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Gibson Dunn Secures Reversal of Class Certification for State Farm from En Banc Sixth Circuit

Firm News | April 28, 2026

On April 24, 2026, Gibson Dunn secured a major win for State Farm in *Clippinger v. State Farm Mutual Automobile Insurance Co.*, a closely watched class-certification appeal before the full Sixth Circuit, sitting en banc. The Sixth Circuit's published opinion rejecting class certification will be useful to defendants across the country in auto insurance class actions and beyond.

Plaintiffs nationwide have sued auto insurers, including State Farm, challenging the way the insurers resolve claims involving "totaled" cars. Insurance policies typically promise insured customers the "actual cash value" of totaled vehicles, and plaintiffs have alleged that insurers use valuation methods featuring one or more steps that undervalue the vehicles. In this case, the plaintiff's theory was that by applying a "negotiation adjustment" to the advertised prices of cars on dealer lots—which accounts for the fact that dealers frequently sell used cars for less than advertised price after negotiating with buyers—State Farm was breaching its insurance policies.

The district court granted class certification, and a divided panel of the Sixth Circuit initially affirmed. After taking over the briefing, Gibson Dunn convinced the Sixth Circuit to grant rehearing en banc, emphasizing that the panel majority's decision affirming class certification conflicted with case law from five other circuits in essentially identical total-loss cases. Gibson Dunn then handled the briefing and argument before the en banc court.

The en banc court's published opinion, authored by Judge Murphy (whose dissent at the panel stage was vindicated after en banc review), joined the five other circuits in holding that total-loss cases are unsuitable for class treatment because they raise highly individualized issues of the actual cash value of each class member's vehicle. The Sixth Circuit also explained that courts may not sidestep this individualized analysis by preventing defendants (or policyholders) from presenting vehicle-by-vehicle evidence of value, as doing so would violate the Rules Enabling Act and due process.

The Gibson Dunn team included partners Ted Boutrous (who argued before the 17-judge en banc court), Brad Hamburger, and Daniel Adler and associates Matt Aidan Getz and Jessica Kinnamon. Partners Jeff Wall and Judd Littleton were also on the en banc briefs.

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Litigation

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