UNITED STATES DISTRICT COURT FOR THE DISTRICT OF VERMONT

Ellen Stimson v. State Farm Fire and Casualty Co.

Stimson v. State Farm · No. 2:23-cv-581 · Decided March 31, 2026

SUMMARY

The United States District Court for the District of Vermont addresses cross-motions for summary judgment in Ellen Stimson's insurance dispute with State Farm arising from fire damage to her home. The court denies both summary judgment motions and sanctions State Farm for continued noncompliance with discovery orders by striking its supplemental summary-judgment brief. The court denies as moot and without prejudice Stimson's motion to exclude evidence.

CASE DETAILS

COURT	United States District Court for the District of Vermont
WRITING FOR THE COURT	William K. Sessions III
JURISDICTION	United States District Court for the District of Vermont
DECIDED	March 31, 2026
DOCKET	2:23-cv-581
DISPOSITION	other
PROCEDURAL POSTURE	The parties filed cross-motions for summary judgment in an insurance-coverage action. Plaintiff also moved for discovery sanctions and to exclude evidence from Defendant's supplemental pleading. The court denied both summary judgment motions, struck Defendant's supplemental pleading as a discovery sanction, awarded Plaintiff reasonable costs and attorney fees related to the sanctions motion, and denied the pending sanctions and exclusion motions as moot and without prejudice.
STANDARD OF REVIEW	Summary judgment is appropriate when the movant shows that no genuine dispute as to any material fact exists and that the movant is entitled to judgment as a matter of law. The court must view evidence favorably to the nonmovant and draw all justifiable or reasonable inferences in that party's favor. Cross-motions are evaluated separately on their own merits. An unopposed summary judgment motion is not automatically granted; the court must independently determine whether the submission supports judgment.

PRECEDENTIAL VALUE	unknown

TOPICS

insurance coverage · insurance bad faith · summary judgment · discovery dispute · sanctions

PRACTICE AREAS

insurance coverage · insurance bad faith · civil procedure · discovery sanctions · summary judgment

QUESTIONS PRESENTED

1. Whether either party was entitled to summary judgment on Plaintiff's breach-of-contract claim concerning Coverage A and related add-on coverages.
2. Whether either party was entitled to summary judgment on Plaintiff's breach-of-contract claim concerning Coverage B personal-property coverage.
3. Whether Plaintiff was entitled to summary judgment on her insurance bad-faith claim.
4. Whether either party was entitled to summary judgment on Plaintiff's Vermont Consumer Protection Act claim.
5. Whether State Farm's continued failure to comply with discovery obligations and a discovery order warranted sanctions under Federal Rule of Civil Procedure 37.
6. Whether Plaintiff's motion to exclude evidence from State Farm's supplemental pleading should be granted.

HOLDINGS

1. Neither party was entitled to summary judgment because genuine disputes remained concerning the amount owed under the policy, the effect and scope of the appraisal, whether the appraisal complied with the policy's itemization requirements, and the amount State Farm had paid.
2. The appraisal agreement was not binding as to the parties' entire Coverage A dispute because the appraisal award did not properly list and itemize the disputed items as required by the policy.
3. Neither party was entitled to summary judgment on the personal-property claim because the evidence left genuine disputes concerning the valuation, categories of property, and amount of payments made.
4. Plaintiff was not entitled to summary judgment on bad faith because the record did not establish as a matter of law that State Farm knowingly or recklessly denied benefits without a reasonable basis.
5. Neither party was entitled to summary judgment on the Vermont Consumer Protection Act claim because Plaintiff's evidence created factual issues but did not establish entitlement to judgment as a matter of law, and the coverage dispute alone did not establish consumer fraud.
6. State Farm's continued failure to comply with discovery obligations and the court's discovery order warranted sanctions under Federal Rule of Civil Procedure 37, including striking State Farm's supplemental summary judgment pleading and awarding Plaintiff reasonable costs and attorney fees incurred in pursuing sanctions.

KEY QUOTATIONS

> *"The Court finds that State Farm has ignored not only the discovery process in this case, but also this Court's direct and explicit orders on discovery."* (Discovery Sanctions analysis)

> *"The Court sanctions State Farm by striking its supplemental pleading (ECF No. 72)."* (Conclusion)

FACTUAL BACKGROUND

A power surge caused a fire in Plaintiff's Vermont home on October 15, 2022, damaging the dwelling and personal property covered by Plaintiff's State Farm homeowners policy. State Farm demanded appraisal in May 2023, Plaintiff accepted the demand in writing and selected an appraiser, and an appraisal award was issued in November 2023 after Plaintiff filed suit in October. The parties disputed the amount and allocation of State Farm's payments, including dwelling, personal-property, debris-removal, and ordinance-or-law coverage. State Farm also failed for an extended period to provide court-ordered discovery, including the claims file, complete written responses, and a Rule 30(b)(6) deposition.

PROCEDURAL HISTORY

Plaintiff sued State Farm after a fire damaged her home and the parties disputed the amount payable under the homeowners policy. During discovery, the court granted Plaintiff's unopposed motion to compel State Farm to respond to discovery and produce a Rule 30(b)(6) witness, but State Farm failed to comply with the order and subsequent deadlines. After a December 2025 hearing, the court established new deadlines; State Farm later produced the claim file and a witness but continued to provide deficient or delayed discovery responses. The parties filed supplemental summary judgment briefing, and Plaintiff moved for sanctions and to exclude evidence.

DISPOSITION

other

CASES CITED

- American Rock Salt Co., LLC v. Norfolk Southern Corp., 228 F.R.D. 426, 432 (W.D.N.Y. 2004)
- Pegoraro v. Marrero, 281 F.R.D. 122, 128 (S.D.N.Y. 2012)
- Horace Mann Ins. Co. v. Nationwide Mut. Ins. Co., 238 F.R.D. 536, 538 (D. Conn. 2006)
- Land Ocean Logistics, Inc. v. Aqua Gulf Corp., 181 F.R.D. 229, 236-37 (W.D.N.Y. 1998)
- World Wide Polymers, Inc. v. Shinkong Synthetic Fibers Corp., 694 F.3d 155, 159 (2d Cir. 2012)
- Daval Steel Products, Div. of Francosteel Corp. v. M/V Fakredine, 951 F.2d 1357, 1365 (2d Cir. 1991)
- N.Y. State Teamsters Conf. Pension & Ret. Fund v. Express Servs., Inc., 426 F.3d 640, 649 (2d Cir. 2005)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248, 255 (1986)
- Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986)
- Spinelli v. City of New York, 579 F.3d 160, 166-67 (2d Cir. 2009)
- Coutard v. Mun. Credit Union, 848 F.3d 102, 114 (2d Cir. 2017)

- Schwabenbauer v. Bd. of Educ., 667 F.2d 305, 314 (2d Cir. 1981)
- Vt. Teddy Bear Co. v. 1-800 BEARGRAM Co., 373 F.3d 241, 244 (2d Cir. 2004)
- Jackson v. Fed. Express, 766 F.3d 189, 194-95 (2d Cir. 2014)
- Gasperini v. Ctr. for Humanities, Inc., 518 U.S. 415, 427 (1996)
- British Int'l Ins. Co. v. Seguros La Republica, S.A., 342 F.3d 78, 81 (2d Cir. 2003)
- Ben & Jerry's Homemade, Inc. v. Coronet Priscilla Ice Cream Corp., 921 F. Supp. 1206, 1212 (D. Vt. 1996)
- Foti Fuels, Inc. v. Kurrle Corp., 2013 VT 111, ¶ 34 n.4
- Town of Ira v. Vt. League of Cities and Towns, 2014 VT 115, ¶ 5
- Milligan v. CCC Info. Servs. Inc., 920 F.3d 146, 149 (2d Cir. 2019)
- Duane Reade, Inc. v. St. Paul Fire & Marine Ins., 600 F.3d 190, 193 n.3 (2d Cir. 2010)
- Parker's Classic Auto Works, Ltd. v. Nationwide Mutual Insurance Company, 2019 VT 46, ¶ 11
- Carmichael v. Adirondack Bottled Gas Corp. of Vt., 161 Vt. 200, 208 (1993)
- Shulman v. Concord Gen. Mut. Ins. Co., 767 F. Supp. 3d 116, 120 (D. Vt. 2024)
- Tanzer v. MyWebGrocer, Inc., 2018 VT 124, ¶¶ 32-33
- Beldock v. VWSD, LLC, 2023 VT 35, ¶ 53
- Fine Paints of Eur., Inc. v. Acadia Ins. Co., 2009 U.S. Dist. LEXIS 24188, 2009 WL 819466, *20 (D. Vt. Mar. 24, 2009)
- Peerless Ins. Co. v. Frederick, 177 Vt. 441 (Vt. 2004)
- Bushey v. Allstate Ins. Co., 164 Vt. 399, 403 (Vt. 1995)
- Murphy v. Patriot Ins. Co., 2014 VT 96, ¶ 24
- Greene v. Stevens Gas Serv., 177 Vt. 90 (Vt. 2004)
- Peabody v. P.J.'s Auto Vill., Inc., 153 Vt. 55 (Vt. 1989)
- Mooers v. Middlebury Coll., No. 2:20-cv-00144, 2021 WL 4225659 (D. Vt. Sept. 16, 2021)