UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA

Christopher Mills v. Imperium Insurance Company, LLC

Civil Action No. 2:25-cv-00039 · No. 2:25-cv-00039 · Decided June 17, 2026

SUMMARY

The United States District Court for the Southern District of West Virginia granted Imperium Insurance Company, LLC’s motion to dismiss in an insurance-coverage dispute arising from an underlying coal-mining litigation. Applying West Virginia law, the court analyzed whether the underlying allegations triggered a duty to defend under Coverage A or Coverage B and declined to consider extrinsic evidence that would undermine those allegations. The opinion concludes that the allegations did not fall within the relevant policy coverage.

CASE DETAILS

COURT	United States District Court for the Southern District of West Virginia
JURISDICTION	United States District Court for the Southern District of West Virginia
DECIDED	June 17, 2026
DOCKET	2:25-cv-00039
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff sought declaratory relief concerning insurance coverage and Imperium's duty to defend and indemnify. After removal from West Virginia state court, Imperium moved to dismiss under Federal Rule of Civil Procedure 12(b)(6), and Plaintiff moved for leave to amend. The court granted the motion to dismiss, denied leave to amend as futile, and dismissed the action with prejudice.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true and views them in the light most favorable to the plaintiff, but disregards legal conclusions and determines whether the complaint states a plausible claim for relief. For the duty to defend, the court considers whether the allegations in the underlying complaint are reasonably susceptible to an interpretation that the claim may be covered by the policy.
PRECEDENTIAL VALUE	persuasive
PARTIES	Christopher Mills v. Imperium Insurance Company, LLC

TOPICS

duty to defend | insurance coverage | declaratory relief insurance | motions to dismiss | motion to amend

PRACTICE AREAS

insurance coverage | duty to defend | declaratory relief | civil procedure | commercial litigation | coal mining

QUESTIONS PRESENTED

1. Whether the court could determine Imperium's duty to defend solely from the allegations in the underlying complaint and the policy, without considering extrinsic evidence that would contradict those allegations.
2. Whether the allegations in the underlying complaint described bodily injury or property damage caused by an occurrence within Coverage A of the policy.
3. Whether the allegations described personal and advertising injury involving slander, libel, or disparagement of a person, organization, or its goods, products, or services within Coverage B.
4. Whether the absence of a duty to defend defeated the proposed common-law and statutory bad-faith claims and rendered amendment futile.
5. Whether Mills stated a viable claim for declaratory relief, reimbursement, or other relief based on Imperium's alleged failure to defend.

HOLDINGS

1. Under West Virginia law, the duty to defend is ordinarily determined from the allegations in the underlying complaint and the policy; the court need not consider extrinsic evidence that would disprove or contradict those allegations in this case.
2. The underlying complaint did not allege bodily injury or property damage within Coverage A, so Imperium had no duty to defend under Coverage A.
3. The underlying complaint did not allege slander, libel, or disparagement of a person, organization, or that person's or organization's goods, products, or services within Coverage B, so Imperium had no duty to defend under Coverage B.
4. Because the court found no policy coverage and no duty to defend, the proposed amendment asserting common-law or statutory bad-faith claims would be futile.

KEY QUOTATIONS

> *"An insurance company's duty to defend an insured is broader than the duty to indemnify under a liability insurance policy."* (at 7)

> *"The WVSCA has since been clear that an insurance company only has to look to the allegations in the underlying complaint."* (at 11)

> *"Therefore, because the Lawsuit does not allege any property damage,15 as defined by the Policy, Defendant Imperium does not owe Plaintiff a duty to defend under Coverage A."* (at 15)

> *"Plaintiff can rearrange the deck chairs on the Titanic all he wants, but his attenuated interpretation of the Lawsuit is unpersuasive."* (at 18)

> *"This action is DISMISSED WITH PREJUDICE."* (at 20)

FACTUAL BACKGROUND

Mills, president and founder of Newseam Holdings, alleged that Imperium issued a commercial general liability policy covering Newseam's West Virginia coal-mining activities. Newseam and Mills were sued by Next Technology Energy, LLC, which alleged tortious interference, slander of title, and conspiracy arising from competing transactions involving the lessor and lessee interests in a coal-mining lease. After Newseam tendered the underlying action, Imperium disclaimed any duty to defend or indemnify, asserting that the allegations did not fall within the policy's coverage. Mills then sought declaratory relief and reimbursement of defense costs.

PROCEDURAL HISTORY

Mills initiated the action in the Circuit Court of Kanawha County, West Virginia, on December 16, 2024. Imperium removed the case to the Southern District of West Virginia on January 22, 2025. After an earlier summary-judgment motion was denied as premature, the court directed the parties to address the threshold duty-to-defend issue through a motion to dismiss. The court granted Imperium's motion, denied Mills's motion for leave to amend, dismissed the action with prejudice, denied other pending motions as moot, and closed the case.

DISPOSITION

dismissed

CASES CITED

- Bell Atlantic Corp. v. Twombly, 550 U.S. 544 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662 (2009)
- King v. Rubenstein, 825 F.3d 206 (4th Cir. 2016)
- Cherrington v. Erie Insurance Property & Casualty Co., 745 S.E.2d 508 (W. Va. 2013)
- Nationwide Mutual Insurance Co. v. Hatfield, 2005 WL 2978046 (S.D. W. Va. Nov. 7, 2005)
- Kelly v. Painter, 504 S.E.2d 171 (W. Va. 1998)
- Blake v. State Farm Mutual Automobile Insurance Co., 685 S.E.2d 895 (W. Va. 2009)
- Boggs v. Camden-Clark Memorial Hospital Corp., 693 S.E.2d 53 (W. Va. 2010)
- First Mercury Insurance Co. v. Russell, 806 S.E.2d 429 (W. Va. 2017)
- Glen Falls Insurance Co. v. Smith, 617 S.E.2d 760 (W. Va. 2005)
- Burr v. Nationwide Mutual Insurance Co., 359 S.E.2d 626 (W. Va. 1987)
- Runion v. Minnesota Life Insurance Co., 2013 WL 2458541 (S.D. W. Va. June 6, 2013)
- State ex rel. Nationwide Mutual Insurance Co. v. Wilson, 778 S.E.2d 677 (W. Va. 2015)

- Volvo Construction Equipment North America v. CLM Equipment Co., Inc., 386 F.3d 581 (4th Cir. 2004)
- Erie Railroad Co. v. Tompkins, 304 U.S. 64 (1938)
- Bowyer v. Hi-Lad, Inc., 609 S.E.2d 895 (W. Va. 2004)
- Tackett v. American Motorists Insurance Co., 584 S.E.2d 158 (W. Va. 2003)
- Farmers & Mechanics Mutual Fire Insurance Co. of West Virginia v. Hutzler, 447 S.E.2d 22 (W. Va. 1994)
- Farmers & Mechanics Mutual Insurance Co. v. Cook, 557 S.E.2d 801 (W. Va. 2001)
- Bruceton Bank v. U.S. Fidelity & Guaranty Insurance Co., 486 S.E.2d 19 (W. Va. 1997)
- Horace Mann Insurance Co. v. Leeber, 376 S.E.2d 581 (W. Va. 1988)
- Aetna Casualty & Surety Co. v. Pitrolo, 342 S.E.2d 156 (W. Va. 1986)
- State Automobile Mutual Insurance Co. v. Alpha Engineering Services, Inc., 542 S.E.2d 876 (W. Va. 2000)
- West Virginia Fire & Casualty Co. v. Stanley, 602 S.E.2d 483 (W. Va. 2004)
- Donnelly v. Transportation Insurance Co., 589 F.2d 761 (4th Cir. 1978)
- State ex rel. Davidson v. Hoke, 532 S.E.2d 50 (W. Va. 2000)
- Tritapoe v. Old Republic National Title Insurance Co., 2020 WL 1487813 (W. Va. Mar. 23, 2020)
- Community Antenna Services, Inc. v. Westfield Insurance Co., 173 F. Supp. 2d 505 (S.D. W. Va. 2001)
- Cooper v. Westfield Insurance Co., 488 F. Supp. 3d 430 (S.D. W. Va. 2020)
- Westfield Insurance Co. v. White, 19 F. Supp. 2d 615 (S.D. W. Va. 1998)
- Uncork & Create LLC v. Cincinnati Insurance Co., 498 F. Supp. 3d 878 (S.D. W. Va. 2020), aff'd, 27 F.4th 926 (4th Cir. 2022)
- Greenfield v. Schmidt Baking Co., 485 S.E.2d 391 (W. Va. 1997)
- Cava v. National Union Fire Insurance Co., 753 S.E.2d 1 (W. Va. 2013)
- All Risks, Ltd. v. Old White Charities, Inc., 715 F. App'x 274 (4th Cir. 2017)
- Evans v. United Bank, Inc., 775 S.E.2d 500 (W. Va. 2015)
- Bailey v. Bradford, 12 F. Supp. 3d 826 (S.D. W. Va. 2014)
- Friend v. Remac America, Inc., 924 F. Supp. 2d 692 (N.D. W. Va. 2013)
- United States ex rel. Wilson v. Kellogg Brown & Root, Inc., 525 F.3d 370 (4th Cir. 2008)
- United States ex rel. Fowler v. Caremark RX, LLC, 496 F.3d 730 (7th Cir. 2007)