UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION

Roofing Designs by JR, LLC v. Bonifacio Tapia dba MBTL Roofing Specialist, LLC, Dissolved; Bonifacio Tapia dba BYTL Roofing Solutions, LLC; and Kinsale Insurance Company

Roofing Designs · No. Adversary No. 24-03079-MVL; Bankruptcy Case No. 23-32275 · Decided January 21, 2026

SUMMARY

The United States Bankruptcy Court for the Northern District of Texas granted Kinsale Insurance Company's motion to dismiss Roofing Designs by JR, LLC's amended adversary petition. The court held that the underlying complaint did not trigger coverage or a duty to defend under the additional-insured endorsement in the Tapia Policy, and that the plaintiff plausibly alleged no contractual or negligent-defense claim concerning Kinsale's handling of the defense under the Roofing Designs Policy. The court also concluded that the related bad-faith, Texas Insurance Code, indemnity, and declaratory-relief claims failed.

CASE DETAILS

COURT	United States Bankruptcy Court for the Northern District of Texas, Dallas Division
JURISDICTION	United States Bankruptcy Court for the Northern District of Texas, Dallas Division
DECIDED	January 21, 2026
DOCKET	Adversary No. 24-03079-MVL; Bankruptcy Case No. 23-32275
DISPOSITION	dismissed
PROCEDURAL POSTURE	Defendant Kinsale Insurance Company moved under Federal Rule of Civil Procedure 12(b)(6), made applicable in the adversary proceeding by Bankruptcy Rule 7012(b), to dismiss Roofing Designs' First Amended Adversary Petition. After briefing and a hearing, the bankruptcy court granted the motion and dismissed all claims with prejudice.
STANDARD OF REVIEW	Under Rule 12(b)(6), the court accepted well-pleaded facts as true and viewed them in the light most favorable to the plaintiff, but required factual allegations sufficient to state a plausible claim. The court

	generally limited review to the pleadings, documents attached to or incorporated into the complaint, and documents referred to in and central to the claims. Fraud-based claims were subject to Rule 9(b)'s particularity requirement.
PRECEDENTIAL VALUE	unpublished

TOPICS

insurance coverage · duty to defend · duty to indemnify · adversary proceedings · motions to dismiss

PRACTICE AREAS

insurance law · bankruptcy · civil procedure · commercial litigation · construction law

QUESTIONS PRESENTED

1. Whether the allegations in the underlying RAC Lawsuit triggered a duty to defend or indemnify Roofing Designs as an additional insured under the Tapia Policy.
2. Whether Roofing Designs plausibly alleged breach of contract, negligence, or a duty to provide a particular defense strategy under the Roofing Designs Policy.
3. Whether Roofing Designs plausibly alleged common-law bad faith or a standalone breach-of-contract bad-faith claim.
4. Whether Roofing Designs stated viable claims under Texas Insurance Code sections 541.060 and 542.003.
5. Whether Roofing Designs stated a claim for equitable subrogation.
6. Whether Roofing Designs' requests for declaratory relief were duplicative of its substantive claims.

HOLDINGS

1. The RAC Complaint did not trigger a duty to defend Roofing Designs as an additional insured because it alleged liability based on Roofing Designs' own conduct and did not allege vicarious liability caused solely by Tapia's negligence.
2. Roofing Designs failed to state a claim for indemnity under the Tapia Policy because it did not allege that any settlement or judgment imposed liability on it solely because of Tapia's negligence, and the underlying lawsuit had been resolved.
3. Texas law does not require an insurer's duty to defend to include prosecuting counterclaims or third-party claims, funding affirmative claims, or conducting the defense according to the insured's preferred litigation strategy.
4. Roofing Designs failed to state a cognizable standalone claim for breach of contract based on bad faith and failed to plausibly allege common-law bad faith because Kinsale owed no coverage obligation under the Tapia Policy and did not breach the Roofing Designs Policy.

5. The section 542.003 claim failed because that provision does not create a private cause of action, and the section 541.060 claims failed because they were not pleaded with Rule 9(b) particularity and did not plausibly allege misrepresentation, unreasonable investigation, or failure to settle a covered claim.
6. Roofing Designs failed to state a claim for equitable subrogation because it did not allege that it involuntarily paid a debt primarily owed by Tapia or Kinsale or that equitable relief was warranted.
7. The request for declaratory relief was dismissed because it was duplicative of the substantive coverage and contract claims and did not provide an independent basis for recovery.

KEY QUOTATIONS

> *"The duty to defend is "distinct from, and broader than," the duty to indemnify."* (Section V)

> *"No Texas court has ever held that the duty to defend includes the duty to pay legal fees incurred in the course of prosecuting affirmative claims that are inextricably intertwined with the defense."* (Section V.B)

> *"Because the defects in the operative pleading are legal in nature and cannot be remedied through further amendment, the Court concludes that granting additional leave to amend would be futile."* (Conclusion)

FACTUAL BACKGROUND

Roofing Designs was a roofing subcontractor on a Houston construction project and subcontracted roofing-system labor to Bonifacio Tapia's entities. The general contractor, Royal American Construction, later alleged defective roofing work, terminated Roofing Designs, and sued Roofing Designs and its surety in federal district court. Roofing Designs tendered the defense to Kinsale under Tapia's policy, claiming additional-insured status, but Kinsale denied coverage; Kinsale separately defended Roofing Designs under Roofing Designs' own policy and ultimately settled the underlying lawsuit. Roofing Designs then sought recovery of defense costs and related relief in this adversary proceeding.

PROCEDURAL HISTORY

Roofing Designs filed an adversary proceeding against Kinsale and others asserting insurance coverage, breach-of-contract, negligence, bad-faith, Texas Insurance Code, equitable-subrogation, and declaratory-relief claims. Roofing Designs previously amended its pleading. Kinsale moved to dismiss the First Amended Petition, the parties briefed the motion, and the court held a hearing on September 17, 2025. The court granted dismissal with prejudice, concluding that further amendment would be futile.

DISPOSITION

dismissed

CASES CITED

- Walker v. Beaumont Independent School District, 938 F.3d 724, 735 (5th Cir. 2019)
- Southland Securities Corp. v. INSpire Insurance Solutions Inc., 365 F.3d 353, 361 (5th Cir. 2004)
- Ashcroft v. Iqbal, 556 U.S. 662, 678-79 (2009)

- Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 555, 570 (2007)
- In re Reagor-Dykes Motors, LP, No. 18-50214-RLJ, 2021 WL 2546664, at *1-2 (Bankr. N.D. Tex. June 3, 2022)
- Dorsey v. Portfolio Equities, Inc., 540 F.3d 333, 339 (5th Cir. 2008)
- Lone Star Fund V (U.S.), L.P. v. Barclays Bank PLC, 594 F.3d 383, 387 (5th Cir. 2010)
- Collins v. Morgan Stanley Dean Witter, 224 F.3d 496, 498-99 (5th Cir. 2000)
- Scanlan v. Texas A&M University, 343 F.3d 533, 536-39 (5th Cir. 2003)
- Gilbert Texas Construction, L.P. v. Underwriters at Lloyd's London, 327 S.W.3d 118, 124, 126 (Tex. 2010)
- Zurich American Insurance Co. v. Nokia, Inc., 268 S.W.3d 487, 490-91 (Tex. 2008)
- King v. Dallas Fire Insurance Co., 85 S.W.3d 185, 187 (Tex. 2002)
- National Union Fire Insurance Co. of Pittsburgh, Pennsylvania v. Merchants Fast Motor Lines, Inc., 939 S.W.2d 139, 141 (Tex. 1997)
- Liberty Mutual Fire Insurance Co. v. Copart of Connecticut, Inc., 75 F.4th 522, 528-29 (5th Cir. 2023)
- Swinerton Builders v. Zurich American Insurance Co., 538 F.3d 365, 369 (5th Cir. 2008)
- Trinity Universal Insurance Co. v. Cowan, 945 S.W.2d 819, 821 (Tex. 1997)
- Farmers Texas County Mutual Insurance Co. v. Griffin, 955 S.W.2d 81, 84-85 (Tex. 1997)
- Western Indemnity Insurance Co. v. American Physicians Insurance Exchange, 950 S.W.2d 185, 188 (Tex. App.—Austin 1997)
- Coim USA Inc. v. Sjobrand Inc., 663 F. Supp. 3d 684, 687-88 (N.D. Tex. 2023)
- Vansteen Marine Supply, Inc. v. Twin City Fire Insurance Co., No. 13-05-00231-CV, 2008 WL 599850, at *4 (Tex. App.—Corpus Christi–Edinburg Mar. 6, 2008)
- Aldous v. Darwin National Assurance Co., 851 F.3d 473, 483 (5th Cir. 2017)
- Mid-Continent Casualty Co. v. Eland Energy, Inc., 709 F.3d 515, 522 (5th Cir. 2013)
- Evanston Insurance Co. v. ATOFINA Petrochemicals, Inc., 256 S.W.3d 660, 662 (Tex. 2008)
- Old American Insurance Co. v. Lincoln Factoring, LLC, 571 S.W.3d 271, 280 (Tex. App.—Fort Worth 2018)
- First American Title Insurance Co. v. Patriot Bank, No. 01-14-00170-CV, 2015 WL 2228549, at *7 (Tex. App.—Houston [1st Dist.] May 12, 2015)
- Altecor v. United Property & Casualty Insurance Co., No. 13-20-00148-CV, 2022 Tex. App. LEXIS 1268, at *13 (Tex. App.—Corpus Christi Feb. 24, 2022)
- D.R. Horton-Texas, Ltd. v. Markel International Insurance Co., 300 S.W.3d 740, 743-44 (Tex. 2009)
- Crownover v. Mid-Continent Casualty Co., 772 F.3d 197 (5th Cir. 2014)
- Interfirst Bank Dallas, N.A. v. United States Fidelity & Guaranty Co., 774 S.W.2d 391, 397 (Tex. App.—Dallas 1989, writ denied)