UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF LOUISIANA

Joseph O'Shea et al. v. Ocean Harbor Casualty Insurance Company

Civil Action No. 25-750, Section "E" (3) (E.D. La. Feb. 27, 2025) · No. Civil Action No. 25-750 · Decided February 27, 2026

SUMMARY

The United States District Court for the Eastern District of Louisiana considers Ocean Harbor Casualty Insurance Company's motion for summary judgment on Joseph and Deborah O'Shea's claim for statutory penalties and attorneys' fees under Louisiana Revised Statutes § 22:1892. The court analyzes whether the insurer timely paid settlement proceeds and whether its conduct was arbitrary, capricious, or without probable cause, including the plaintiffs' request for additional discovery under Federal Rule of Civil Procedure 56(d).

CASE DETAILS

COURT	United States District Court for the Eastern District of Louisiana
WRITING FOR THE COURT	Susie Morgan
JURISDICTION	United States District Court for the Eastern District of Louisiana
DECIDED	February 27, 2026
DOCKET	Civil Action No. 25-750
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved for summary judgment on Plaintiffs' claim for statutory penalties and attorney fees under Louisiana Revised Statutes section 22:1892. Plaintiffs opposed and alternatively sought deferment for additional discovery under Federal Rule of Civil Procedure 56(d).
STANDARD OF REVIEW	Summary judgment is appropriate when there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law. The evidence is viewed in the light most favorable to the nonmoving party, without credibility determinations or weighing of evidence. A Rule 56(d) request requires the nonmovant to show, with reasonable specificity, how additional discovery is likely to uncover a genuine dispute of material fact and to demonstrate diligence in pursuing the discovery.
PRECEDENTIAL VALUE	nonprecedential

PARTIES	Joseph O'Shea, Deborah O'Shea v. Ocean Harbor Casualty Insurance Company

TOPICS

insurance bad faith · insurance coverage · summary judgment · civil procedure · damages

PRACTICE AREAS

insurance · insurance bad faith · civil procedure · summary judgment

QUESTIONS PRESENTED

1. Whether Defendant was entitled to summary judgment on Plaintiffs' claim for penalties and attorney fees under Louisiana Revised Statutes section 22:1892.
2. Whether Plaintiffs' Rule 56(d) request for additional discovery required deferment or denial of the summary-judgment motion.

HOLDINGS

1. Defendant was entitled to judgment as a matter of law because the summary-judgment record showed a documented, reasonable, good-faith effort to finalize and fund the settlement, and Plaintiffs presented no competent evidence creating a genuine dispute that Defendant acted arbitrarily, capriciously, or without probable cause.
2. Plaintiffs were not entitled to deferment or denial of summary judgment under Rule 56(d) because they failed to show that the requested discovery would likely create a genuine dispute of material fact and failed to demonstrate diligence.

KEY QUOTATIONS

> *"Ultimately, the determination of whether an insured acted in bad faith depends on the facts and circumstances of a particular case."* (at 17)

> *"This documented progression demonstrates a structured and orderly payment process and does not support a finding of bad faith."* (at 18)

> *"Rule 56 does not require that discovery be completed before summary judgment may be granted, and a party who elects to forgo timely discovery does so at its own risk."* (at 19)

FACTUAL BACKGROUND

The dispute arose from Hurricane Ida property damage and a settlement of Plaintiffs' underlying insurance claim. On October 28, 2024, Defendant authorized acceptance of Plaintiffs' settlement demand, while requesting lienholder, payee, tax-form, and related information before issuing checks. Plaintiffs supplied most information on October 29, confirmed the absence of representation by MMA and approved proposed settlement documents on November 5, and Defendant issued and mailed four checks on November 19 and 20; Plaintiffs' counsel received and collected them on December 3. Plaintiffs later sought statutory penalties, asserting that payment was untimely and that Defendant's conduct was arbitrary, capricious, or without probable cause.

PROCEDURAL HISTORY

Plaintiffs filed an insurance-coverage action in state court seeking statutory penalties for allegedly untimely payment of settlement proceeds. Defendant removed the action to the Eastern District of Louisiana. After the parties litigated counterclaims and the Court dismissed or limited several of them, the remaining claims were Plaintiffs' statutory-penalties claim and Defendant's breach-of-contract counterclaim. The Court granted Defendant's motion for summary judgment on the statutory-penalties claim and denied Plaintiffs' Rule 56(d) request.

DISPOSITION

other

CASES CITED

- Public Citizen Inc. v. Louisiana Attorney Disciplinary Board, 632 F.3d 212 (5th Cir.)
- City of Alexandria v. Cleco Corp., 735 F. Supp. 2d 465, 470 (W.D. La.)
- Brown v. Mississippi Valley State University, 311 F.3d 328, 333 & n.5 (5th Cir.)
- Wichita Falls Office Associates v. Banc One Corp., 978 F.2d 915, 919 (5th Cir.)
- International Shortstop, Inc. v. Rally's, Inc., 939 F.2d 1257, 1263-64, 1267 (5th Cir.)
- Beattie v. Madison County School District, 254 F.3d 595, 606 (5th Cir.)
- Adams v. Travelers Indemnity Co. of Connecticut, 465 F.3d 156, 162 (5th Cir.)
- American Family Life Assurance Co. of Columbus v. Biles, 714 F.3d 887, 894 (5th Cir.)
- Baker v. American Airlines, Inc., 430 F.3d 750, 756 (5th Cir.)
- Culwell v. City of Fort Worth, 468 F.3d 868, 872 (5th Cir.)
- Celotex Corp. v. Catrett, 477 U.S. 317, 322-24, 331-33 & n.3 (1986)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 242, 249-50 (1986)
- DIRECTV Inc. v. Robson, 420 F.3d 532, 536 (5th Cir.)
- Delta & Pine Land Co. v. Nationwide Agribusiness Insurance Co., 530 F.3d 395, 398 (5th Cir.)
- Reeves v. Sanderson Plumbing Products, Inc., 530 U.S. 133, 150-51 (2000)
- Little v. Liquid Air Corp., 37 F.3d 1069, 1075 (5th Cir.)
- Smith v. Amedisys, Inc., 298 F.3d 434, 440 (5th Cir.)
- First National Bank of Arizona v. Cities Service Co., 391 U.S. 253, 288-89 (1968)
- St. Amant v. Benoit, 806 F.2d 1294, 1297 (5th Cir.)
- Fano v. O'Neill, 806 F.2d 1262, 1266 (5th Cir.)
- Ragas v. Tennessee Gas Pipeline Co., 136 F.3d 455, 458 (5th Cir.)
- Forsyth v. Barr, 19 F.3d 1527, 1537 (5th Cir.)

- Skotak v. Tenneco Resins, Inc., 953 F.2d 909, 915-16 & n.7 (5th Cir.)
- Bridges v. Chubb Indemnity Insurance Company, 420 So. 3d 71, 80 (La. Ct. App. 5th Cir.)
- Bainbridge, LLC v. Western World Insurance Company, 682 F. Supp. 3d 634, 638 (E.D. La.)
- First United Pentecostal Church, 119 F.4th 415, 427-28
- Louisiana Bag Co., Inc., 999 So. 2d 1104, 1114
- Reed v. State Farm Mutual Automobile Insurance Company, 2003-0360 (La. 12/3/03), 857 So. 2d 1012, 1021
- Calogero, 753 So. 2d 170