UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ALABAMA

Randal Robinson et al. v. Liberty Mutual Personal Insurance Company

Robinson · No. 5:25-cv-1730-HDM · Decided February 20, 2026

SUMMARY

The United States District Court for the Northern District of Alabama granted Liberty Mutual Personal Insurance Company's Rule 12(b)(6) motion to dismiss claims arising from the denial of homeowners insurance coverage after a fire. The court held that the negligence, gross negligence, wantonness, breach of contract, bad-faith, and standalone damages claims failed, primarily because the policy required the named insured to reside at the property. The misrepresentation and fraud claims were dismissed without prejudice for failure to satisfy Rule 9(b), and plaintiffs were allowed fourteen days to amend those claims.

CASE DETAILS

COURT	United States District Court for the Northern District of Alabama
JURISDICTION	United States District Court for the Northern District of Alabama
DECIDED	February 20, 2026
DOCKET	5:25-cv-1730-HDM
DISPOSITION	other
PROCEDURAL POSTURE	Defendant moved to dismiss the complaint under Federal Rule of Civil Procedure 12(b)(6), and the court granted the motion, dismissing all eight counts, with Counts Five and Seven dismissed without prejudice and the remaining counts dismissed with prejudice.
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court accepts well-pleaded factual allegations as true and construes them in the light most favorable to the plaintiff, but disregards legal conclusions couched as factual allegations. Fraud-based claims are also subject to Rule 9(b)'s particularity requirement.
PRECEDENTIAL VALUE	nonprecedential
PARTIES	Randal Robinson, Kaylie Robinson, Marianne Maxson v. Liberty Mutual Personal Insurance Company

TOPICS

motions to dismiss · insurance coverage · breach of contract · insurance bad faith · fraud

PRACTICE AREAS

civil procedure · insurance · contracts · torts · remedies

QUESTIONS PRESENTED

1. Whether the negligence, gross-negligence, and wantonness claims based on the alleged mishandling or wrongful denial of an insurance claim stated cognizable claims under Alabama law.
2. Whether Plaintiffs plausibly pleaded a breach-of-contract claim where the policy's dwelling coverage applied to the residence premises and the named insured allegedly no longer resided at the property.
3. Whether the Robinsons could assert a breach-of-contract claim despite not being identified as named insureds or parties to the policy.
4. Whether the misrepresentation and fraud claims satisfied Rule 9(b)'s particularity requirement and plausibly alleged fraud distinct from a contractual breach.
5. Whether the bad-faith claim could proceed absent a plausible breach of the insurance policy and where the insurer had an arguable reason for denying coverage.
6. Whether a standalone claim labeled damages stated an independent cause of action.

HOLDINGS

1. Alabama law does not recognize causes of action for negligent, grossly negligent, or wanton handling of an insurance claim, and a mere failure to perform a contractual obligation is not a tort. Counts One through Three therefore failed to state claims and were dismissed with prejudice.
2. Plaintiffs failed to state a breach-of-contract claim because the policy conditioned Coverage A on the property being the named insured's residence premises, and Plaintiffs alleged that Maxson had moved from the property approximately ten months before the fire. Count Four was dismissed with prejudice.
3. Waiver or estoppel could not create or enlarge coverage where the unambiguous policy did not provide coverage.
4. The misrepresentation and fraud claims failed to plead fraud with particularity because they did not identify the specific material facts allegedly misrepresented, the speaker, when and where the statements were made, or how Plaintiffs were misled. Counts Five and Seven were dismissed without prejudice to amendment.
5. A bad-faith refusal-to-pay claim requires, among other elements, a breach of the insurance contract and the absence of an arguable reason for denial. Because Plaintiffs failed to plausibly allege a breach and the policy supplied at least an arguable reason for denial, Count Six failed and was dismissed with prejudice.
6. Damages are a remedy rather than a standalone cause of action. Count Eight therefore failed to state an independent claim and was dismissed with prejudice.

KEY QUOTATIONS

> *"Alabama courts have "steadfastly refused to recognize a cause of action for negligent or wanton handling of insurance claims.""* (§ III.A)

> *"The Policy's dwelling coverage is expressly tied to the "residence premises," not the broader "insured location" definition"* (§ III.B)

> *"Plaintiffs' pleadings do not identify the specific "material facts" allegedly misrepresented, who made the misrepresentations, when and where they were made, or how Plaintiffs were misled beyond conclusory assertions."* (§ III.C)

> *""Damages" is a remedy, not a standalone cause of action."* (§ III.E)

FACTUAL BACKGROUND

Marianne Maxson purchased a Huntsville, Alabama property in 2019 and later transferred the deed to Randal and Kaylie Robinson. Liberty Mutual's homeowners policy identified Maxson as the named insured and the property as the insured location. Plaintiffs alleged that Maxson moved from the property in October 2023, although some personal belongings and mail remained there, and that a fire damaged the property on August 28, 2024. Liberty Mutual denied coverage and allegedly continued accepting premiums afterward.

PROCEDURAL HISTORY

Plaintiffs filed an action asserting negligence, gross negligence, wantonness, breach of contract, misrepresentation, bad faith, fraud, and damages claims arising from Liberty Mutual's denial of coverage for a fire loss. Liberty Mutual moved to dismiss under Rule 12(b)(6). The court granted the motion and permitted Plaintiffs fourteen days to amend only the misrepresentation and fraud counts.

DISPOSITION

other

CASES CITED

- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555–56, 570 (2007)
- Brooks v. Blue Cross & Blue Shield, 116 F.3d 1364, 1370–71 (11th Cir. 1997)
- Speaker v. U.S. Dep't of Health & Hum. Servs. Ctrs. for Disease Control & Prevention, 623 F.3d 1371, 1379 (11th Cir. 2010)
- Hillery v. Allstate Indem. Co., 705 F. Supp. 2d 1343, 1367 (S.D. Ala. 2010)
- Kervin v. S. Guar. Ins. Co., 667 So. 2d 704, 706 (Ala. 1995)
- Chavers v. Nat'l Sec. Fire & Cas. Co., 405 So. 2d 1, 5 (Ala. 1981)
- C&C Prods., Inc. v. Premier Indus. Corp., 275 So. 2d 124, 130 (Ala. 1972)
- Calvert Fire Ins. Co. v. Green, 180 So. 2d 269, 272–73 (Ala. 1965)

- Swanson v. Allstate Ins. Co., No. 2:09-cv-2148-SLB, 2010 WL 11565275, at *3 (N.D. Ala. Nov. 8, 2010)
- Morton v. Auto. Ins. Co. of Hartford, Conn., 102 F. Supp. 3d 1248, 1256, 1259–60 (N.D. Ala. 2015)
- Mahens v. Allstate Ins. Co., 447 F. App'x 51 (11th Cir. 2011)
- Country Cas. Ins. Co. v. Massey, No. 3:09-cv-803-MEF, 2010 WL 5579881, at *5–6 (M.D. Ala. Dec. 20, 2010)
- Porterfield v. Audubon Indem. Co., 856 So. 2d 789, 799 (Ala. 2003)
- State Farm Fire & Cas. Co. v. Slade, 747 So. 2d 293, 308–09 (Ala. 1999)
- Cullman Leasing, LLC v. Wesco Ins. Co., No. 5:22-cv-468-LCB, 2022 WL 2820098, at *2 (N.D. Ala. July 19, 2022)
- Norman v. Liberty Mut. Fire Ins. Co., 471 F. Supp. 3d 1225, 1242 (N.D. Ala. 2020)
- Rivers v. Liberty Mut. Ins., No. 2:19CV1092-MHT, 2020 WL 6395452, at *3 (M.D. Ala. Nov. 2, 2020)
- Pearson's Pharmacy, Inc. v. Express Scripts, Inc., 505 F. Supp. 2d 1272, 1275–77 (M.D. Ala. 2007)
- Evans v. Adam's Rib, Inc., 289 Ala. 377, 267 So. 2d 448, 450 (Ala. 1972)
- State Farm Fire & Cas. Co. v. Brechbill, 144 So. 3d 248, 258 (Ala. 2014)
- Shelter Mut. Ins. Co. v. Barton, 822 So. 2d 1149, 1154 (Ala. 2001)
