

## Florida Court Rules That Three Lawsuits Against Policyholder Are Subject To Single Limit Under Related Claims Provision (Insurance Law Alert)

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A Florida district court ruled that three lawsuits brought against a policyholder across different policy periods were “related claims” and therefore subject to a single policy limit. *Assoc. Indus. Ins. Co., Inc. v. Slattery, Sobel & Decamp, LLP*, No. 6:22-cv-80 (M.D. Fla. Sept. 14, 2022).

Time share developers brought three lawsuits against the policyholder, asserting claims of tortious interference with contract, unfair and deceptive trade practices and civil conspiracy, based on its alleged participation in a timeshare exit scheme. The insurer defended the claims under a reservation of rights, but brought the present action seeking a declaration that it had no further duty to defend or indemnify. According to the insurer, the underlying suits constitute a single claim under the professional liability policies, subject to a single limit of liability, which had already been exhausted. The court agreed and ruled in the insurer’s favor.

Each of the consecutive policies at issue included a provision stating that: “Claims alleging, based upon, arising out of or attributable to the same Wrongful Act(s) or Interrelated Wrongful Acts shall be treated as a single Claim.” The policies further provided that “All such claims, whenever made . . . shall be subject to the Limit of Liability and Retention set forth in such policy.” Applying this language, the court concluded that all three suits against the policyholder were a single claim. The court explained that each claim arose from the same allegations of false and misleading advertising, following “an identical pattern,” aimed at achieving the same goal.

Because the record indicated that the limit of liability had been exhausted through payment of claim expenses, the court ruled that the insurer’s duty to defend the policyholder was terminated.

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