UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA

National Liability & Fire Insurance Company v. Brimar Transit, Inc., Pittsburgh Public School District

National Liability · No. Civil Action No. 24-453 · Decided December 12, 2025

SUMMARY

The United States District Court for the Western District of Pennsylvania partially granted National Liability & Fire Insurance Company’s motion for default judgment against Brimar Transit, Inc. The court awarded $86,981.09 in defense costs under the insurance policy but denied recovery of the $150,000 settlement payment under an unjust enrichment theory. The court concluded that the policy and settlement agreement provided litigable defenses to the settlement-reimbursement claim.

CASE DETAILS

COURT	United States District Court for the Western District of Pennsylvania
WRITING FOR THE COURT	Nora Barry Fischer
JURISDICTION	United States District Court for the Western District of Pennsylvania
DECIDED	December 12, 2025
DOCKET	Civil Action No. 24-453
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff sought default judgment against Brimar Transit, Inc. after the clerk entered default for failure to answer or otherwise defend. Plaintiff requested reimbursement of defense costs and a settlement payment arising from an underlying insurance dispute.
STANDARD OF REVIEW	Default judgment is committed primarily to the district court's discretion. The court first determines whether the uncontested factual allegations state a legitimate cause of action, then considers prejudice to the plaintiff, whether the defendant has a litigable defense, and whether the defendant's delay is culpable. Damages may be determined from affidavits and other evidentiary materials without an evidentiary hearing when a hearing is unnecessary.
PRECEDENTIAL VALUE	unpublished

TOPICS

default judgment | default | insurance coverage | breach of contract | unjust enrichment

PRACTICE AREAS

civil procedure | insurance | contracts | commercial litigation | remedies

QUESTIONS PRESENTED

1. Whether National was entitled to default judgment against Brimar for reimbursement of $86,981.09 in defense costs under the insurance policy.
2. Whether National was entitled to default judgment against Brimar for the $150,000 settlement payment under an unjust-enrichment theory.
3. Whether a default-judgment hearing was required to determine the requested damages.

HOLDINGS

1. Default judgment was warranted against Brimar for $86,981.09 in defense costs because the policy expressly permitted reimbursement after National defended Brimar, reserved its reimbursement rights, paid the defense costs, and it was later determined that no coverage existed.
2. National could not recover the settlement payment under unjust enrichment because the parties were governed by enforceable contracts—the insurance policy and settlement agreement—and the policy did not provide a right to reimbursement of settlement payments.
3. No evidentiary hearing was required because the defense-cost damages were a sum certain and could be determined from the complaint, declaration, and supporting materials.

KEY QUOTATIONS

> “*the entry of a default judgment is left primarily to the discretion of the district court.*”

> “*the Court need not accept the moving party’s legal conclusions*”

> “*the Court must decide whether the unchallenged facts constitute a legitimate cause of action*”

> “*a reservation of rights letter asserts defenses and exclusions that are already set forth in the policy*” (Docket No. 71 at 37)

> “*cannot employ a reservation of rights letter to reserve a right it does not have pursuant to the contract.*” (Docket No. 71 at 37)

FACTUAL BACKGROUND

National appointed counsel to defend Brimar in an underlying action, issued a reservation-of-rights letter reserving the right to seek reimbursement of defense costs, and paid $86,981.09 in defense costs. The Court of Appeals later held that National owed Brimar no duty to defend or indemnify under the policy. National also paid $150,000 to settle the underlying action, but the policy did not expressly provide for reimbursement of settlement payments, and the settlement agreement contained an integration clause. Brimar failed to respond to the action or the motion for default judgment after being served.

PROCEDURAL HISTORY

National filed an insurance coverage reimbursement action asserting breach-of-contract and unjust-enrichment claims against Brimar and the Pittsburgh Public School District. The court previously granted summary judgment for National against the District on reimbursement of defense costs but entered judgment for the District on the settlement-payment unjust-enrichment claim. After default was entered against Brimar, National moved for default judgment. The court granted the motion as to $86,981.09 in defense costs and denied it as to the $150,000 settlement payment.

DISPOSITION

other

CASES CITED

- Hritz v. Woma Corp., 732 F.2d 1178, 1180 (3d Cir. 1984)
- Thornton v. West, 529 F. App'x 107, 110 (3d Cir. June 17, 2013)
- Comdyne I, Inc. v. Corbin, 908 F.2d 1142, 1149 (3d Cir. 1990)
- Murphy v. Ability Recovery Servs., LLC, 2019 WL 7708592, at *1 (W.D. Pa. Aug. 7, 2019)
- Bower v. NRA Grp., LLC, 2019 WL 3306515, at *2 (W.D. Pa. July 22, 2019)
- Chamberlain v. Giampapa, 210 F.3d 154, 164 (3d Cir. 2000)
- Joe Hand Promotions, Inc. v. Yakubets, 3 F. Supp. 3d 261, 271 (E.D. Pa. 2014)
- E. Elec. Corp. of N.J. v. Shoemaker Constr. Co., 657 F. Supp. 2d 545, 552 (E.D. Pa. 2009)
- Rainey v. Diamond State Port Corp., 354 F. App'x 722, 724 (3d Cir. 2009)
- Cyprus Mines Corp. v. M & R Indus., Inc., 2015 WL 1469529, at *8 (D.N.J. Mar. 30, 2015)
- American and Foreign Ins. Co. v. Jerry's Sport Center, 606 Pa. 584, 614 (2010)
- West v. Abington Mem'l Hosp., 2025 PA Super 188 (Pa. Super. Ct. Aug. 28, 2025)
- SodexoMAGIC, LLC v. Drexel Univ., 24 F.4th 183, 229 (3d Cir. 2022)
- Essex Ins. Co. v. RMJC, Inc., 306 F. App'x 749 (3d Cir. 2009)
- United States v. James, 928 F.3d 247, 255 (3d Cir. 2019)

INSTRUCTIONS FOR AN AI ASSISTANT

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