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JURY AWARDS \$3.1 MILLION DOLLARS FOR INSURANCE BAD FAITH AGAINST FARMERS INSURANCE HAWAII

Retired public school teacher, Randall Sugimoto, yesterday won a \$3.1 million jury verdict against his automobile insurance company, Farmers Insurance Hawaii, for bad faith in the manner they handled a routine insurance claim following an automobile accident.

Mr. Sugimoto was represented by **Thomas Otake** of the Honolulu law firm of **Alapa & Otake** and **Chase Livingston** of the Honolulu law firm of **Davis Levin Livingston**.

The case arose out of a head-on collision that occurred in 2012, after which Mr. Sugimoto attempted to collect the \$300,000 of underinsured motorist coverage he had purchased as a benefit of his auto insurance and paid premiums for the past 24 years without making a claim.

After hearing arguments that Farmers Insurance treated him unfairly in handling, investigating, and evaluating his claim, the jury found that Farmers violated its duty of good faith and fair dealing. The attorneys argued that punitive damages should be awarded, not only to punish Farmers for its treatment of its own insured, but also to deter similar conduct in the future by Farmers and other Hawai'i insurance carriers.

The jury agreed, awarding Mr. Sugimoto \$3.1 million for insurance bad faith, which included \$300,000 in compensatory damages and \$2.8 million in punitive damages. This trial was

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the second time this case was brought before a Honolulu jury; the first also resulted in a punitive damages award but was set aside for legal reasons and a new trial ordered.

Thomas Otake stated:

“We were gratified by the jury’s recognition that when insurance companies fail to treat their insureds fairly and in good faith, they should be punished in the hopes they will avoid similar conduct in the future.”

Chase Livingston stated:

“Thirteen years after the accident, and over nine years after Farmers Hawaii first denied his claim, yesterday’s jury verdict delivered a message recognizing Mr. Sugimoto’s long struggle for justice. His courage and perseverance has shed light on an unfair system and shown that the people of Hawai‘i will not tolerate this type of treatment from insurance companies.”

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