

## Citizens Prop. Ins. Corp. v. Manor House LLC

Year: 2020

Court: Supreme Court of Florida

Case Number: SC19-1394

Citizens Property Insurance Corporation (“Citizens”) was created by the Florida legislature as a government entity and serves as an insurer of last resort. As such, it abides by slightly different rules than other private insurers in the admitted market. Notably, Citizens is statutorily immune from first-party statutory bad-faith actions. In its brief, UP argues that while Citizens may be immune to statutory bad-faith actions, Citizens has never been immune from common law contractual damages – which includes consequential damages. UP first establishes that Florida recognizes the availability of consequential damages to policyholders and that these damages are not limited to interest on the payment due under the policy. Further, UP argues that consequential damages caused by breach of an insurance contract are distinct from damages caused by Florida’s bad-faith statute. To advance this distinction, UP points out that different operative facts and legal standards apply to bad faith actions than consequential damages sought from a breach of contract – one causation standard is focused on the time of contracting while the other is at the time of breach. Next, UP goes on to distinguish consequential damages from the doctrine of reasonable expectations and argues that consequential damages are not a means of interpreting policy ambiguity, do not depend on ambiguous policy language, do not depend on a unilateral belief, and require something different than a showing of the insured’s “reasonable expectations.” UP concludes the brief by arguing that although Citizens is immune from an of action for first-party bad faith, it is not immune from breach of contract actions.

This brief was drafted and submitted pro bono by Matthew B. Weaver, R. Hugh Lumpkin, and Noah S. Goldberg of Reed Smith LLP