UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF FLORIDA, TAMPA DIVISION

Fether v. GEICO Indemnity Company

Fether · No. 8:24-cv-00331-SDM-NHA · Decided February 5, 2026

SUMMARY

The United States District Court for the Middle District of Florida held that Florida's Financial Responsibility Law invalidated a family-owned-auto exclusion in GEICO's policy. The court granted Darcie Fether's motion for summary judgment on the breach-of-contract claim, denied GEICO's motion for summary judgment, and denied GEICO's motion to dismiss as moot. The court concluded that GEICO was obligated to provide coverage for liability arising from David Heffron's use of his mother's vehicle.

CASE DETAILS

COURT	United States District Court for the Middle District of Florida, Tampa Division
WRITING FOR THE COURT	Steven D. Merryday
JURISDICTION	United States District Court for the Middle District of Florida, Tampa Division
DECIDED	February 5, 2026
DOCKET	8:24-cv-00331-SDM-NHA
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff brought claims for breach of an automobile insurance contract and breach of the duty of good faith. The defendant moved to dismiss, and both parties moved for summary judgment.
STANDARD OF REVIEW	Contract interpretation is generally a question of law. Summary judgment was considered under the standard applicable to whether the undisputed facts entitled either party to judgment as a matter of law.
PRECEDENTIAL VALUE	unpublished_or_nonprecedential

TOPICS

insurance coverage · breach of contract · statutory interpretation · summary judgment · civil procedure

PRACTICE AREAS

insurance contracts civil procedure

QUESTIONS PRESENTED

1. Whether Florida's Financial Responsibility Law invalidates a family-owned-auto exclusion in a policy issued to reinstate a driver's license when the insured is liable for injuries caused by the use of a vehicle owned by a household relative.
2. Whether GEICO breached the insurance contract by refusing to provide the policy's $100,000 bodily-injury coverage.
3. Whether the existence of partial coverage under a separate Allstate policy relieved GEICO of its contractual and statutory coverage obligation.

HOLDINGS

1. Florida's Financial Responsibility Law voids and renders ineffective the GEICO policy's family-owned-auto exclusion because the exclusion conflicts with the statutory requirement to cover liability arising from the named insured's use of a motor vehicle not owned by the named insured.
2. GEICO breached the insurance contract as a matter of law by failing to pay the policy's $100,000 bodily-injury limit for liability arising from David's use of the Audi.
3. Allstate's partial payment for the injuries did not discharge GEICO's contractual and statutory obligation to cover liability arising from David's use of the Audi.

KEY QUOTATIONS

> *"An insurance policy issued as proof of financial responsibility pursuant to [C]hapter 324 is required to insure the policy holder not only for liability for damages arising out of the ownership or use of the policyholder's covered vehicle(s), but also against loss from liability imposed by law for damages arising out of the use by the person of any motor vehicle not owned by the policy holder."* (at 7)

> *"For these reasons, Chapter 324 voids the "family-owned auto exclusion," and GEICO's failure to pay $100,000 is a breach of contract as a matter of law."* (at 9)

FACTUAL BACKGROUND

David Heffron purchased a GEICO non-owner automobile insurance policy after his driving privileges had been revoked and later reinstated. While driving his mother Patricia's Audi, David crashed and seriously injured passenger Darcie Fether; David lived in Patricia's household, and the Audi was insured by Allstate. GEICO denied coverage based on policy definitions and a family-owned-auto exclusion, but the court concluded that the policy was issued to satisfy Florida's financial-responsibility requirements and that the exclusion conflicted with those requirements.

PROCEDURAL HISTORY

Fether sued GEICO in federal court after GEICO denied coverage for injuries arising from an automobile accident. Fether moved for summary judgment on the breach-of-contract claim, while GEICO moved to dismiss and sought summary judgment on both claims. The court granted Fether's motion to the extent it invalidated the purported family-owned-auto exclusion, denied GEICO's summary-judgment motion, and denied the motion to dismiss as moot.

DISPOSITION

other

CASES CITED

- Vega v. T-Mobile USA, Inc., 564 F.3d 1256, 1272 (11th Cir. 2009)
- Friedman v. New York Life Insurance Co., 985 So. 2d 56, 58 (Fla. 4th DCA 2008)
- Harvest Moon Distributors, LLC v. Southern-Owners Insurance Co., 493 F. Supp. 3d 1179, 1183 (M.D. Fla. 2020)
- Taurus Holdings, Inc. v. United States Fidelity & Guaranty Co., 913 So. 2d 528, 537 (Fla. 2005)
- Angelotta v. Security National Insurance Co., 117 So. 3d 1214, 1218 (Fla. Dist. Ct. App. 2013)
- Allstate Indemnity Co. v. Wise, 818 So. 2d 524, 526-527 (Fla. 2d DCA 2001)
- Makris v. State Farm Mutual Automobile Insurance Co., 267 So. 2d 105, 108-109 (Fla. 3d DCA 1972)
- Motzenbecker v. State Farm Mutual Automobile Insurance Co., 123 So. 3d 600 (Fla. 2d DCA 2013)
- Reid v. State Farm Fire & Casualty Co., 352 So. 2d 1172, 1173 (Fla. 1977)
- Lawyers Title Insurance Corp. v. JDC (American) Corp., 52 F.3d 1575, 1580 (11th Cir. 1995)
- Meyer v. State Farm Mutual Automobile Insurance Co., 689 P.2d 585, 52 A.L.R.4th 1 (Colo. 1984)
- Black v. Allstate Insurance Co., 274 A.D.2d 346, 711 N.Y.S.2d 15 (N.Y. App. Div. 2000)