UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF WASHINGTON

Kinsale Insurance Company v. VBC Madison LP et al.

Kinsale · No. 2:24-cv-02168-LK · Decided December 15, 2025

SUMMARY

The United States District Court for the Western District of Washington partially grants and partially denies VBC Madison LP’s renewed motion to stay an insurance coverage action. The court concludes that a time-limited stay will reduce potential prejudice to VBC in the underlying claims and promote judicial efficiency, while an indefinite stay could hardship Kinsale Insurance Company. The case is stayed for six months, with a joint status report due by June 15, 2026.

CASE DETAILS

COURT	United States District Court for the Western District of Washington
WRITING FOR THE COURT	Lauren King
JURISDICTION	United States District Court for the Western District of Washington
DECIDED	December 15, 2025
DOCKET	2:24-cv-02168-LK
DISPOSITION	other
PROCEDURAL POSTURE	Defendant VBC Madison LP renewed its motion to stay the insurer's declaratory-judgment action pending resolution of underlying claims arising from a fire. The district court granted the motion in part and denied it in part, staying the action for six months.
STANDARD OF REVIEW	The court exercised its inherent power to control its docket and evaluated the motion under the factors identified in CMAX, including possible damage from the stay, hardship or inequity from proceeding, and the orderly course of justice.
PRECEDENTIAL VALUE	nonprecedential district court order

TOPICS

declaratory relief insurance · insurance coverage · duty to defend · civil procedure · commercial litigation

PRACTICE AREAS

insurance coverage | insurance litigation | declaratory judgment | civil procedure

QUESTIONS PRESENTED

1. Whether the court should stay the insurance coverage action pending resolution of the underlying claims.
2. Whether the CMAX stay factors favored a stay after the court denied the insurer's summary-judgment motion because disputed facts precluded judgment on the policy exclusions.
3. Whether any stay should be indefinite or limited to a reasonable period.

HOLDINGS

1. The CMAX factors favored staying the coverage action because proceeding could prejudice VBC's defense of the underlying claims and a stay would simplify the factual and legal issues.
2. The stay must be time-limited; the court stayed the case for six months and required a status report addressing the status of the underlying claims and a schedule for resolving the coverage action.
3. Because factual disputes precluded summary judgment on the coverage exclusions, Kinsale was required to continue defending VBC while the duty to defend remained uncertain, but a time-limited stay did not impose the same significant hardship as an indefinite stay.

KEY QUOTATIONS

> *"Generally, stays should not be indefinite in nature."* (Discussion § II.B.1)

> *"This case is STAYED for six months from the date of this Order."* (Conclusion)

FACTUAL BACKGROUND

VBC Madison LP owned a vacant building in Seattle that caught fire, allegedly damaging an adjacent building owned by Frontier Development Corporation. Frontier's liability insurer sent VBC a demand letter concerning the resulting claims. Kinsale, VBC's liability insurer, defended VBC under a reservation of rights and sought a declaration that it owed no defense or indemnity obligations based on policy exclusions. The court had denied Kinsale's summary-judgment motion because factual disputes remained regarding the exclusions, including whether and to what extent the building was secured.

PROCEDURAL HISTORY

Kinsale filed this insurance coverage action seeking declarations that it owed VBC no duty to defend or indemnify VBC in connection with claims arising from a fire at VBC's vacant Seattle building. VBC previously moved to stay the case, but the court denied that motion while reserving the possibility of reconsideration if the coverage dispute could not be resolved on purely legal grounds. After the court denied Kinsale's summary-judgment motion because disputed facts existed concerning policy exclusions, VBC renewed its motion to stay. The court granted a six-month stay and required a joint status report by June 15, 2026.

DISPOSITION

other

CASES CITED

- Landis v. N. Am. Co., 299 U.S. 248, 254–55 (1936)
- Leyva v. Certified Grocers of Cal., Ltd., 593 F.2d 857, 864 (9th Cir. 1979)
- CMAX, Inc. v. Hall, 300 F.2d 265, 268 (9th Cir. 1962)
- Lockyer v. Mirant Corp., 398 F.3d 1098, 1112 (9th Cir. 2005)
- Nat’l Sur. Corp. v. Immunex Corp., 297 P.3d 688, 691, 695, 697 (Wash. 2013)
- Allstate Prop. & Cas. Co. v. Turpen, 2025 WL 948743, at *2 (W.D. Wash. Mar. 28, 2025)
- Northfield Ins. Co. v. Yates, Wood, & MacDonald, Inc., 2024 WL 4751181, at *2 (W.D. Wash. Nov. 12, 2024)
- Gov't Emps. Ins. Co. v. Gerjets, 2020 WL 1031295, at *4 (W.D. Wash. Mar. 3, 2020)
- Woo v. Fireman’s Fund Ins. Co., 164 P.3d 454, 459 (Wash. 2007)
- Am. Best Food, Inc. v. Alea London, Ltd., 229 P.3d 693, 700 (Wash. 2010)
- Dependable Highway Exp., Inc. v. Navigators Ins. Co., 498 F.3d 1059, 1066–67 (9th Cir. 2007)
- Fed. Ins. Co. v. Holmes Weddle & Barcott PC, 2014 WL 358419, at *5 (W.D. Wash. Jan. 31, 2014)
- Mut. of Enumclaw Ins. Co. v. Dan Paulson Constr., Inc., 169 P.3d 1, 8 (Wash. 2007)

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