UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

Evanston Insurance Company v. Enterprise Plan B, Inc.

Evanston · No. 24-cv-03329-PCP · Decided October 7, 2025

SUMMARY

The United States District Court for the Northern District of California addressed cross-motions for summary judgment in an insurance-coverage action arising from an automobile accident involving an unlicensed plumbing worker. The court held that a genuine dispute of material fact existed as to whether the driver was an employee under the policy, precluding summary judgment on the auto exclusion. The court held that the designated-premises or project limitation did not bar coverage and that Evanston had a duty to defend because the information available to it showed at least a potential for coverage.

CASE DETAILS

COURT	United States District Court for the Northern District of California
WRITING FOR THE COURT	P. Casey Fitts
JURISDICTION	United States District Court for the Northern District of California
DECIDED	October 7, 2025
DOCKET	24-cv-03329-PCP
DISPOSITION	other
PROCEDURAL POSTURE	Insurance coverage action involving cross-motions for summary judgment concerning the insurer's duties to defend and indemnify under a commercial general-liability policy.
STANDARD OF REVIEW	Summary judgment is appropriate when there is no genuine dispute of material fact and the movant is entitled to judgment as a matter of law. The court may resolve purely legal questions but may not resolve genuine factual disputes at summary judgment. On cross-motions, each party's evidence must be considered to determine whether a genuine factual dispute exists.
PRECEDENTIAL VALUE	unpublished federal district court decision; persuasive value only

TOPICS

insurance coverage · duty to defend · duty to indemnify · declaratory relief insurance · summary judgment

PRACTICE AREAS

insurance coverage · insurance litigation · civil procedure · contract interpretation

QUESTIONS PRESENTED

1. Whether the policy's auto exclusion barred coverage because James was an insured employee acting within the scope of employment when the accident occurred.
2. Whether the policy's Designated Premises or Project limitation barred coverage for the off-premises automobile accident.
3. Whether Evanston owed and breached a duty to defend the named insureds in the underlying action.
4. Whether summary judgment could be entered on Evanston's duty to indemnify despite the unresolved factual dispute concerning the auto exclusion.

HOLDINGS

1. Summary judgment was improper for either party because a genuine dispute of material fact existed concerning whether James was an 'employee' within the ordinary meaning of the policy and therefore an insured whose automobile use triggered the exclusion.
2. The Designated Premises or Project limitation did not bar coverage for the accident because the accident arose out of the named insureds' ownership of the designated premises.
3. Evanston owed and breached a duty to defend the named insureds because the information available when it denied the tender showed at least a potential for coverage.

KEY QUOTATIONS

> *"The duty to defend is broader than the duty to indemnify, and extends to claims that are merely potentially covered."* (Discussion § C)

> *"The limitation withdraws coverage here only if the accident lacked a minimal causal connection or incidental relationship to "the ownership, maintenance or use" of the property."* (Discussion § B)

> *"There is a genuine issue of material fact as to the applicability of the auto exclusion."* (Conclusion)

FACTUAL BACKGROUND

Enterprise, a home-building and home-renovation company owned by Lance Brown and Diane Stember Richards, hired James Brown to perform plumbing work during renovation of a San José property, despite knowing that James was not a licensed plumber. While driving to the property after purchasing plumbing supplies, James ran a red light and seriously injured Alex Borja. Evanston had issued a commercial general-liability policy to the named insureds, but denied coverage and refused to defend, relying on an auto exclusion and a Designated Premises or Project limitation. In the underlying action, the referee found the named insureds liable and entered a judgment of nearly $78 million; the Borjas subsequently pursued the insureds' assigned rights against Evanston.

PROCEDURAL HISTORY

Evanston filed a declaratory-judgment action seeking a ruling that it owed no duty to defend or indemnify the insureds in an underlying personal-injury action. The Borjas defendants counterclaimed for declarations of coverage and for breach of contract and breach of the implied covenant of good faith and fair dealing. The parties moved for summary judgment on whether the policy covered the accident and triggered Evanston's duties to defend and indemnify. The court denied both parties' motions concerning the auto exclusion, granted the Borjas's motion concerning the Designated Premises or Project limitation and duty to defend, and denied Evanston's motion on those issues.

DISPOSITION

other

CASES CITED

- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986)
- Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986)
- N. Cal. River Watch v. Wilcox, 633 F.3d 766, 772 (9th Cir. 2011)
- Fair Hous. Council of Riverside Cnty., Inc. v. Riverside Two, 249 F.3d 1132, 1136 (9th Cir. 2001)
- United States v. Fred A. Arnold, Inc., 573 F.2d 605, 606 (9th Cir. 1978)
- Herrera v. Command Sec. Corp., 837 F.3d 979, 985 (9th Cir. 2016)
- AIU Ins. Co. v. Superior Ct., 51 Cal. 3d 807, 825-26 (1990)
- Ameron Int'l Corp. v. Ins. Co. of State of Penn., 50 Cal. 4th 1370, 1386 (2010)
- Yoshida v. Liberty Mut. Ins. Co., 240 F.3d 824, 827 (9th Cir. 1957)
- MacKinnon v. Truck Ins. Exchange, 31 Cal. 4th 635, 648 (2003)
- Palmer v. Truck Ins. Exch., 21 Cal. 4th 1109, 1116 (1999)
- Janjua v. Neufeld, 933 F.3d 1061, 1065 (9th Cir. 2019)
- New Hampshire v. Maine, 532 U.S. 742, 750 (2001)
- Scott v. Cont'l Ins. Co., 44 Cal. App. 4th 24, 29-30 (1996)
- Brandes v. United States, 783 F.2d 895, 897 (9th Cir. 1986)
- In re Lithium Ion Batteries Antitrust Litig., No. 13-MD-2420, 2014 WL 4955377, at *26 (N.D. Cal. Oct. 2, 2014)
- Third Fed. Sav. & Loan Ass'n v. Fireman's Fund Ins. Co., 548 F.2d 166, 171 (6th Cir. 1977)
- Com. Ventures, Inc. v. Scottsdale Ins. Co., No. CV-15-08359, 2017 WL 1196462, at *6 (C.D. Cal. Mar. 22, 2017)
- L.A. Lakers, Inc. v. Fed. Ins. Co., 869 F.3d 795, 801 (9th Cir. 2017)
- Crown Capital Sec., L.P. v. Endurance Am. Specialty Ins., 235 Cal. App. 4th 1122, 1131 (2015)

- State Farm Mut. Auto. Ins. Co. v. Partridge, 10 Cal. 3d 94, 100-01 (1973)
- Wheeler v. Am. Fam. Home Ins. Co., 632 F. Supp. 3d 1063, 1071 (N.D. Cal. 2022)
- Capitol Indem. Corp. v. Ashanti, 28 F. Supp. 3d 877, 882 (D. Minn. 2014)
- W. Heritage Ins. Co. v. Darrah, No. 10-0476, 2010 WL 4780955, at *3-4 (M.D. Pa. Nov. 17, 2010)
- Pershing Park Villas Homeowners Ass'n v. United Pac. Ins. Co., 219 F.3d 895, 901 (9th Cir. 2000)
- Montrose Chem. Corp. v. Superior Ct., 6 Cal. 4th 287, 295, 299-300 (1993)
- Amato v. Mercury Cas. Co., 18 Cal. App. 4th 1784, 1787 (1993)
- Horace Mann Ins. Co. v. Barbara B., 4 Cal. 4th 1076, 1081 (1993)
- Vons Cos., Inc. v. United States Fire Ins. Co., 78 Cal. App. 4th 52, 62 (2000)
- Monster Energy Co. v. Schechter, 7 Cal. 5th 781, 794, 444 P.3d 97, 106 (2019)
- Anderson v. Command Sec. Corp., 339 F. Supp. 3d 937