UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF OKLAHOMA

Michael Schau v. Trisura Specialty Insurance Company; QBE Specialty Insurance Company; Gotham Insurance Company; and Summit Specialty Insurance Company

Schau · No. CIV-24-887-D · Decided February 17, 2026

SUMMARY

The United States District Court for the Western District of Oklahoma denied defendants' motion to compel arbitration and stay proceedings in an insurance coverage and bad-faith action. The court held that Oklahoma's insurance-contract exclusion in the Uniform Arbitration Act reverse preempts Chapter 2 of the Federal Arbitration Act under the McCarran-Ferguson Act. The court also declined to compel arbitration under equitable estoppel.

CASE DETAILS

COURT	United States District Court for the Western District of Oklahoma
WRITING FOR THE COURT	Timothy D. DeGiusti
JURISDICTION	United States District Court for the Western District of Oklahoma
DECIDED	February 17, 2026
DOCKET	CIV-24-887-D
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved to compel arbitration and stay the federal proceedings under an arbitration clause in the parties' insurance policy. The court denied the motion.
STANDARD OF REVIEW	The court applied the statutory standards governing motions to compel arbitration under Chapter 2 of the Federal Arbitration Act and the McCarran-Ferguson Act's reverse-preemption framework.
PRECEDENTIAL VALUE	unpublished
PARTIES	Trisura Specialty Insurance Company, QBE Specialty Insurance Company, Gotham Insurance Company, Summit Specialty Insurance Company v. Michael Schau

TOPICS

arbitration · insurance coverage · insurance · federalism · civil procedure

PRACTICE AREAS

insurance law · arbitration · federal jurisdiction · commercial litigation

QUESTIONS PRESENTED

1. Whether Chapter 2 of the Federal Arbitration Act, which implements the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, is an Act of Congress subject to reverse preemption under the McCarran-Ferguson Act.
2. Whether Oklahoma Statutes title 12, section 1855(D), which excludes contracts referencing insurance from the Oklahoma Uniform Arbitration Act, reverse preempts Chapter 2 of the Federal Arbitration Act.
3. Whether defendants could compel arbitration under equitable estoppel despite the reverse-preemption effect of section 1855(D).

HOLDINGS

1. Chapter 2 of the Federal Arbitration Act is an Act of Congress for purposes of the McCarran-Ferguson Act, and the Convention is treated as non-self-executing because it requires implementing legislation to have domestic legal effect.
2. Section 1855(D) of the Oklahoma Uniform Arbitration Act reverse preempts Chapter 2 of the FAA as applied to the insurance policy because the FAA provision does not specifically relate to insurance, section 1855(D) regulates the business of insurance, and compelling arbitration would impair or supersede section 1855(D).
3. Equitable estoppel does not provide a basis to compel arbitration where section 1855(D) reverse preempts Chapter 2 of the FAA and the arbitration clause is contained in an insurance contract covered by that exclusion.

KEY QUOTATIONS

> *"The McCarran-Ferguson Act therefore allows a State law regulating the business of insurance to reverse preempt conflicting federal law that does not specifically relate to insurance."* (at 4)

> *"Accordingly, the Court agrees with Plaintiff that Chapter 2 of the FAA must yield to Section 1855(D), and the Court should decline to compel arbitration of this matter under the Convention or Chapter 2 of the FAA."* (at 6)

FACTUAL BACKGROUND

Michael Schau owned commercial property in Oklahoma City that was insured under a commercial property policy underwritten by several insurers. A storm damaged the property in April 2023, and Schau submitted an insurance claim that the insurers allegedly wrongfully denied. Schau sued for breach of the insurance policy and bad faith, and the remaining insurers sought to compel arbitration under an arbitration clause in the policy.

PROCEDURAL HISTORY

Schau filed an insurance-coverage and bad-faith action in the District Court of Oklahoma County, Oklahoma, alleging storm damage to commercial property and wrongful denial of his claim. The action was removed to the United States District Court for the Western District of Oklahoma after the state-court dismissal without prejudice of two foreign insurers. The remaining defendants moved to compel arbitration and stay the proceedings.

DISPOSITION

other

CASES CITED

- Compañía de Inversiones Mercantiles S.A. v. Grupo Cementos de Chihuahua S.A.B. de C.V., 58 F.4th 429, 457 n.25 (10th Cir. 2023)
- Medellin v. Texas, 552 U.S. 491, 505 (2008)
- Davister Corp. v. United Republic Life Insurance Co., 152 F.3d 1277, 1279 n.1 (10th Cir. 1998)
- Krohmer Marina, LLC v. Certain Underwriters at Lloyd's London, 655 F. Supp. 3d 1124, 1142-43 (E.D. Okla. 2023)
- Sparks v. Old Republic Home Protection Co., Inc., 467 P.3d 680, 691 (Okla. 2020)
- Mutual Reinsurance Bureau v. Great Plains Mutual Insurance Co., Inc., 969 F.2d 931, 933 (10th Cir. 1992)
- Rader v. Ox Car Care Inc., No. 24-CV-445-JFJ, 2025 WL 1908968, at *5 (N.D. Okla. July 10, 2025)
- Bufkin Enterprises v. Indian Harbor Insurance Co., 96 F.4th 726, 732-33 (5th Cir. 2024)
- Safety National Casualty Corp. v. Certain Underwriters at Lloyd's London, 587 F.3d 714, 718 (5th Cir. 2009)