

**UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT**

Deborah S. Hunt
Clerk

100 EAST FIFTH STREET, ROOM 540
POTTER STEWART U.S. COURTHOUSE
CINCINNATI, OHIO 45202-3988

Tel. (513) 564-7000
www.ca6.uscourts.gov

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Mr. Wystan Michael Ackerman
Robinson & Cole
280 Trumbull Street
Hartford, CT 06103

Mr. Karl A. Bekeny
Mr. Benjamin C. Sasse
Tucker Ellis
950 Main Avenue, Suite 1100
Cleveland, OH 44113

Mr. Joseph A. Cancila Jr.
Mr. Jacob Kahn
Riley, Safer, Holmes & Cancila
70 W. Madison Street, Suite 2900
Chicago, IL 60602

Mr. James Andrew DeRoche
101 Prospect Avenue, W.
Suite 1600 Midland Building
Cleveland, OH 44115-0000

Mr. Rodger L. Eckelberry
Mr. Mark Alan Johnson
Baker & Hostetler
200 Civic Center Drive, Suite 1200
Columbus, OH 43215

Mr. William F. Merlin Jr.
Merlin Law Group
777 S. Harbour Island Boulevard
Suite 950
Tampa, FL 33602

Mr. Patrick J. Perotti
Dworken & Bernstein
60 S. Park Place
Painesville, OH 44077

Re: Case No. 19-3004, *Charles Cranfield v. State Farm Fire & Casualty*
Originating Case No. : 1:16-cv-01273

Dear Counsel,

The Court issued the enclosed opinion today in this case.

Sincerely yours,

s/Cathryn Lovely
Opinions Deputy

cc: Ms. Sandy Opacich

Enclosure

Mandate to issue

NOT RECOMMENDED FOR PUBLICATION
File Name: 20a0167n.06

No. 19-3004

**UNITED STATES COURT OF APPEALS
FOR THE SIXTH CIRCUIT**

CHARLES CRANFIELD, individually and on behalf)
of all other Ohio residents similarly situated,)

Plaintiff-Appellant,)

v.)

STATE FARM FIRE & CASUALTY COMPANY,)

Defendant-Appellee.)

FILED

Mar 23, 2020

DEBORAH S. HUNT, Clerk

ON APPEAL FROM THE
UNITED STATES DISTRICT
COURT FOR THE
NORTHERN DISTRICT OF
OHIO

BEFORE: SUTTON, NALBANDIAN, and READLER, Circuit Judges.

PER CURIAM. Charles Cranfield purchased a State Farm insurance policy that provided for “actual cash value” coverage for damage to his home. The policy and related documents defined “actual cash value” as the “repair or replacement cost of the damaged part of the property less depreciation and deductible.” The documents in turn defined the term “depreciation” as the “decrease in the value of property over a period of time due to wear, tear, condition, and obsolescence.” No further definition was provided.

When a storm damaged Cranfield’s home, he filed a claim with State Farm. An adjuster estimated the total cost to repair Cranfield’s home as well as how much the home had depreciated since its original construction. State Farm and Cranfield agreed that State Farm could make deductions from Cranfield’s recovery amount to reflect the depreciated value of the material used to construct the home. But they disagreed whether the policy also allowed for deductions for the depreciated value of the labor costs to construct the home. Unable to resolve his dispute with State

No. 19-3004, *Cranfield v. State Farm Fire & Cas. Co.*

Farm, Cranfield filed a class action in state court on behalf of himself and all other Ohioans insured by State Farm on similar terms. Invoking our jurisdiction under the Class Action Fairness Act, 28 U.S.C. §§ 1332(d) & 1453, State Farm removed the lawsuit to federal court.

Whether labor depreciation is properly deducted in an actual cash value insurance policy has divided courts across the nation. *Accardi v. Hartford Underwriters Ins. Co.*, -- S.E.2d --, 2020 WL 987541, at *3 (N.C. Feb. 28, 2020) (collecting cases). Agreeing with the majority of courts to address the issue, the district court dismissed Cranfield's complaint, holding that the State Farm policy unambiguously allowed for depreciation deductions for both material and labor costs. Cranfield appealed.

We recently resolved this issue in *Perry v. Allstate Indem. Co.*, -- F.3d --, 2020 WL 1284960 (6th Cir. Mar. 18, 2020). In *Perry*, we held that an Ohio insurer may not deduct the cost of labor depreciation pursuant to an actual cash value insurance policy that does not expressly provide for such deductions. *Id.* at *4. Because Cranfield's policy with State Farm did not expressly provide for labor-cost depreciation deductions, *Perry* commands the same result here. *Ogle v. Ohio Civil Serv. Emps. Ass'n*, -- F.3d --, 2020 WL 1057389, at *1 (6th Cir. Mar. 5, 2020) (per curiam). We therefore **REVERSE** the judgment of the district court and **REMAND** for further proceedings consistent with this opinion.