UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WASHINGTON

Tres Albatross, LLC v. Ohio Security Insurance Company

Tres Albatross · No. 2:25-cv-00873-JHC · Decided December 23, 2025

SUMMARY

The United States District Court for the Western District of Washington partially granted and partially denied Ohio Security Insurance Company's motion to dismiss Tres Albatross, LLC's First Amended Complaint. The court dismissed the declaratory judgment and breach of contract claims with prejudice as barred by the insurance policy's two-year suit limitation clause. The court allowed the Insurance Fair Conduct Act claim to proceed, concluding that the complaint plausibly alleged an unreasonable denial of coverage and complied with the statutory notice requirements.

CASE DETAILS

COURT	United States District Court for the Western District of Washington
WRITING FOR THE COURT	John H. Chun
JURISDICTION	United States District Court for the Western District of Washington
DECIDED	December 23, 2025
DOCKET	2:25-cv-00873-JHC
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved under Federal Rule of Civil Procedure 12(b)(6) to dismiss three claims in Plaintiff's First Amended Complaint: declaratory judgment, breach of contract, and an Insurance Fair Conduct Act claim.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts material allegations as true and construes them in the light most favorable to the nonmoving party, but conclusory statements and threadbare recitals of elements do not suffice. The complaint must contain sufficient factual matter to state a facially plausible claim. The court may also consider documents attached to, incorporated by reference into, or subject to judicial notice in the complaint.
PRECEDENTIAL VALUE	unpublished district court order

TOPICS

insurance coverage · motions to dismiss · breach of contract · declaratory relief insurance · consumer protection

PRACTICE AREAS

insurance · civil procedure · contracts · consumer protection

QUESTIONS PRESENTED

1. Whether Plaintiff's declaratory judgment and breach of contract claims were barred by the insurance policy's two-year limitation on legal actions.
2. Whether Plaintiff's declaratory judgment claim could proceed as an independent claim apart from an underlying cause of action.
3. Whether Plaintiff plausibly stated an IFCA claim despite allegedly failing to provide all information requested by the insurer before sending the IFCA notice and filing suit.

HOLDINGS

1. The breach of contract claim was time-barred because the policy required any legal action under the applicable coverage part to be brought within two years after the date of the direct physical loss or damage, and Plaintiff filed suit more than three years after the alleged January 7, 2022 loss.
2. The declaratory judgment claim was dismissed with prejudice because it was based exclusively on the time-barred policy claim and was therefore subject to the policy's two-year limitation clause.
3. To the extent Plaintiff asserted a declaratory judgment divorced from an independent cause of action, that purported claim also failed under Rule 12(b)(6) because declaratory relief is a remedy, not a standalone claim.
4. Plaintiff plausibly stated an IFCA claim by alleging that the insurer unreasonably denied coverage or payment of benefits, and the claim could not be dismissed at the pleading stage.

KEY QUOTATIONS

> *"To survive a motion to dismiss, "a complaint must contain sufficient factual matter, accepted as true, to 'state a claim to relief that is plausible on its face.'""* (Opinion at 3)

> *"No one may bring a legal action against us under [the Commercial Property] Coverage Part unless:"* (Opinion at 4)

> *"The insured must show that the insurer unreasonably denied a claim for coverage or that the insurer unreasonably denied payment of benefits. If either or both acts are established, a claim exists under IFCA."* (Opinion at 9)

> *"As the Court concludes that the FAC meets this standard, it must deny Defendant's request to dismiss Claim 6 for failure to state a claim under Rule 12(b)(6)."* (Opinion at 11)

FACTUAL BACKGROUND

Tres Albatross, LLC operated Wasabi Bistro in Seattle and held a commercial property insurance policy issued by Ohio Security Insurance Company. Heavy snow accumulation in late December 2021 caused the roof to leak as the snow melted, resulting in substantial damage to the restaurant; Plaintiff alleged the loss occurred on or about January 7, 2022. Plaintiff notified its insurance agent on May 16, 2022, later submitted claims and additional documentation, and received a preliminary indication of denied coverage on December 23, 2024, but allegedly never received a final coverage determination. Plaintiff sent IFCA notice in December 2024 and filed suit in April 2025.

PROCEDURAL HISTORY

Plaintiff filed the action in Washington state court on April 7, 2025. Defendant removed the action to federal court and initially moved to dismiss. Plaintiff filed a First Amended Complaint on June 4, 2025, mooting the initial motion. Defendant then moved to dismiss Claims 1, 2, and 6. The court granted the motion as to Claims 1 and 2 with prejudice and denied it as to Claim 6; the remaining claims were not challenged and remained intact.

DISPOSITION

other

CASES CITED

- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 556, 570 (2007)
- Chubb Custom Ins. Co. v. Space Sys./Loral, Inc., 710 F.3d 946, 956 (9th Cir. 2013)
- Navarro v. Block, 250 F.3d 729, 732 (9th Cir. 2001)
- United States v. Ritchie, 342 F.3d 903, 908 (9th Cir. 2003)
- W. Beach Condo. v. Commonwealth Ins. Co. of Am., 11 Wash. App. 2d 791, 804, 455 P.3d 1193 (2020)
- Ashburn v. Safeco Ins. Co., 42 Wash. App. 692, 697, 713 P.2d 742 (1986)
- Simms v. Allstate Ins. Co., 27 Wash. App. 872, 874, 621 P.2d 155 (1980)
- Wothers v. Farmers Ins. Co. of Washington, 101 Wash. App. 75, 80, 5 P.3d 719 (2000)
- City of Reno v. Netflix, Inc., 52 F.4th 874, 878 (9th Cir. 2022)
- Ainsworth v. Progressive Cas. Ins. Co., 180 Wash. App. 52, 79, 322 P.3d 6 (2014)
- Reverse Now VII, LLC v. Oregon Mut. Ins. Co., 2018 WL 646880, at *4 (W.D. Wash. Jan. 30, 2018)
- Williams v. Foremost Ins. Co. Grand Rapids Michigan, 2018 WL 1907523, at *4 (W.D. Wash. Apr. 23, 2018)
- Jin v. GEICO Advantage Ins. Co., 700 F. Supp. 3d 988, 993 (W.D. Wash. 2023)