



News

Scott Seaman Discusses Florida Supreme Court Ruling Regarding Consequential Damages Claims in First-Party Breach of Contract Actions Against Citizens Property Insurance Corp.

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Hinshaw partner Scott Seaman—the co-chair of the firm's global Insurance Services Practice Group—discussed in *Law360* the Florida Supreme Court's unanimous decision in *Citizens Property Insurance Corp. v. Manor House LLC*. Under Florida law, Citizens was created as the state's property insurer of last resort, and is immune from bad faith claims.

The court held that extracontractual, consequential damages are not available in a first-party breach of insurance contract action, but must be sought in a separate bad faith action. However, since Citizens is statutorily immune from first-party bad faith claims, policyholders can only institute a cause of action against Citizen for what the policy requires or provides for.

Seaman praised the Florida's High Court's rationale, stating:

"A contrary ruling ... might have opened Pandora's box because not only would policyholders seek to increase the scope of discovery in a breach of contract action, it would provide an avenue to avoid the result of having a bad faith claim stayed or dismissed unless and until coverage is found to exist."

[Read the full article](#) (*subscription required*)

"Fla. Justices Close Extra Damages Avenue for Policyholders" was published by *Law360*, January 22, 2021.

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