UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA

Stella Property Development and Event Production, LLC v. Auto-Owners Insurance Company

Stella Property Development · No. 3:24-cv-60 · Decided January 28, 2026

SUMMARY

The United States District Court for the Western District of Pennsylvania addresses coverage for roof damage under a commercial property insurance policy issued by Auto-Owners Insurance Company. The court analyzes wear-and-tear and maintenance exclusions, ensuing-loss provisions, and Pennsylvania's efficient-proximate-cause doctrine, concluding that disputed causation and the roof's condition preclude summary judgment for Stella. The court denies Stella's motions and grants Auto-Owners' motion seeking dismissal of the statutory bad-faith claim.

CASE DETAILS

COURT	United States District Court for the Western District of Pennsylvania
WRITING FOR THE COURT	D. Brooks Smith
JURISDICTION	United States District Court for the Western District of Pennsylvania
DECIDED	January 28, 2026
DOCKET	3:24-cv-60
DISPOSITION	other
PROCEDURAL POSTURE	Cross-motions for partial summary judgment in a diversity insurance-coverage action, together with the plaintiff's motion to strike the defendant's belated concise statement of material facts.
STANDARD OF REVIEW	Summary judgment is appropriate when the record shows no genuine dispute of material fact and the moving party is entitled to judgment as a matter of law. On cross-motions, each motion is considered separately. The court views factual doubts and reasonable inferences in favor of the nonmoving party. Insurance-policy interpretation is a question of law, while the determination of the dominant and efficient cause of a loss is generally for the factfinder when competing evidence exists. A Pennsylvania statutory bad-faith claim requires clear and convincing evidence that the insurer lacked a reasonable basis for

	denying benefits and knowingly or recklessly disregarded that lack of a reasonable basis.
PRECEDENTIAL VALUE	nonprecedential
PARTIES	Stella Property Development and Event Production, LLC v. Auto-Owners Insurance Company

TOPICS

insurance coverage · insurance bad faith · contract interpretation · summary judgment · civil procedure

PRACTICE AREAS

insurance coverage · insurance bad faith · commercial litigation · civil procedure · contracts

QUESTIONS PRESENTED

1. Whether Stella was entitled to summary judgment establishing coverage for the roof damage under the commercial property policy.
2. Whether Pennsylvania's efficient-proximate-cause doctrine required coverage as a matter of law where wind allegedly contributed to damage but wear and tear or inadequate maintenance may also have contributed.
3. Whether the policy's ensuing-loss provisions restored coverage when wear and tear or inadequate maintenance merely made the roof more susceptible to wind damage.
4. Whether Auto-Owners was entitled to summary judgment on Stella's statutory bad-faith claim under 42 Pa. Cons. Stat. § 8371.
5. Whether Auto-Owners' belated filing of a separate concise statement of material facts required striking the statement or denying its summary-judgment motion.

HOLDINGS

1. Stella was not entitled to summary judgment because, although the presence of wear and tear or inadequate maintenance would not automatically defeat coverage, Stella still had to prove that wind was the dominant and efficient cause of the roof damage, and competing evidence created a factual issue for the factfinder.
2. The wear-and-tear exclusion's ensuing-loss provision did not restore coverage where wear and tear merely made the roof more susceptible to wind damage; the provision required the excluded condition to result in the specified peril itself and covered only damage caused by that ensuing peril.
3. The inadequate-maintenance ensuing-loss provision did not restore coverage because inadequate maintenance did not result in an otherwise covered peril; it merely may have affected how the roof responded to wind.
4. Auto-Owners was entitled to summary judgment on Stella's bad-faith claim because the investigative reports and expert assessments supplied an objectively reasonable basis for denying coverage, and Stella

did not produce clear and convincing evidence that Auto-Owners lacked such a basis.

5. The court denied the motion to strike because Auto-Owners' late statement duplicated the factual assertions in its motion, Stella had notice of the asserted facts, and the court could readily identify disputed facts without imposing a purely technical sanction.

KEY QUOTATIONS

> *"But Stella must still prove that the windstorm was the "dominant and efficient" cause of the roof's destruction, as opposed to merely a "remote" or "incidental" cause."* (at 16-18)

> *"That language unambiguously does not cover the scenario here—assumed by Stella for purposes of their motion—in which wear and tear merely made the roof more susceptible to wind damage but did not "result in" the windstorm itself."* (at 19)

> *"Those assessments supplied an objectively reasonable basis for Auto-Owners to conclude that wear and tear and/or inadequate maintenance, rather than a covered windstorm, was the dominant and efficient cause of the loss, and that the exclusions therefore applied."* (at 30)

FACTUAL BACKGROUND

Stella owned the Casimir Cultural Center in Johnstown, Pennsylvania, which was insured under an Auto-Owners commercial property policy issued in 2018. After a June 2021 windstorm, Stella claimed that wind damaged the building's roof and sought coverage. Inspections by Auto-Owners' consultants found that the roof shingles were more than twenty-five years old, in poor condition, and affected by long-term deterioration, and concluded that the shingles were not damaged by a single wind event. Auto-Owners denied the claim based on wear-and-tear and inadequate-maintenance exclusions.

PROCEDURAL HISTORY

Stella filed claims for breach of contract and statutory bad faith in the Court of Common Pleas of Allegheny County, Pennsylvania. Auto-Owners removed the case based on diversity jurisdiction. After transfer from the Pittsburgh Division to the Johnstown Division, Stella moved for partial summary judgment on coverage, Auto-Owners moved for partial summary judgment on the bad-faith claim, and Stella moved to strike Auto-Owners' untimely concise statement. The court denied Stella's motions, granted Auto-Owners' motion, and dismissed Count II with prejudice.

DISPOSITION

other

CASES CITED

- Anderson v. Consol. Rail Corp., 297 F.3d 242, 247 (3d Cir. 2002)
- Conoshenti v. Pub. Serv. Elec. & Gas Co., 364 F.3d 135, 140 (3d Cir. 2004)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986)

- Duquesne Light Holdings, Inc. & Subsidiaries v. Comm'r of Internal Revenue, 861 F.3d 396, 403 (3d Cir. 2017)
- Simpson v. Kay Jewelers, Div. of Sterling, Inc., 142 F.3d 639, 643 n.3 (3d Cir. 1998)
- Binotto v. Geico Advantage Ins. Co., 750 F. Supp. 3d 492, 496-97 (W.D. Pa. 2024)
- Minnesota Fire & Cas. Co. v. Greenfield, 855 A.2d 854, 861 (Pa. 2004)
- Madison Const. Co. v. Harleysville Mut. Ins. Co., 735 A.2d 100, 106 (Pa. 1999)
- Intermetal Mexicana, S.A. v. Insurance Co. of North America, 866 F.2d 71 (3d Cir. 1989)
- Wexler Knitting Mills v. Atl. Mut. Ins. Co., 555 A.2d 903, 905 (Pa. Super. Ct. 1989)
- Miller v. Bos. Ins. Co., 218 A.2d 275, 277 (Pa. 1966)
- Consol. Rail Corp. v. ACE Prop. & Cas. Ins. Co., 182 A.3d 1011, 1027 (Pa. Super. Ct. 2018)
- Gene & Harvey Builders v. Pennsylvania Mfrs. Ass’n, 517 A.2d 910, 913 (Pa. Super. Ct. 1986)
- Mitsock v. Erie Ins. Exch., 909 A.2d 828, 831 (Pa. Super. Ct. 2006)
- Metzger v. Clifford Realty Corp., 476 A.2d 1, 5 (Pa. Super. Ct. 1984)
- Buczek v. Cont'l Cas. Ins. Co., 378 F.3d 284, 289 n.2 (3d Cir. 2004)
- Trexler Lumber Co. v. Allemannia Fire Ins. Co. of Pittsburgh, 136 A. 856 (Pa. 1927)
- Tatalovich v. Pennsylvania Nat. Mut. Cas. Ins. Co., No. 10724 OF 2001, 2003 WL 22844173, at *1 (Pa. Com. Pl. Oct. 10, 2003)
- State Farm Mut. Auto. Ins. Co. v. Partridge, 514 P.2d 123, 130 (Cal. 1973)
- Burgunder v. United Specialty Ins. Co., No. CV 17-1295, 2018 WL 2184479, at *5 (W.D. Pa. May 11, 2018)
- Ridgewood Grp., LLC v. Millers Cap. Ins. Co., No. 1138 EDA 2016, 2017 WL 781620, at *5 (Pa. Super. Ct. Feb. 28, 2017)
- Kurach v. Truck Ins. Exch., 235 A.3d 1106, 1116 (Pa. 2020)
- Rancosky v. Washington Nat'l Ins. Co., 170 A.3d 364, 374, 377 (Pa. 2017)
- J.C. Penney Life Ins. Co. v. Pilosi, 393 F.3d 356, 367 (3d Cir. 2004)
- Covenant Realty v. Westminster Am. Ins. Co., No. 2:20-CV-00301-KSM, 2021 WL 4963519, at *5 (E.D. Pa. Oct. 26, 2021)
- Gethsemane FBH Church of God v. Nationwide Ins. Co., No. CV 19-03677, 2020 WL 1694544, at *4 (E.D. Pa. Apr. 7, 2020)
- Palmisano v. State Farm Fire & Cas. Co., Civil Action No. 12-886, 2012 WL 3595276, at *15 (W.D. Pa. Aug. 20, 2012)