

[De La Fuente v. Florida Insurance Guaranty Association](#)

Year: 2015

Court: Florida Supreme Court

Case Number: SC15-519/2D13-3543

Under Florida law, when insurers become insolvent, the Florida Insurance Guaranty Association (“FIGA”) becomes legally obligated to pay covered claims. In cases where the policy is amended, either by the carrier or by legislative or FIGA directive, insurance money must be available when a policyholder suffers a covered loss. The Florida legislature requires insurers to make sinkhole coverage available for an additional premium. FIGA, a non-profit entity comprised of insurers admitted to sell insurance in the state of Florida, makes certain that covered claims, including sinkholes, will be timely and fully paid, even where the insurer becomes insolvent. UP reminded the Court that under Florida law, the controlling precedent is the law in effect at the time policy was issued, not at the time the loss occurs (valued policy law). FIGA should not be allowed to alter the definition of “covered losses” in order to limit its obligation when its obligation is to “step in the shoes” of the insolvent insurer.

UP's brief was written pro bono by George A Vaka, Esq. and Nancy A. Lauten, Esq. of the Vaka Law Group, PL