

Auto Owners Ins. Co. v. Elite Homes

Year: 2016

Court: U.S. Court of Appeals, 11th Circuit

Case Number: 3:14-cv-01182-TJC-MCR

Under Florida law, the duty to defend under a liability policy is triggered when the complaint brought by a third party against the insured alleges any cause of action or damages that create even a possibility of coverage. In other words, the duty to defend is broader than the duty to indemnify. UP reminded the court that defense of a suit for bodily injury or property damage is the primary reason why businesses purchase liability insurance. Similarly, insurance companies may not try to control an insured's defense while trying, at the same time, to escape its obligation to provide coverage. The insured should not be forced to litigate a coverage dispute with its insurance company while simultaneously facing the prospect of hiring independent counsel to defend the underlying claim.

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