

Eleventh Circuit Affirms Insurer's Summary Judgment After Holding No Bad Faith in Delayed Tender Amid Coverage Investigation

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In *Martinez v. GEICO Casualty Insurance Co.*, the Eleventh Circuit affirmed the district court's grant of summary judgment in favor of GEICO after rejecting a bad-faith claim because the insurer did not act in bad faith by investigating a legitimate coverage question before sending a full tender offer within 30 days of the notice of the claim. 24-10641, 2025 WL 2699231 (11th Cir. Sept. 23, 2025).

The case arose from a multi-vehicle accident in Florida in which drivers in both cars sustained serious injuries. The driver of one of the vehicles was insured by GEICO under a policy providing \$10,000 per person and \$20,000 per accident in bodily injury coverage. Upon receiving notice of the accident, GEICO flagged a potential coverage issue because the driver's truck was not listed on her policy. GEICO initiated an investigation, contacted the parties involved, and scheduled a global settlement conference. Thirty-two days after receiving notice, GEICO tendered the full policy limits at a global settlement conference.

One of the victims of the accident rejected the offer and pursued litigation against the driver, ultimately obtaining a stipulated final judgment of \$2 million. The driver then assigned her rights against GEICO to the victim, who sued the insurer for bad faith under Florida law.

The victim argued that GEICO's delay in tendering the policy limits and its handling of the claim, particularly in light of the severity of her injuries, amounted to bad faith. The district court granted summary judgment in favor of GEICO.

The Eleventh Circuit, in an opinion authored by Judge Lagoa and joined by Judges Luck and Abudu, emphasized that the standard under Florida law requires insurers to act with due regard for the interests of their insureds, but it does not demand perfection. The court found that GEICO's prompt investigation, communication with claimants, issuance of reservation-of-rights and excess letters, and timely tender of policy limits did not amount to bad faith.

The court noted that GEICO had to resolve a legitimate coverage question and gather sufficient medical documentation before making an informed settlement offer. GEICO's actions were consistent with its obligations under Florida law, the court held, even though it acknowledged that GEICO may not have acted as promptly as it could have. The court explained that more is required to prevail on a bad-faith claim than simply negligence. The court also clarified that the existence of an excess judgment does not establish bad faith. Rather, the focus must be on the insurer's conduct during the claims process. Here, GEICO's efforts to settle within the policy limits, including its outreach to victims and coordination of a global settlement conference, demonstrated good faith, the court held. Accordingly, the court affirmed the district court's grant of summary judgment.

