANCE COMPANY and SKYWARD SPECIALTY INSURANCE <i>Defendants</i>	* * * * *	MAG. JUDGE MARK L. HORNSBY

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**HOUSTON SPECIALTY INSURANCE COMPANY’S  
MEMORANDUM IN SUPPORT OF  
MOTION TO COMPEL APPRAISAL AND APPOINT UMPIRE**

Houston Specialty Insurance Company (“HSIC”) submits this memorandum in support of its Motion to Compel Appraisal and Appoint Umpire. As detailed herein, once appraisal was invoked by Plaintiff, the parties were required by Louisiana law and the HSIC Policy to participate in the appraisal process. Plaintiff cannot unilaterally withdraw from and terminate the appraisal. Accordingly, the Court should order Plaintiff to participate in the appraisal process. The Court should also appoint an umpire from HSIC’s proposed umpire list.

**BACKGROUND**

**I. The Policy’s Appraisal Provision**

HSIC issued Policy No. ESB-HS-CP-0001427-00 to RMP Properties of Valdosta, LLC for the property located at 4927 Monkhouse Drive, Shreveport, Louisiana 71109 for the effective

period of November 3, 2023 to November 3, 2024 (the “Policy”).<sup>1</sup> The Policy contains the following appraisal provision:

**BUILDING AND PERSONAL PROPERTY COVERAGE FORM**

...

**E. Loss Conditions**

...

**2. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party *will* select a competent and impartial appraiser. The two appraisers *will* select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers *will* state separately the value of the property and amount of loss. If they fail to agree, they *will* submit their differences to the umpire. A decision agreed to by any two *will* be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.<sup>2</sup>

(emphasis added). Accordingly, the Policy mandates (via the use of the word “will”) participation in the appraisal process once it has been invoked. The Policy also permits the Court to appoint an umpire when the appraisers cannot agree on one.

**II. The Claim**

On March 27, 2024, Plaintiff reported a claim for wind and hail damage with a date of loss of February 11, 2024. Independent adjuster Steven Davis with Sedgwick inspected the property on behalf of HSIC on April 16, 2024. Davis documented covered, storm-related damage, which he estimated at \$199,262.31 (RCV) / \$139,478.83 (ACV). Because the covered damage fell below the Policy’s \$226,190 deductible, HSIC did not owe payment to Plaintiff.

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<sup>1</sup> Exhibit A, HSIC Policy No ESB-HS-CP-0001427-00.

<sup>2</sup> *Id.* at HSIC 000027.

On July 26, 2024, Plaintiff's public adjuster, Wesley Levison with Premier Claims, provided HSIC with an estimate totaling \$461,400.14. To evaluate the public adjuster estimate, HSIC hired engineering firm EFI Global to inspect the property.

On August 16, 2024, engineer Craig Chonko with EFI Global inspected the property along with representatives of Premier Claims. Chonko concluded that the only functional damage caused by the February 11, 2024 storm was limited to hail damage to the south-facing parapet walls on two slopes of the roof. Chonko further determined that the water intrusion in the stairwell was due to a disconnected roof drain conduit, the office water intrusion was due to wind driven rain through the exterior cladding material, and the main lobby and individual room damage was due to condensation from the mechanical units; none of this interior damage was related to the subject storm event.

To value the storm-related damage found by Chonko, HSIC engaged building consultant Joshua Earls with Young & Associates. On January 31, 2025, Earls inspected the property. Earls estimated the covered, storm-related damage at \$139,144.55 (RCV) / \$125,249.50 (ACV). Because the estimate was below the \$226,190 deductible, HSIC did not owe payment to Plaintiff.

### **III. Procedural and Appraisal History**

Plaintiff invoked appraisal on May 29, 2025. Plaintiff named Jeff Jay with JA Consulting as its appraiser.<sup>3</sup> HSIC named Michael Coduto as its appraiser on June 6, 2025.<sup>4</sup> Coduto attempted to schedule an inspection with Jay, but Jay told Coduto that he had already inspected the property and did not need to be present when Coduto conducted his inspection.<sup>5</sup> Coduto completed the

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<sup>3</sup> Exhibit B, Plaintiff's Written Demand For Appraisal.

<sup>4</sup> Exhibit C, HSIC Acknowledgment of Appraisal Demand.

<sup>5</sup> Exhibit D, Declaration of HSIC appraiser Michael Coduto.

inspection on June 23, 2025. Thereafter, Coduto wrote an estimate of damages, a copy of which he provided to Jay. Between December 2025 and February 2026, the appraisers exchanged revisions to Coduto's estimate. On February 6, 2026, Jay ceased communicating with Coduto.

Perhaps not coincidentally, on February 11, 2026, less than a week after communications between the appraisers went silent, Plaintiff filed suit against HSIC in the 1<sup>st</sup> Judicial District Court for the Parish of Caddo. HSIC subsequently removed the case and filed its answer on April 2, 2026.

On May 1, 2026, Plaintiff informed HSIC through its revisions of the Case Management Report that it was unilaterally withdrawing from the appraisal process.<sup>6</sup> HSIC immediately objected.

Prior to Plaintiff's attempt to unilaterally withdraw from the appraisal process, the appraisers were unable to appoint an umpire. As such, no umpire has been named.

### **ARGUMENT**

#### **I. The Appraisal Provision in the HSIC Policy Requires Participation by the Parties Once Appraisal is Invoked.**

Appraisal provisions are enforceable under Louisiana law.<sup>7</sup> In *Green Project, Inc. v. Evanston Ins. Co.*, the Eastern District, in the context of a Motion to Compel Appraisal, reviewed a policy with an appraisal provision identical to the one in the Policy.<sup>8</sup> The court found that the

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<sup>6</sup> Exhibit E, Plaintiff's Proposed Case Management Report and Email Regarding Same.

<sup>7</sup> *Lewis v. Republic Fire & Cas. Ins. Co.*, No. 15-0035, 2016 WL 112732, at \*4 (W.D. La. Jan. 8, 2016).

<sup>8</sup> *Green Project, Inc. v. Evanston Ins. Co.*, No. 07-7744, 2008 WL 11355074, at \*4 (E.D. La. Oct. 8, 2008).

appraisal provision was valid and enforceable.<sup>9</sup> Likewise, the Policy’s appraisal provision here is valid and enforceable.

In *Willeford v. Privilege Underwriters Reciprocal Exch.*, the Louisiana Fourth Circuit held that, where an appraisal provision contains “will” or similarly compulsory language, the parties were obligated to participate in appraisal once it was invoked:<sup>10</sup>

It is clear from the language of the provision, that once the plaintiff made his written request, PURE did not have the option to decline to participate. It was required, under the provision it wrote, to choose an appraiser within twenty days after receiving a written request from the plaintiff.<sup>11</sup>

A party can unilaterally withdraw from appraisal if and only if the applicable policy states that participation is optional or voluntary.<sup>12</sup> For example, in *Jacqueline Scott & Associates*, the policy stated that “an appraisal will be made only if both we and you agree, voluntarily, to have the loss appraised.”<sup>13</sup> Under those circumstances, the Court concluded that neither party could be forced to participate in appraisal.

Here, in contrast, the Policy does not include any language that makes participation in appraisal optional or voluntary once appraisal is invoked by one of the parties. After invocation, the appraisal provision repeatedly uses the term “will,” making appraisal compulsory, just like the

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<sup>9</sup> *Id.*

<sup>10</sup> *Willeford v. Privilege Underwriters Reciprocal Exch.*, 24-0489 (La. App. 4 Cir. 9/27/24), 399 So. 3d 834, 838.

<sup>11</sup> *Id.*

<sup>12</sup> *Jacqueline Scott & Assocs., APLC v. Hartford Cas. Ins. Co.*, No. 24-622, 2024 WL 4467529, at \*1 (W.D. La. Oct. 10, 2024)

<sup>13</sup> *Id.*

policy at issue in *Willeford* and other cases.<sup>14</sup> Like in *Green*, “Plaintiff must participate in the appraisal process as required by the policy.”<sup>15</sup>

In sum, Plaintiff invoked appraisal and named its appraiser. HSIC timely named its own appraiser. The Policy clearly and unambiguously requires Plaintiff’s participation in the appraisal process. As such, Plaintiff cannot unilaterally withdraw from the appraisal process it invoked. This Court should compel Plaintiff to participate in the appraisal process.

## II. This Court Should Appoint an Umpire

The Policy states that the appraisers will select an umpire but, in the event they cannot agree on an umpire, “either may request that selection be made by a judge of a court having jurisdiction.”<sup>16</sup> Communications between the appraisers have ceased, presumably because Plaintiff is attempting to unilaterally withdraw from the appraisal process. Louisiana courts recognize their authority to appoint umpires in such a situation.<sup>17</sup> As such, HSIC requests that this Court appoint an umpire.

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<sup>14</sup> *Willeford v. Privilege Underwriters Reciprocal Exch.*, 2024-0489 (La. App. 4 Cir. 9/27/24), 399 So. 3d 834, 838 (explaining that the “will” language was compulsory); *Lewis v. Republic Fire & Cas. Ins. Co.*, No. 15-0035, 2016 WL 112732, at \*5, \*6 (W.D. La. Jan. 8, 2016) (considering party’s failure to comply with the appraisal provision and complete appraisal process in denying motion for summary judgment).

<sup>15</sup> *Green Project, Inc. v. Evanston Ins. Co.*, No. 07-7744, 2008 WL 11355074, at \*4 (E.D. La. Oct. 8, 2008).

<sup>16</sup> Exhibit A, HSIC Policy No ESB-HS-CP-0001427-00.

<sup>17</sup> *Lewis v. Republic Fire & Cas. Ins. Co.*, No. 15-0035, 2016 WL 112732, at \*5, \*6, \*7 (W.D. La. Jan. 8, 2016) (court acknowledged that policy gave them the power to select an umpire if the appointed appraisers could not agree on one); *Willeford v. Privilege Underwriters Reciprocal Exch.*, 24-0489 (La. App. 4 Cir. 9/27/24), 399 So. 3d 834, 840 (court acknowledged that the policy allowed the court to appoint an umpire when the appraisers could not agree on one though it ultimately did not utilize the power as only one appraiser had been appointed and thus there was no disagreement between the appraisers); *Temple Baptist Church of Ruston, Inc. v. Emps. Mut. Cas. Co.*, No. CV 3:21-04324, 2022 WL 17070555, at \*1 through\*8 (W.D. La. Nov. 2, 2022), *report and recommendation adopted*, No. 21 -4324, 2022 WL 17072032 (W.D. La. Nov. 17, 2022) (court adopted

Attached hereto as Exhibit F is a list of proposed umpires with their resumes/CVs. Given Plaintiff's refusal to participate in appraisal, the Court should select an umpire from HSIC's list.

The following umpires are included in the list:

1. John Flood with Newman Construction Consulting
2. Al Mallet with First General Services of the South, Inc.
3. Randy Ison with JS Held

Each umpire candidate has extensive experience in the construction industry as well as the insurance appraisal process.

### **CONCLUSION**

Plaintiff invoked appraisal, and both parties named their appraisers and began the appraisal process. Once the appraisal was invoked by Plaintiff, the parties were compelled to participate. Plaintiff cannot unilaterally withdraw from appraisal per the Policy. As such, HSIC respectfully requests that this Honorable Court order Plaintiff to participate in the appraisal.

Additionally, given Plaintiff's attempts to unilaterally withdraw from appraisal, the appraisers were unable to agree to and appoint an umpire. The Policy allows for the court to appoint an umpire when the parties cannot agree. Accordingly, HSIC respectfully requests that this Honorable appoint an umpire from HSIC's list of proposed umpires.

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magistrate's recommendation that acknowledged and utilized court's power under policy to appoint an umpire when requested).

Respectfully submitted,

/s/



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