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No Coverage for Golf Cart Accident Under Homeowners' Policy

Insurance Law Update

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District Court of Appeal of Florida

In *Elliott v. State Farm Florida Ins. Co*., 61 So.3d 502 (Fla. Dist. Ct. App. June 1, 2011), the Florida District Court of Appeal held that an accident involving a golf cart on a private road near the insured's property in a private community was not covered under the insured's homeowners' policy.

Alexander Elliott was driving Katie Frontiero in his family's golf cart through the roads of the Plantation at Sewall's Point, a private residential community. Away from the Elliotts' home and on one of the community's roads, Katie fell out of the golf cart and suffered various injuries. The Frontieros sued the Elliotts for negligence.

State Farm Florida Insurance Co. insured the Elliotts under a homeowners' policy that precluded coverage for "bodily injury ... arising out of the ownership, maintenance, use, loading or unloading" of any "motor vehicle owned or operated by or rented or loaned to any insured." Although the policy generally defined golf carts as "recreational vehicles" as opposed to "motor vehicles," it considered all recreational vehicles to be motor vehicles "while off an insured location." The policy defined "insured location" to mean the family's residence and "any premises used by you in connection with [the family's residence]."

After State Farm denied a duty to defend and indemnify the Frontieros' negligence action, the Elliotts sought a declaratory judgment of coverage under the State Farm policy. The Elliotts argued that the road where the accident took place was an "insured location" under the policy because it was "premises used ... in connection with" their home. State Farm countered that the road was not owned by the Elliotts but by the Sewall's Point Plantation Homeowners' Association, and that community residents simply had a "permanent and perpetual easement for ingress and egress for pedestrian and vehicular traffic over and across the walkways, private streets, sidewalks and driveways." The trial court ruled in State Farm's favor, finding that: (1) the road did not qualify as "premises" within the meaning of the policy; and (2) even if it did, the road where the accident took place was too far away from the Elliotts' home to qualify as premises used "in connection with" the Elliotts' home.

The District Court of Appeal affirmed. The court agreed that the road did not qualify as "premises" within the meaning of the policy because the Elliotts did not control any part of the roadway. The court also found that the road was not "used in connection" with the Elliotts' residence because the road was located "blocks away" from their home. Adopting the Elliotts' interpretation, the court noted, "could effectively make all roads within all gated communities covered locations 'used in connection with' the insured location" and render "insured location" definitions "meaningless without a 'discernible geographic' limitation to coverage."

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