



Spencer Fane Team Secures Precedent-Setting Insurance Fraud Verdict in Colorado

A Spencer Fane team comprising attorneys [Will Brophy](#) and [Jeremy Moseley](#), alongside paralegal **Elisa Seefried**, recently obtained a precedent-setting jury verdict against a contractor for fraud arising from an insurance claim on behalf of their client, Church Mutual Insurance Company, and its insured.

After Church Mutual paid more than \$1.1 million for the claim's appraisal award, the insured pursued additional recovery, alleging bad faith. Strategic discovery led by the Spencer Fane team uncovered evidence the contractor had orchestrated the appointment of a biased appraiser and systematically inflated repair costs to align with the appraisal award. This revelation inspired the insured to disavow the contractor's actions, resolve its dispute with Church Mutual, and assign its claims against the contractor to the insurer, thus positioning both the insurer and its insured to jointly pursue claims at trial in a unique alliance.

At trial, Will, Jeremy, and Elisa advanced a coordinated strategy, presenting claims for fraud and intentional interference with the insurance contract on behalf of Church Mutual, as well as breach of contract and negligent misrepresentation on behalf of the insured. Their work demonstrated how the contractor's conduct not only distorted the appraisal process but also triggered unnecessary litigation.

The jury returned a decisive verdict, awarding damages to both plaintiffs, including \$115,000 award to the insured, \$282,000 for fraud, \$823,000 in punitive damages, and additional findings that entitled both plaintiffs to recover attorneys' fees. The verdict also supports recovery of the more than \$1.1 million previously paid due to a breach of the policy's misrepresentation clause, bringing the total judgment to, likely, more than \$2 million.

As Jeremy [shared](#) with *Claims Journal*, this case is believed to be the first of its kind in Colorado involving a claim of “intentional interference with the insurance contract for breach of the misrepresentation clause” – establishing an important precedent of accountability for insurance fraud.

“[Policyholders should] be aware that there are contractors, public adjusters, and appraisers out there who are gaming the system,” Jeremy said in an [interview](#) with *Business Insurance*.

Such an outcome reflects the Spencer Fane Insurance team’s ability to align litigation strategy across multiple parties and deliver compelling results at trial. Through their efforts, Will, Jeremy, and Elisa not only achieved a significant recovery for their clients but also advanced protections that benefit insurers and policyholders alike.