

Vasquez v. Southern Fidelity Property and Casualty Inc.

Year: 2016

Court: Florida Court of Appeal, Third District

Case Number: 3D16-915/15-12314 CA 01 (25)

Under Florida law, an insurance company is obligated to pay actual cash value (“ACV”) without requiring the policyholder to first complete the repairs necessary to collect full replacement cost. However, the ACV amount is a question of fact and the insurance company is not permitted to determine the ACV payment without considering a contrary ACV amount alleged by the policyholder. In other words, an insurance company must take into account a homeowner’s estimate and may not rely solely on the estimate prepared by their own adjuster. When there is a dispute, it is a question of fact that must be resolved by a jury and is a completely inappropriate issue for summary adjudication. Here, the policyholder had presented evidence that the ACV payment did not include sufficient funds for necessary permits and other expenses that the policyholder would need to incur in order to begin completing repairs. UP argued in its amicus brief for reversal, reminding the Court that under Florida law, ACV should be calculated by taking the replacement cost minus normal depreciation and when there is a dispute about this amount, it may not be resolved as a matter of law because it is by its very nature a question of fact.

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