TRAUB LIEBERMAN

INSURANCE LAW BLOG

July 22, 2026

Southern District of Florida Finds Insurer Did Not Comply With 90-Day Deadline for Filing Interpleader Pursuant to Section 624.155(6)(a), Fla. Stat.

BY: Sarah Wilkins

In *Great West Cas. Co. v. Meralla,* 2026 U.S. Dist. LEXIS 25048 (Fla. S.D. Feb. 6., 2026), 2025 Fla. App. LEXIS 7105 (Fla. 2d DCA Sept. 19, 2025), the Southern District of Florida found that Great West Casualty Company's ("Great West") interpleader was untimely under Section 624.155(6)(a).

Great West's interpleader action arose out of a fatal auto accident that occurred in April 2024, involving a vehicle operated by Great West's insured and another vehicle operated by Sharon Ferguson. Sharon and her minor son, T.F., died a result of the accident, and Sharon's other passengers, Lawrencia Ferguson and Lawrencia's two minor children, were severely injured. The crash report indicated that Sharon's vehicle veered to the right for unknown reasons, colliding with Great West's insured.

Two months after the accident, in June of 2024, the estates of Sharon and T.F. filed suit against Great West's insureds. In September 2024, Great West sent a letter to its insureds, warning them of the possibility of excess exposure above Great West's policy limits. Then, in November 2024, the attorney for T.F.'s estate made a verbal demand to the insureds' defense counsel for Great West's policy limits. In January 2025, Lawrencia and her minor children filed suit against Great West's insureds and subsequently made their own demand for the Great West policy limits. Finally, in February 2025, Great West filed its interpleader pursuant to Section 624.155(6)(a), seeking to deposit its policy limits into the court registry.

Section 624.155(6)(a), Fla. Stat, which was part of Florida's tort reform that passed in March 2023, enables insurers to interplead their policy limits when faced with competing claims that may exceed their policy limits. Under this statute, an insurer cannot be liable for excess exposure for failure to pay its policy limits if, within 90-days after receiving notice of competing claims, the insurer files an interpleader action. Specifically, the statute provides as follows:

(6) If two or more third-party claimants have competing claims arising out of a single occurrence, which in total may exceed the available policy limits of one or more of the insured parties who may be liable to the third-party claimants, an insurer of one or more of the insured parties who may be liable to the third-party claimants, an insurer is not liable beyond the available policy limits for failure to pay all or any portion of the available policy limits to one or more of the third-party claimants if, within 90 days after receiving notice of the competing claims in excess of the available policy limits, the insurer complies with either paragraph (a) or paragraph (b):

(a) The insurer files an interpleader action under the Florida Rules of Civil Procedure. If the claims of the competing third-party claimants are found to be in excess of the policy limits, the third-party claimants are entitled to a prorated share of the policy limits as determined by the trier of fact. An insurer's interpleader action does not alter or amend the insurer's obligation to defend its insured.

In response to the interpleader, the claimants filed various motions, including motions to dismiss, arguing that Great West's interpleader was untimely because (1) Great West did not initiate its interpleader until almost one year following the accident; (2) the interpleader was not filed until 247 days after the estates of Sharon and T.F. filed their respective wrongful death suits; and (3) Great West had communicated acknowledgement of potential excess exposure to its insureds in its September 2024 letter and the interpleader had not been filed until 160 days later.

Great West, in turn, argued that it did not receive notice of "competing claims" within the meaning of Section 624.155(6)(a) until it received the competing demands from Lawrencia and her children in January 2025. Great West further argued that the lawsuits themselves did not constitute notice of competing claims because their allegations were inconsistent with Great West's investigation that their insured had not caused the accident. As to its September 2024 letter, Great West argued that the letter was outside of the pleadings, and therefore, should not be considered on a motion to dismiss, but even if it were, it did not constitute notice of competing claims within the meaning of Section 624.155(6)(a) because: (1) theoretical exposure does not suffice as notice of competing claims in excess of policy limits; (2) Great West had not received sufficient evidence to support the amounts demanded at that point; (3) the letter fulfilled Great West's obligation to communicate to its insureds of the possibility of an excess judgment; and (4) it would be inequitable to use a confidential advisory letter as a trigger for a statutory deadline.

The Southern District of Florida rejected the claimants' first argument that the 90-day safe harbor should run from the date of the accident, finding no support for the proposition. As to the filing of the lawsuits, the Court rejected this argument based on the record before it stating that "[w]hile the lawsuits may well be 'competing claims' within the meaning of Section 624.155(6)…the deadline is triggered when the insurer receives notice of competing claims, and there is no indication in the record when Great West received notice of those lawsuits."

The Court, however, did consider the September 2024 letter, finding that, based on principles of statutory construction, the 90-day deadline is triggered when an insurer receives notice of competing claims that may potentially exceed the limits:

> Great West argues that the September 2024 Letter cannot trigger the 90-day deadline because it merely warns of *potential* excess exposure….This argument is premised on the assumption that the 90-day deadline is only triggered when the insurer receives notice of competing claims that clearly or likely are in excess of the available policy limits. Section 624.155(6) does not support such a reading and, if accepted, would violate established principles of statutory construction.
>
> …
>
> Specifically, the first phase of the statute reads: "[i]f two or more third-party claimants have *competing claims* arising out of a single occurrence, which in total *may exceed* the available policy limits of one or more of the insured parties who may be liable to the third-party claimants…." *Fla. Stat. §624.155(6)* (emphasis supplied). The legislature did not use the words "will exceed" or even simply "exceed" in this phrase. It used the works "may exceed."
>
> …
>
> Because Section 624.155(6) first refers to "competing claims…which in total may exceed the available policy limits…," the later reference to "notice of the competing claims in excess of the available policy limits" must mean that the notice required to trigger the 90-day deadline is notice of competing claims that *may* be in excess of the available policy limits.

The Court concluded that, because the September 2024 letter reflected that by this date Great West was on notice of competing claims that *may* exceed its policy limit, Great West could not avail itself of Section 624.155(6) and dismissed the interpleader action without prejudice.