UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

RLI Insurance Company v. Steven Slaski

RLI v. Slaski · No. 5:25-cv-02170 · Decided March 4, 2026

SUMMARY

The United States District Court for the Eastern District of Pennsylvania addressed Steven Slaski's motion to dismiss RLI Insurance Company's claims concerning two personal umbrella insurance policies. The court dismissed with prejudice duplicative declaratory-relief and reimbursement counts, while denying dismissal of RLI's claims seeking rescission, declarations of noncoverage, and related relief. The court found that RLI plausibly alleged material misrepresentations in the insurance applications and facts supporting an unjust-enrichment theory based on settlement payments.

CASE DETAILS

COURT	United States District Court for the Eastern District of Pennsylvania
WRITING FOR THE COURT	Joseph F. Leeson, Jr.
JURISDICTION	United States District Court for the Eastern District of Pennsylvania
DECIDED	March 4, 2026
DOCKET	5:25-cv-02170
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss an amended complaint seeking rescission and declaratory relief concerning two insurance policies and reimbursement of a settlement contribution under unjust enrichment.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts factual allegations as true, construes the complaint in the plaintiff's favor, disregards legal conclusions, and determines whether the pleaded facts plausibly support relief. The court may consider the complaint, attached exhibits, public records, undisputedly authentic documents, and documents integral to or explicitly relied upon in the complaint.
PRECEDENTIAL VALUE	Unpublished district court opinion; persuasive rather than precedential

TOPICS

insurance coverage · declaratory judgment · rescission · unjust enrichment · motions to dismiss

PRACTICE AREAS

insurance | civil procedure | contracts | equitable remedies

QUESTIONS PRESENTED

1. Whether RLI plausibly alleged that Slaski made false, knowing or bad-faith, and material representations sufficient to support rescission and declaratory relief declaring the policies void ab initio.
2. Whether RLI's claims for declaratory reimbursement and standalone reimbursement were duplicative of other claims and therefore subject to dismissal with prejudice.
3. Whether RLI plausibly pleaded unjust enrichment seeking reimbursement of its settlement contribution, including that the payment was not made by mistake of law, Slaski knew RLI disputed its payment obligation, RLI did not make the payment primarily to protect its own interests, and reimbursement would not upset the insurer-insured incentive structure.

HOLDINGS

1. RLI plausibly alleged that Slaski made false representations in both insurance applications, knew or acted in bad faith regarding their falsity, and that the representations were material to the insured risk. The motion to dismiss Counts I, II, and III was denied.
2. Counts IV and V were duplicative of other claims and did not state cognizable claims distinct from Counts III and VI. The court dismissed both counts with prejudice because amendment would be futile.
3. RLI plausibly pleaded unjust enrichment and reimbursement of its settlement contribution. The motion to dismiss Count VI was denied.

KEY QUOTATIONS

> *"A rescission amounts to the unmaking of a contract, and is not merely a termination of the rights and obligations of the parties towards each other, but is an abrogation of all rights and responsibilities of the parties towards each other from the inception of the contract."* (at 8)

> *"Unless and until a final resolution by the Court declares the Policies void, RLI is entitled to act in self-preservation, and "out of concern that the Polic[ies] [are] still binding.""* (at 18)

FACTUAL BACKGROUND

RLI issued personal umbrella policies to Slaski for 2022-2023 and 2023-2024 based on applications in which Slaski allegedly understated household drivers, vehicles, young drivers, and residential properties. After a third party sued Slaski over injuries sustained on one of his properties, Slaski sought coverage and demanded that RLI contribute policy limits toward settlement. RLI reserved its rights, notified Slaski that it intended to rescind the policies, filed this action, and contributed a confidential amount to the settlement while expressly reserving its right to seek rescission and reimbursement.

PROCEDURAL HISTORY

RLI filed this action on April 30, 2025, and filed an amended complaint on August 18, 2025. The amended complaint asserted six counts: rescission of the 2022 and 2023 policies, declarations concerning coverage and reimbursement, reimbursement, and unjust enrichment. Slaski moved to dismiss on September 29, 2025. The court dismissed Counts IV and V with prejudice, denied dismissal of Counts I, II, III, and VI, and allowed the case to proceed on those counts.

DISPOSITION

other

CASES CITED

- Phillips v. County of Allegheny, 515 F.3d 224, 232-34 (3d Cir. 2008)
- Pinker v. Roche Holdings Ltd., 292 F.3d 361, 374 n.7 (3d Cir. 2002)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555 & n.3 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678-79 (2009)
- Mayer v. Belichick, 605 F.3d 223, 230 (3d Cir. 2010)
- In re Burlington Coat Factory Sec. Litig., 114 F.3d 1410, 1426 (3d Cir. 1997)
- Hedges v. United States, 404 F.3d 744, 750 (3d Cir. 2005)
- Kehr Packages, Inc. v. Fidelcor, Inc., 926 F.2d 1406, 1409 (3d Cir. 1991)
- MedImmune, Inc. v. Genentech, Inc., 549 U.S. 118, 126 (2007)
- Berkley Assurance Co. v. Colony Ins. Co., 858 F. App'x 561, 567, 569 (3d Cir. 2021)
- Klopp v. Keystone Ins. Companies, 528 Pa. 1, 595 A.2d 1, 4-5 (1991)
- Metropolitan Prop. & Liab. Ins. Co. v. Commonwealth, 509 A.2d 1346, 1348 (Pa. Commw. Ct. 1986)
- National Grange Mut. Ins. Co. v. CRS Auto Parts, Inc., 312 F. App'x 483, 484 (3d Cir. 2009)
- Coolspring Stone Supply, Inc. v. American States Life Ins. Co., 10 F.3d 144, 148 (3d Cir. 1993)
- New York Life Ins. Co. v. Johnson, 923 F.2d 279, 281-82 (3d Cir. 1991)
- MDAdvantage Ins. Co. of New Jersey v. Hasiuk, 612 F. Supp. 3d 452, 454 (E.D. Pa. 2020)
- Westport Ins. Corp. v. Hippo Fleming & Pertile Law Offices, 349 F. Supp. 3d 468, 483 (W.D. Pa. 2018)
- Associated Elec. & Gas Ins. Services, Ltd. v. Rigas, 382 F. Supp. 2d 685, 690-91 (E.D. Pa. 2004)
- American Franklin Life Ins. Co. v. Galati, 776 F. Supp. 1054, 1059 (E.D. Pa. 1991)
- Century Indem. Co. v. URS Corp., No. 08-cv-5006, 2009 WL 2446990, at *5 (E.D. Pa. Aug. 7, 2009)
- Commonwealth ex rel. Pappert v. TAP Pharm. Prods., Inc., 885 A.2d 1127, 1137 (Pa. Commw. Ct. 2005)
- Harry Miller Corp. v. Mancuso Chems. Ltd., 469 F. Supp. 2d 303, 319 (E.D. Pa. 2007)
- Mitchell v. Moore, 729 A.2d 1200, 1203 (Pa. Super. Ct. 1999)
- Styer v. Hugo, 619 A.2d 347, 350 (Pa. Super. Ct. 1993)
- Torchia ex rel. Torchia v. Torchia, 499 A.2d 581, 582 (Pa. Super. Ct. 1985)
- Roman Mosaic & Tile Co. v. Vollrath, 313 A.2d 305, 307 (Pa. Super. Ct. 1973)
- Whitaker v. Herr Foods, Inc., 198 F. Supp. 3d 476, 492-93 (E.D. Pa. 2016)

- Gee v. Eberle, 420 A.2d 1050, 1060 (Pa. Super. Ct. 1980)
- Benefit Tr. Life Ins. Co. v. Union Nat'l Bank, 776 F.2d 1174, 1177 (3d Cir. 1985)
- Curley v. Allstate Ins. Co., 289 F. Supp. 2d 614, 619 (E.D. Pa. 2003)
- Wilson v. Parker, 227 A.3d 343, 353 (Pa. Super. Ct. 2020)
- In re Lincoln Nat'l COI Litig., 269 F. Supp. 3d 622, 639 (E.D. Pa. 2017)
- Alston v. Parker, 363 F.3d 229, 235 (3d Cir. 2004)