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# Florida Court Clarifies When Coverage Is Available Under Commercial Property Policy For Matching To Achieve Aesthetic Uniformity

In *Great American Insurance Co. of New York v. The Towers of Quayside No. 4 Condominium Assn.*, 2015 U.S. Dist. LEXIS 150358 (S.D. Fla. November 5, 2015), the court analyzed a Motion for Summary Judgment filed by Great American Insurance Company (“Great American”) regarding property damage to Quayside No. 4 Condominium Association’s (“Quayside”) condo building. Great American issued Quayside a property insurance policy for February 2, 2013 to February 2, 2014, which provided coverage for the premises located at 4000 Towerside Terrace, Miami, Florida.

On February 11, 2013, a release of water from a broken valve on an air conditioning unit in the building caused water damage to the drywall, carpeting, baseboards, insulation, and wallpaper in the east hallways of the eleventh floor and floors below. Floors three through twenty-five of the building had a uniform appearance with respect to the carpet, wallpaper, and woodwork in the common area hallways.

Quayside submitted a claim to Great American for loss to the building arising from the release of water, including damage to drywall, carpeting, baseboards, insulation, and wallpaper of the east hallways of the eleventh floor and floors below. Great American paid \$170,291.84 for this damage. Quayside asserted that this amount did not fully compensate it for the physical loss caused by the water damage. Specifically, Quayside claimed that it is entitled to repair and replacement of undamaged components of the condominium building because it would be impossible to achieve aesthetic uniformity by repairing only the area that experienced water damage, and that the loss of aesthetic uniformity devalues the building and constitutes a loss to the building. Great American disputed this position, and informed Quayside that no coverage is available for repair or replacement of building components that were not physically damaged.

Ultimately, in ruling on the summary judgment motion, the court looked to the policy’s limitation of coverage to “direct physical loss” and explicit exclusion of coverage for consequential loss. The court found that “coverage for matching, for the purpose of achieving aesthetic uniformity, is appropriate where repairs concern ‘any continuous run of an item or adjoining area’ for materials such as wallpaper, baseboards, woodwork, and carpeting, [but] it is plain that matching is not otherwise required under the policy.”

Therefore, the court found that Great American was entitled to a declaration that it has no obligation to provide coverage to replace any undamaged components on floors that were not affected by the water damage, or undamaged carpeting in the west hallways of floors three through eleven. The court did, however, note that it was unclear whether the wallpaper, baseboards and woodwork on floors three through eleven, where the water damage occurred, formed a “continuous run from one end of the building to the other,” and therefore Great American was not entitled to summary judgment on those specific claims for loss by Quayside.