

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
KENTUCKY

American Zurich Insurance Company v. Catalyst Resources, LLC
and Covol Fuels No. 3, LLC

No. 6:24-CV-131-CHB (E.D. Ky. Mar. 9, 2026) · No. 6:24-CV-131-CHB · Decided March 9, 2026

SUMMARY

The United States District Court for the Eastern District of Kentucky grants American Zurich Insurance Company’s motion for summary judgment in a dispute over unpaid workers’ compensation and employers liability insurance premiums and deductibles. The court concludes that Defendants failed to establish a genuine dispute regarding the accuracy of the post-policy audit, the unpaid premiums, or the deductible obligations. The court awards summary judgment on the breach of contract claim and directs Plaintiff to submit an updated damages and interest calculation before entry of judgment.

CASE DETAILS

COURT	United States District Court for the Eastern District of Kentucky
WRITING FOR THE COURT	Claria Horn Boom
JURISDICTION	United States District Court for the Eastern District of Kentucky
DECIDED	March 9, 2026
DOCKET	6:24-CV-131-CHB
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiff's motion for summary judgment on breach of contract claim for unpaid insurance premiums and deductible.
STANDARD OF REVIEW	Summary judgment standard under Fed. R. Civ. P. 56(a): no genuine dispute of material fact and movant entitled to judgment as a matter of law.
PRECEDENTIAL VALUE	unpublished
PARTIES	American Zurich Insurance Company v. Catalyst Resources, LLC; Covol Fuels No. 3, LLC

TOPICS

insurance coverage

breach of contract

summary judgment

civil procedure

commercial litigation

PRACTICE AREAS

insurance

contracts

civil procedure

QUESTIONS PRESENTED

1. Whether Plaintiff is entitled to summary judgment on its breach of contract claim for unpaid insurance premiums and unpaid deductible.
2. Whether Defendants' evidence of a prior accounting mistake and identical invoices creates a genuine issue of material fact.

HOLDINGS

1. Plaintiff's motion for summary judgment is granted. Defendants failed to present sufficient evidence to create a genuine issue of material fact on breach or damages. The policy terms permitted a post-expiration audit and Defendants' evidence of a prior, unrelated accounting mistake and identical invoices was insufficient to dispute the accuracy of the audit or damages calculation.

FACTUAL BACKGROUND

Plaintiff insurer issued a workers' compensation and employers liability policy to Defendants for a policy period ending December 31, 2023. The policy established an initial estimated premium but provided for a post-expiration audit to determine the final premium based on actual payroll and work. Defendants canceled the policy early on June 1, 2023. Plaintiff conducted an audit and determined Defendants owed \$154,134.00 in additional premiums. Defendants made a partial payment of \$38,533.50 but refused to pay the balance. Plaintiff also paid a claim during the policy period and invoiced Defendants for the \$500,000 deductible, which Defendants did not pay.

PROCEDURAL HISTORY

Plaintiff insurer sued Defendants for breach of contract (unpaid premiums and deductible), account stated, anticipatory repudiation, and unjust enrichment. Plaintiff moved for summary judgment.

DISPOSITION

affirmed

CASES CITED

- Winkler v. Madison County, 893 F.3d 877 (6th Cir. 2018)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242 (1986)
- Celotex Corp. v. Catrett, 477 U.S. 317 (1986)
- Bill Call Ford, Inc. v. Ford Motor Co., 48 F.3d 201 (6th Cir. 1995)
- In re Morris, 260 F.3d 654 (6th Cir. 2001)

- Matsushita Elec. Indus. Co., Ltd. v. Zenith Radio Corp., 475 U.S. 574 (1986)
- Lukowski v. CSX Transp., Inc., 416 F.3d 478 (6th Cir. 2005)
- Klaxon Co. v. Stentor Elec. Mfg. Co., 313 U.S. 487 (1941)
- Fifth Third Bank v. Lincoln Fin. Sec. Corp., 453 F. App'x 589 (6th Cir. 2011)
- Metro Louisville/Jefferson Cnty. Gov't v. Abma, 326 S.W.3d 1 (Ky. Ct. App. 2009)
- Pal v. Deliberato, No. 1:25-CV-01233, 2025 WL 904458 (N.D. Ohio Mar. 25, 2025)
- Roberson v. Lampton, 516 S.W.2d 838 (Ky. 1974)
- Lickteig v. Schwab, 2014 WL 4177442 (Ky. Ct. App. Aug. 22, 2014)
- Harris v. Edward J. Miller & Son, Inc., 453 S.W.2d 739 (Ky. 1970)
- Nash-Finch Co. v. Casey's Foods, Inc., 762 F. App'x 218 (6th Cir. 2018)
- Parrish v. Dollar General Corp., No. 3:14-CV-227-CHL, 2016 WL 742925 (W.D. Ky. Feb. 24, 2016)
- McPherson v. Kelsey, 125 F.3d 989 (6th Cir. 1997)
- Citizens Awareness Network, Inc. v. United States Nuclear Regulatory Comm'n, 59 F.3d 284 (1st Cir. 1995)
- Tucker v. Union of Needletrades, Indus. & Textile Employees, 407 F.3d 784 (6th Cir. 2005)