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"BAD FAITH BREACH OF INSURANCE CONTRACT": \$1 MILLION PUNITIVE DAMAGES ...

... *IN CALIFORNIA, NOT IN FLORIDA.*

by

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"As reduced by the trial court, the \$ 1 million in punitive damages (approximately three times the amount of compensatory damages) is within the constitutionally permitted range in view of the degree of reprehensibility of GEICO's conduct." This holding is published in the Court's opinion immediately before the Court began to discuss the Background of the case. *Mazik v. GEICO General Ins. Co.*, 35 Cal. App. 5th 455, (Cal. 2d DCA, Division 2, 2019) (page numbers not available from Westlaw at the time of this writing). When *Mazik* first appeared in publication unofficially in Westlaw, [it was the subject of an earlier article here on May 21, 2019.](#)

A jury originally assessed punitive damages on GEICO in the amount of \$4Million, but the trial judge reduced the punitive damages assessment to the amount of \$1Million affirmed by the appellate court.

In many ways, this case mirrors the *Manor House* decision of Florida's Fifth DCA that was [profiled here in an earlier article on Tuesday of this week.](#)

Both *Mazik* and *Manor House* were decided in May, but *Mazik* involved a cause of action for "bad faith breach of insurance contract," presumably meaning a breach of the implied covenant of good faith in California, while *Manor House* involved a cause of action for breach of contract in Florida. The differences can be determinative of the outcomes. While punitive damages does not seem to have been an issue in *Manor House* unlike *Mazik*, it is unlikely that Florida courts would countenance an award of \$1Million in punitive damages for a breach of contract without a showing of bad faith which, it will be recalled, could not be made even if the plaintiffs in *Manor House* had attempted to allege a cause of action beyond breach of contract because Citizens Property Insurance, the defendant in *Manor House*, is statutorily immune from "bad faith" lawsuits in Florida.

There was clearly no such immunity against a cause of action for breach of the implied covenant of good faith in the *Mazik* case in California.

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