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The Middle District of Florida Upholds Requirement that Indemnitors Post Collateral to Claim Bad Faith Against Surety

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In *United States Sur. Co. v. Best Constr. Drywall Servs.*, No. 8:16-cv-3102-T-23TGW, 2018 U.S. Dist. LEXIS 83222 (M.D. Fla. May 17, 2018), the United States District Court for the Middle District of Florida granted the surety's motion for summary judgment. The Court ruled that the defendants' claim of bad faith failed because they did not post collateral with the surety as required under the indemnity agreement. Additionally, the Court found that even if not precluded, the defendants could not show that the surety inadequately investigated the claim or that the surety acted with "deliberate malfeasance" or "improper motive" in settling the bond claims.