DISTRICT COURT OF APPEAL OF THE STATE OF FLORIDA, FOURTH DISTRICT

RESTORATION CONSTRUCTION, LLC v. SAFEPOINT INSURANCE COMPANY

No. 4D19-3790 (Fla. 4th DCA Dec. 9, 2020) · No. No. 4D19-3790 · Decided December 9, 2020

SUMMARY

The Florida Fourth District Court of Appeal reversed a summary judgment entered for SafePoint Insurance Company in an insurance coverage dispute brought by an assignee of the insureds' claim. The court held that whether the insureds provided prompt notice of their water loss and whether any delay prejudiced the insurer were factual questions for the jury, not issues properly resolved on summary judgment.

CASE DETAILS

COURT	District Court of Appeal of the State of Florida, Fourth District
WRITING FOR THE COURT	Klingensmith, J.; Gerber, J.; Conner, J.
JURISDICTION	Florida
DECIDED	December 9, 2020
DOCKET	No. 4D19-3790
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Restoration Construction, as assignee of the insureds' claim, appealed the trial court's final judgment granting SafePoint Insurance Company's motion for summary judgment in a breach-of-contract action.
STANDARD OF REVIEW	Summary judgment is reviewed de novo. Summary judgment is proper only when the record conclusively shows no genuine issue of material fact and the moving party is entitled to judgment as a matter of law; reasonable inferences must be drawn in favor of the nonmoving party.
PRECEDENTIAL VALUE	Published Florida Fourth District Court of Appeal opinion
PARTIES	Restoration Construction, LLC v. SafePoint Insurance Company

TOPICS

insurance coverage · conditions precedent · summary judgment · breach of contract · standard of review

PRACTICE AREAS

insurance law · civil procedure · appellate procedure · contract law

QUESTIONS PRESENTED

1. Whether the insureds' five-day delay in notifying SafePoint of the water leak breached the policy's requirement to provide prompt notice as a matter of law.
2. Whether the timeliness of notice and resulting prejudice to the insurer presented factual issues requiring resolution by a jury rather than summary judgment.

HOLDINGS

1. Whether notice of an insurance loss was prompt under the policy is generally a question of fact, determined in light of all the facts and circumstances; the five-day delay here could not be held nonprompt as a matter of law.
2. Summary judgment was improper because material factual issues remained regarding whether the notice was untimely and whether the delay prejudiced SafePoint's evaluation of the claim.

KEY QUOTATIONS

> *"The determination of whether an insured provides "prompt" notice of a loss to an insurer is a material issue of fact as it may affect the insurer's coverage decision."* (at 3)

> *"Because resolution of insurance claim cases involve different scenarios, whereby the timing of the insured's notice is superimposed over a backdrop of other relevant facts, we do not wish to create a bright line rule for when notice to an insurer is no longer "prompt.""* (at 3)

> *"Under these facts, the question of whether the insureds' notice to the insurer was untimely and caused prejudice to the insurer is a question of fact for the jury to resolve in view of "all of the facts and circumstances surrounding the loss.""* (at 4)

FACTUAL BACKGROUND

The insureds discovered a water leak under their kitchen sink on January 30 and immediately contacted a repair company and Restoration Construction, which began repair, water-extraction, and mold-remediation work that day. The insureds notified SafePoint five days later, on February 4. SafePoint did not send a representative until February 9 and did not send retained professional inspectors until another twelve days later; by then, the failed plumbing parts had been discarded and other items had been removed, limiting the inspectors' ability to determine the cause and extent of the damage. SafePoint declined to accept or deny coverage, and Restoration, as assignee of the insureds' claim, sued for breach of contract.

PROCEDURAL HISTORY

The insurer filed two motions for summary judgment rather than an answer. The trial court denied the motion asserting no breach as a matter of law but granted the motion asserting that the insureds failed to satisfy post-loss contractual obligations, specifically the prompt-notice condition. The court entered final judgment for the insurer, and Restoration appealed.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remanded for further proceedings consistent with the opinion. The court did not address the other issues raised by Restoration on appeal.

CASES CITED

- Branch-McKenzie v. Broward Cnty. Sch. Bd., 254 So. 3d 1007, 1012 (Fla. 4th DCA 2018)
- Patten v. Winderman, 965 So. 2d 1222, 1224 (Fla. 4th DCA 2007)
- McCarthy v. Broward Coll., 164 So. 3d 78, 80 (Fla. 4th DCA 2015)
- Jelic v. CitiMortgage Inc., 150 So. 3d 1223, 1224-25 (Fla. 4th DCA 2014)
- Winn-Dixie Stores, Inc. v. Dolgencorp., Inc., 964 So. 2d 261, 263-64 (Fla. 4th DCA 2007)
- Moore v. Morris, 475 So. 2d 666, 668 (Fla. 1985)
- Knight Energy Servs., Inc. v. Amoco Oil Co., 660 So. 2d 786, 788 (Fla. 4th DCA 1995)
- Villazon v. Prudential Health Care Plan, Inc., 843 So. 2d 842, 853 (Fla. 2003)
- Shaffran v. Holness, 93 So. 2d 94, 97-98 (Fla. 1957)
- Himmel v. Avatar Prop. & Cas. Ins., 257 So. 3d 488, 492 (Fla. 4th DCA 2018)
- Laquer v. Citizens Prop. Ins. Corp., 167 So. 3d 470, 474 (Fla. 3d DCA 2015)