

## Insurer Is Entitled To Compel Appraisal Because It Did Not “Wholly Deny” Coverage, Says Florida Appellate Court

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A Florida appellate court ruled that a property insurer was entitled to compel appraisal even though it refused to make payments to the homeowners because it did not “wholly deny” coverage. *Underwriters at Lloyd’s, London v. Sorgenfrei*, 2019 WL 4383441 (Fla. Dist. Ct. App. Sept. 13, 2019).

Homeowners filed a claim with their property insurer for hurricane-related damage. The insurer admitted coverage under the policy, but argued that the loss did not meet the required deductible. Additionally, the insurer claimed that there was pre-existing damage to the property. The insurer sought to compel an appraisal, which a trial court denied.

The appellate court reversed, ruling that under Florida law, “when an insurer does not wholly deny coverage, a disagreement between the parties as to causation presents an amount-of-loss issue to be determined, under the contract, by appraisal.” The court explained that although the insurer refused to issue payment based on the deductible and alleged pre-existing damage, the insurer had conceded that a portion of the claim was within the policy’s coverage and thus did not wholly deny coverage.

### Authors and Contacts

[Bryce Friedman](#)

Partner

[bfriedman@stblaw.com](mailto:bfriedman@stblaw.com)

+1-212-455-2235



