TEXAS COURT OF APPEALS FOR THE FIRST DISTRICT

In re American Risk Insurance Company, Inc.

In re American Risk · No. 01-25-00575-CV · Decided November 25, 2025

SUMMARY

The Texas Court of Appeals for the First District conditionally granted American Risk Insurance Company's petition for writ of mandamus challenging the denial of its amended Texas Rule of Civil Procedure 91a motion to dismiss. The court held that payment of the appraisal award foreclosed the insureds' common-law and statutory bad-faith claims because they alleged no injury independent of policy benefits. The court directed the trial court to vacate its denial order and dismiss the asserted causes of action.

CASE DETAILS

COURT	Texas Court of Appeals for the First District
WRITING FOR THE COURT	Amparo "Amy" Guerra; Gunn; Guiney
JURISDICTION	Texas Court of Appeals for the First District
DECIDED	November 25, 2025
DOCKET	01-25-00575-CV
DISPOSITION	writ_granted
PROCEDURAL POSTURE	Original proceeding on a petition for writ of mandamus challenging the trial court's denial of an amended motion to dismiss under Texas Rule of Civil Procedure 91a.
STANDARD OF REVIEW	Mandamus requires proof that the trial court abused its discretion or violated a legal duty and that the relator lacks an adequate remedy at law. A trial court abuses its discretion when it reaches an arbitrary and unreasonable decision amounting to clear and prejudicial legal error or fails to correctly analyze or apply the law. Review of a Rule 91a ruling is based solely on the motion, the live pleadings, and permitted pleading exhibits; the court may not consider evidence.
PRECEDENTIAL VALUE	Published
PARTIES	American Risk Insurance Company, Inc. v. Moses Francis, Christie Francis

TOPICS

insurance bad faith · motions to dismiss · writ of certiorari · appellate procedure · contracts

PRACTICE AREAS

insurance · insurance bad faith · civil procedure · appellate procedure · contracts

QUESTIONS PRESENTED

1. Whether the trial court abused its discretion by denying the insurer's amended Rule 91a motion to dismiss.
2. Whether payment of an insurance appraisal award forecloses common-law and statutory bad-faith and related Insurance Code claims when the insured alleges no independent injury beyond unpaid policy benefits.
3. Whether the insurer lacked an adequate remedy at law such that mandamus relief was appropriate.

HOLDINGS

1. Because the insurer paid the appraisal award and the Francises alleged no injury independent of policy benefits, their common-law and statutory bad-faith and related Insurance Code causes of action had no basis in law under Rule 91a.
2. The causes of action had no basis in law because, taking the pleaded allegations as true, the Francises were not entitled to the requested relief after payment of the appraisal award and absent an independent injury.
3. Mandamus relief was appropriate because the trial court erroneously denied the Rule 91a motion and the insurer lacked an adequate remedy by appeal.

KEY QUOTATIONS

> *"Where, as here, the insurer pays the appraisal award, the insured receives "all benefits [they were] entitled to receive under the policy," and therefore "cannot satisfy the entitlement-to-benefits rule.""* (at 11-12)

> *"Accordingly, we conclude that real parties in interest are not entitled to double recovery under the "entitlement-to-benefits rule," and that, absent an independent injury, relator's payment of the appraisal award foreclosed any further damages owed to real parties in interest."* (at 12)

> *"We conclude that, because relator paid the appraisal award and real parties in interest alleged no injury independent of policy benefits, the causes of action asserted by real parties in interest against relator have no basis in law and conditionally grant mandamus relief."* (at 14)

FACTUAL BACKGROUND

The Francises held a residential property insurance policy issued by American Risk covering June 12, 2022, through June 12, 2023. After a February 2023 washing-machine leak, the insurer investigated the claim and made payments totaling $22,274.87 before the Francises invoked the policy's appraisal process. The appraisal award determined replacement-cost damages of $56,934.65, and the insurer paid the remaining actual-cash-value amount, statutory interest, and prior claim-related payments. The Francises nevertheless sued, alleging statutory and common-law bad faith and other Insurance Code violations, without alleging an injury independent of unpaid policy benefits.

PROCEDURAL HISTORY

Moses and Christie Francis sued American Risk Insurance Company, Inc., alleging violations of chapters 541 and 542 of the Texas Insurance Code and later adding a common-law bad-faith claim. After the insurer paid the appraisal award under the policy, it moved to dismiss under Rule 91a. The trial court denied the amended motion to dismiss, and the insurer sought mandamus relief. The court of appeals lifted its stay of the trial-court proceedings and conditionally granted mandamus, directing the trial court to vacate its denial and dismiss the asserted causes of action.

DISPOSITION

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writ_granted
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REMAND INSTRUCTIONS

The trial court must vacate its July 11, 2025 order denying the insurer's First Amended Rule 91a Motion to Dismiss and enter an order granting that motion and dismissing the causes of action alleged by the Francises. The writ will issue only if the trial court fails to comply within thirty days of the opinion. The stay imposed by the court of appeals was lifted, and all pending motions were dismissed as moot.

CASES CITED

- Walker v. Packer, 827 S.W.2d 833, 839-40 (Tex. 1992)
- In re Ford Motor Co., 165 S.W.3d 315, 317 (Tex. 2005)
- In re Cerberus Cap. Mgmt. L.P., 164 S.W.3d 379, 382 (Tex. 2005)
- In re Columbia Med. Ctr. of Las Colinas, Subsidiary, L.P., 290 S.W.3d 204, 207 (Tex. 2009)
- In re Team Rocket, L.P., 256 S.W.3d 257, 262 (Tex. 2008)
- In re John G. & Marie Stella Kenedy Mem'l Found., 315 S.W.3d 519, 523 (Tex. 2010)
- In re Essex Ins. Co., 450 S.W.3d 524, 528 (Tex. 2014)
- In re Farmers Tex. Cnty. Mut. Ins. Co., 621 S.W.3d 261, 276-77 (Tex. 2021)
- In re Houston Specialty Ins. Co., 569 S.W.3d 138, 141-42 (Tex. 2019)
- Bethel v. Quilling, Selander, Lownds, Winslett & Moser, P.C., 595 S.W.3d 651, 654 (Tex. 2020)
- In re First Reserve Mgmt., L.P., 671 S.W.3d 653, 659-60 (Tex. 2023)
- Ortiz v. State Farm Lloyds, 589 S.W.3d 127, 129, 134-35 (Tex. 2019)
- USAA Tex. Lloyds Co. v. Menchaca, 545 S.W.3d 479, 485 n.2, 495, 499-500 (Tex. 2018)
- Bonner v. Allstate Vehicle and Prop. Ins. Co., No. 3:23-CV-158, 2024 WL 718202, at *3 (S.D. Tex. Jan. 3, 2024)
- Biasatti v. GuideOne Nat'l Ins. Co., 601 S.W.3d 792, 794 (Tex. 2020)

INSTRUCTIONS FOR AN AI ASSISTANT