IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

BRADFORD AND MAY-LING LOVE, Plaintiffs,	§	
v.	§	No. 1:24-cv-00651-DAE
STATE FARM LLOYDS, Defendant.	§	

ORDER GRANTING IN PART AND DENYING IN PART DEFENDANT'S MOTION FOR RECONSIDERATION

Before the Court is Defendant State Farm Lloyds's ("Defendant" or "State Farm") Motion for Reconsideration. (Dkt. # 33.) Plaintiffs Bradford and May-Ling Love ("Defendants" or "Loves") filed a response. (Dkt. # 34.) Defendant timely replied. (Dkt. # 35.)

The Court finds this matter suitable for disposition without a hearing. After careful consideration of the parties' briefs and the relevant law, the Court **GRANTS IN PART** and **DENIES IN PART** Defendant's Motion for Reconsideration (Dkt. # 33) for the reasons below.

BACKGROUND

As detailed in the Court's Order Granting in Part and Denying in Part Defendants' Motions for Summary Judgment ("Summary Judgment Order"), dated March 12, 2026, (Dkt. # 31), this action arises from an insurance coverage dispute

over wind and hail damage to Plaintiffs' property located at 3000 E. 17th Street, Austin, TX 78702 (the "Property"). (Dkt. # 1-1 at 6.) State Farm insured the Property under Homeowner Policy No. 53-E6-U808-6 (the "Policy"). (Dkt. # 25-1 at 48.)

On or about September 24, 2023, Plaintiffs opened a claim under the Policy for damage to their Property caused by a hailstorm, including alleged damage to the Property's metal roof system. (Dkt. # 25-1 at 4.) That hailstorm created, among other damage, slight openings in the seams between the panels of the Property's metal roof. (Dkt. # 28-4 at 16, 18.) On October 12, 2025, State Farm inspected the Property. (Dkt. # 25-1 at 4.) After the inspection, State Farm determined that while some loss was covered, any hail damage to the metal roof was excluded from coverage pursuant to the Policy's endorsement HO-2722 Metal Roof Exclusion for Hail (the "Metal Roof Endorsement"), which states, in relevant part:

> ***We*** also will not pay for any loss to the property described in Coverage A that consists of, or is directly and immediately caused by hail damage to any ***metal roof*** except as provided in **SECTION I – ADDITIONAL COVERAGES, Metal Roof**, regardless of whether the loss occurs abruptly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of the perils listed in 1.a. through 1.m.
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> * * * * *
>
> The following is added to **SECTION I – ADDITIONAL COVERAGES**:
>
> **Metal Roof.** We separately insure individual **metal roof** components on a covered building or structure for accidental direct physical loss directly and

> immediately caused by hail, but only if hail creates an opening that completely penetrates through that individual component. Coverage is limited to repairing or replacing the individual **metal roof** components with material of similar construction.

(Id. at 4–6, 102.) Per the terms of the Metal Roof Exclusion, a "metal roof" collectively includes various explicitly listed individual components, such as panels, vents, and turbines, as well as "any other metal roofing component comprising part of the overall roof system." (Id. at 102.) Following its determination that the alleged damage to the Property's metal roof was not a covered loss, State Farm issued an initial payment of $1,567.93. (Dkt. # 26-1 at 020.)

In December of 2023, Plaintiffs retained King Adjusting Services LLC ("King Adjusting") to inspect the Property. See (Dkt. # 25-1 at 114.) Thereafter, on State Farm received King Adjusting's January 8, 2024 estimate, which totaled $48,878.13 and included a full replacement of the Property's metal roof system. (Dkt. # 26-1 at 22–31.) After reviewing this estimate, State Farm revised its original assessment and, on January 17, 2024, issued a supplemental payment of $3,310.84 for additional repairs to the exterior of the dwelling and another structure. (Id. at 45.) State Farm's revised estimate did not include coverage of the damage to the metal roof. (Id.)

A dispute ensued regarding the scope of coverage under the Policy. On May 8, 2024, Plaintiffs filed suit against State Farm in the 250th Judicial

District of Travis County, Texas. (Dkt. # 1-1 at 1.) Plaintiffs' petition alleged claims for breach of contract, breach of the duty of good faith and fair dealing, violations of the Texas Deceptive Trade Practices Act, violations of the Texas Prompt Payment Act, and other violations of the Texas Insurance Code. On June 12, 2024, State Farm removed the case to this Court on the basis of diversity jurisdiction. (Dkt. # 1 at 2.) On July 29, 2025, State Farm moved for partial summary judgment on Plaintiffs' roof coverage claim and extra-contractual claims. (Dkts. ## 25, 26.)

On March 12, 2026, this Court denied Defendants' Motion for Summary Judgment on the roof coverage claim and granted in part and denied in part the Summary Judgment motion on Plaintiffs' extra-contractual claims. (Dkt. # 31.) On March 14, 2026, Defendant filed the instant motion for reconsideration on the Court's decision on the roof coverage claim. (Dkt. # 33.) The Court views this as a motion pursuant to Federal Rule of Civil Procedure 54(b).

LEGAL STANDARD

"[T]he Federal Rules of Civil Procedure do not recognize a general motion for reconsideration." St. Paul Mercury Ins. Co. v. Fair Grounds Corp., 123 F.3d 336, 339 (5th Cir. 1997). Such a motion, however, may be considered under Rule 54(b), which permits courts to revise "any order or other decision, however designated, that adjudicates fewer than all the claims or the rights and liabilities of

fewer than all the parties . . . before the entry of judgment." Fed. R. Civ. P. 54(b); see Tool Dev., Inc. v. Nat'l Semiconductor Corp., 881 F.Supp.2d 745, 748 (E.D. Tex. 2012) (holding that under Rule 54(b), a court retains the power to revise an interlocutory order before entry of a final judgment). "Rule 54(b) authorizes a district court to reconsider and reverse its prior rulings on any interlocutory order 'for any reason it deems sufficient.'" U.S. v. Renda, 709 F.3d 472, 479 (5th Cir. 2013) (quoting Saqui v. Pride Cent. Am., LLC, 595 F.3d 206, 210–11 (5th Cir. 2010)). "[T]he denial of a Rule 12(b)(6) motion to dismiss . . . is interlocutory in nature" and the reconsideration of such an order is thus governed by Rule 54(b). Morin v. Caire, 77 F.3d 116, 119 (5th Cir. 1996).

"Although the precise standard for evaluating a motion to reconsider under Rule 54(b) is unclear, whether to grant such a motion rests within the discretion of the [C]ourt." Bernard v. Grefer, Case No. 14-887, 2015 WL 3485761, at *5 (E.D. La. June 2, 2015). Given this uncertainty, some courts in the Fifth Circuit evaluate Rule 54(b) motions "under the same standards that govern Rule 59(e) motions." Namer v. Scottsdale Ins. Co., 314 F.R.D. 392, 393 (E.D. La. 2016) (collecting cases); but see UMG Recordings, Inc. v. Grande Commc'ns Networks, LLC, Case No. AU:17-ca-365-LY, 2018 WL 4501535, at *2 (W.D. Tex. Sept. 20, 2018).

"A Rule 59(e) motion calls into question the correctness of a judgment." Templet v. Hydrochem, Inc., 367 F.3d 473, 478 (5th Cir. 2004). "Under Rule 59(e), amending a judgment is appropriate (1) where there has been an intervening change in the controlling law; (2) where the movant presents newly discovered evidence that was previously unavailable; or (3) to correct a manifest error of law or fact." Demahy v. Schwarz Pharma, Inc., 702 F.3d 177, 182 (5th Cir. 2012). Rule 59(e), however, is "not the proper vehicle for rehashing evidence, legal theories, or arguments that could have been offered or raised before entry of judgment." Templet, 367 F.3d at 478. The Court must balance two competing interests in ruling on a motion to reconsider: "(1) the need to bring litigation to an end; and (2) the need to render just decisions on the basis of all the facts." Id. at 479. Reconsideration of a previous order is "an extraordinary remedy that should be used sparingly." Id. at 478–79.

However, when analyzing a motion to reconsider under Rule 54(b), "[t]he power to reconsider or modify interlocutory rulings is committed to the discretion of the district court, and that discretion is not cabined by the heightened standards for reconsideration governing final orders." Austin v. Kroger Texas, L.P., 864 F.3d 326, 337 (5th Cir. 2017) (quoting Saint Annes Dev. Co. v. Travich, 443 Fed. App'x 829, 831–32 (4th Cir. 2011)) (citation modified).

DISCUSSION

Defendant makes two primary assertions in its Motion. (Dkt. # 33.) First, State Farm contends the Court erred in its assumption that hail cannot "completely penetrate" an "individual metal component" within the meaning of the policy, rendering coverage illusory. (Dkt. # 33 at 2.) Second, they argue the Court erred in finding coverage was illusory where the analysis was focused on metal roof endorsement and not the policy as a whole. (Dkt. # 33 at 9–11.) Because many of Defendant's arguments are intertwined and rely on one another, the Court discusses them together.

This Court's Summary Judgment Order concluded that based on the plain language of the policy, the damage to Plaintiffs' metal roof would not be covered because the policy only provided coverage for hail damage when the hail "creates an opening that completely penetrates through that individual component." (Dkt. # 31 at 10.) Because Plaintiffs' insurance claims stemmed not from damage to an individual component, but to the seams between them, the Court found that the plain language did not support coverage for Plaintiffs' damages. (Id.)

However, the Court continued by finding coverage illusory, relying on Plaintiffs' expert who asserted hail passing through individual metal roof components was a physical impossibility. (Id. at 12.) Defendant argues the

Court's reasoning applying the illusory coverage doctrine was in error. While the Court agrees that portions of its Summary Judgment Order must be vacated for reliance on an incorrect assumption, the ultimate result remains the same.

I. The Court Grants in Part Defendant's Motion to Reconsider

The Court's Summary Judgment Order was premised in part on the assumption "that hail cannot physically 'completely penetrate' an 'individual metal component' in the manner suggested by the plain grammatical meaning of the Policy's language." (Dkt. # 31 at 12.) This assumption was the foundation for the Court's conclusion that the metal roof endorsement was ambiguous as written because it provided coverage only in the event of a physical impossibility.

In its Motion for Reconsideration, Defendant provides evidence suggesting that this premise was incorrect. Defendant provides new evidence not previously raised at summary judgment by its own experts who provide their opinions with photographs of metal roofs punctured by hail. (Dkt. ## 33-1, 33-2.) Defendant argues it did not have a chance to raise this evidence since Plaintiffs' arguments were first raised in their reply to Defendant's summary judgment motions and it could not provide additional evidence in its reply. Although Defendant does not adequately explain its failure to engage more substantively with Plaintiffs' evidence in its reply briefing, the Court nonetheless finds Defendant's evidence may impact the Court's prior analysis. Accordingly, the

Court **GRANTS IN PART** Defendant's Motion for Reconsideration. Specifically, because the challenged errors relate only to the illusory coverage analysis and the assumptions underlying it, only the sections of the Court's Summary Judgment Order on illusory coverage are reconsidered below. All other portions of the Order remain in effect. Defendant's Motion is **DENIED IN PART** in all other respects.[1]

II. The Metal Roof Endorsement Could Be Illusory

Defendant urges that the Court is limited to the plain language of the policy, and that the metal roof endorsement cannot be illusory because the policy as a whole provides other coverage. These arguments are addressed below.

Defendant cites Northfield Insurance Co. v. Herrera, 751 Fed. App'x 512, 518 (5th Cir. 2018) (per curiam), a case in which the Fifth Circuit explained that "when an insurance policy will provide coverage for other claims, Texas courts are unlikely to deem the policy illusory." According to Defendant, the Court should have viewed the metal roof endorsement in light of the full insurance policy, which does provide coverage for other claims. They further argue that even if the Court viewed the endorsement in isolation, the analysis commands the same

[1] Because the Court ultimately concludes Defendant's Motion for Summary Judgment should still be denied by other reasoning, Defendant's Reconsideration Motion is denied to the extent it requests an order granting its summary judgment motion.

result: that coverage is not illusory, because hail *can* in fact create openings that penetrate individual metal roof components.

Courts applying Texas law consistently refuse to construe insurance policies in ways that would render coverage under the policy illusory. See, e.g., ATOFINA Petrochemicals, Inc. v. Cont'l Cas. Co., 185 S.W.3d 440, 444 (Tex. 2005) (rejecting insurer's proposed interpretation of policy exclusion where interpretation "would render coverage under the endorsement largely illusory"). An insurance policy is not illusory merely because it does not extend coverage to claims the policyholder thought it would cover, but there must be at least some potential factual scenario where coverage under the endorsement would be triggered. See Balfour Beatty Constr. v. Liberty Mut. Fire. Ins. Co., 968 F.3d 504, 515 (5th Cir. 2020) (finding that coverage was not illusory where it could be extended to numerous potential factual scenarios).

However, the fact that the policy as a whole provides for additional coverage does little to support Defendant's position that the Metal Roof Endorsement itself is not illusory. The Court may view an endorsement in isolation when determining whether coverage is illusory. See, e.g., ATOFINA Petrochemicals, Inc., 185 S.W.3d at 444 (looking only to the exclusion, and not the full policy, in determining that one party's interpretation rendered an "endorsement largely illusory"). Defendant's cited authority does not compel the Court to view

the policy as a whole—endorsement and full policy—in deciding whether the endorsement on its own is illusory. For instance, Northfield Ins. Co. addresses an endorsement that functions purely as an exclusion; it does not purport to provide additional coverage like the at-issue endorsement here. See Northfield Ins. Co., 751 Fed. App'x at 518. When analyzing an exclusion, it is natural to look to the policy to see what coverage *is* excluded. But here, where the coverage provided is written into the Metal Roof Endorsement, the Court need not look to the full policy to determine metal roof coverage; both the coverage provided and the coverage excluded are contained within the endorsement, separate from the full insurance policy. Moreover, the issue presented in this case is not whether the full policy is illusory, but whether the endorsement is. Thus, the Court finds it appropriate to narrow its analysis to the Metal Roof Endorsement.

The Metal Roof Endorsement provides additional coverage for metal roofs under one circumstance: when individual metal roof components endure "accidental direct physical loss directly and immediately caused by hail," limited to instances when "hail creates an opening that completely penetrates through that individual component." (Dkt. # 25-1 at 102.) Accordingly, there is only one scenario in which coverage would be triggered; whether that scenario may occur is thus crucial to determining whether the Endorsement is illusory.

III. There are Disputed Issues of Fact Which Preclude Summary Judgment

In response to Defendant's summary judgment motion on the issue of roof coverage, Plaintiffs attached an affidavit from their expert witness, Robert Mohr, who wrote that in his experience adjusting over 200 claims involving hail damage to metal roofs, he had "never observed a single instance where the hailstorm created punctures in the metal panel components . . . ."[2] (Dkt. # 27-1 at 12–13.) Defendant's reconsideration motion brings evidence to the contrary, including images of hail that has damaged metal roofs such that there are holes through individual metal pieces. (Dkt. # 33-1–33-4.)

In its reconsideration motion, Defendant frames the illusory provision analysis as asking whether the policy contains language that will *never* be

[2] In its Motion for Reconsideration, Defendant complains that the Court's reliance on Mr. Mohr's report was misplaced because Mohr was not qualified to provide his expert opinion and his opinions are unreliable. (Dkt. # 33 at 12–14.) But Defendant does not explain why it failed to raise these objections in its reply in support of its motion for summary judgment. See Munoz v. Int'l All. of Theatrical Stage Emps., 653 F.2d 205, 214 (5th Cir. 1977) ("Inadmissible material that is considered by a district court without challenge may support a summary judgment. Here there was no timely objection and it is deemed waived."). To the extent Defendant has not waived these objections on summary judgment by failing to raise them in its summary judgment briefing or by failing to file a timely motion to strike the evidence, the Court finds these arguments unpersuasive. The thrust of Defendant's arguments go to credibility of the witness, which this Court does not consider at the motion for summary judgment stage. Heinsohn v. Carabin & Shaw, P.C., 832 F.3d 224, 245 (5th Cir. 2016). Further, Defendant does not explain why striking the evidence is the proper remedy, where it appears the asserted prejudice could be cured by less extreme measures such as moving to reopen discovery to re-depose the witness on his recent opinions.

triggered. (Dkt. # 33 at 9) (quoting Crum & Forster Specialty Ins. Co. v. DVO, Inc., 939 F.3d 852, 855 (7th Cir. 2019) ("[i]llusory policy language defines coverage in a manner that coverage will never actually be triggered"). But this quote from an out-of-circuit case is not persuasive in light of in-circuit caselaw to the contrary. Although there are some cases that suggest coverage is illusory only where the policy cannot trigger coverage under any circumstances, many others also look at whether the policy is "largely illusory," suggesting the analysis is less black and white. See Great Am. Ins. Co. v. Fed. Ins. Co., No. 3:04–CV–2267–H, 2006 WL 2263312, at *7 (N.D. Tex. Aug. 8, 2006) ("[R]eading the exclusions as [one party] asks the court to do would render [] coverage under the [] policies largely illusory."); ATOFINA Petrochemicals, Inc., 185 S.W.3d at 444 ("[W]e adopt [one party's] construction because [the other] interpretation . . . would render coverage under the endorsement largely illusory."); see also Trinity Univ. Ins. Co. v. Cowan, 945 S.W.2d 819, 828 (Tex. 1997) ("Adopting [the insurance company's] approach would render insurance coverage illusory *for many of the things for which insureds commonly purchase insurance*.") (emphasis added).

Thus, the open fact issue is not necessarily whether hail can *ever* penetrate a metal roof. Instead, many Texas courts appear to ask instead whether an interpretation would make a provision largely illusory. The Mohr Report creates this factual issue. Even setting aside the portions of the report giving an

opinion on contract interpretation, Plaintiff's expert does provide an affidavit claiming that he has never seen hail penetrate an individual metal component of a metal roof in his experience, which includes working in insurance adjustment adjusting claims involving hail damage to metal roofs. (See Dkt. # 27-1 at 12–13.) Because this fact issue underlies the Court's decision on whether the policy was illusory, a finding by the jury is necessary before making a final decision on the nature of the policy. At this stage, where the Court draws reasonable inferences in the nonmovant's favor, this creates a factual issue upon which summary judgment is inappropriate.[3] See Wease v. Ocwen Loan Svc'g, LLC, 915 F.3d 987, 992 (5th Cir. 2019). A reasonable jury could find that hail that "creates an opening that completely penetrates through" an individual metal roof component is so uncommon as to make State Farms's Metal Roof Endorsement entirely illusory.

Accordingly on reconsideration, the Court reaches the same ultimate result: Defendant's Motion for Partial Summary Judgment on the issue of roof coverage should be **DENIED**.

[3] The Court additionally considers and rejects Defendant's remaining arguments, finding them duplicative of issues raised at summary judgment and already considered in the Summary Judgment Order. See Templet, 367 F.3d at 478 (noting that motions for reconsideration are "not the proper vehicle for rehashing evidence, legal theories, or arguments that could have been offered or raised before entry of judgment.").

CONCLUSION

For the reasons above, Defendant's Motion for Reconsideration is **GRANTED IN PART** and **DENIED IN PART** as described above. (Dkt. # 33.)

IT IS SO ORDERED.
DATED: Austin, Texas, June 17, 2026

David A. Ezra
Senior United States District Judge

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
AUSTIN DIVISION

BRADFORD AND MAY-LING LOVE, *Plaintiffs*, vs. STATE FARM LLOYDS, *Defendant*.	§ § § § § § § § § § § §	No. 1:24-CV-651-DAE

ORDER

Before the Court are Defendant State Farm Lloyds's ("Defendant" or "State Farm") Motions for Partial Summary Judgment on the Issue of Roof Coverage and Plaintiffs' Extra-Contractual Claims. (Dkts. ## 25, 26.) Plaintiffs Bradford and May-Ling Love ("Plaintiffs") filed two Responses in Opposition, (Dkts. ## 27, 28), and Defendant filed two Replies in Support of its motions. (Dkts. ## 29, 30.) The Court finds these matters suitable for disposition without a hearing.

After careful consideration of the filings and relevant case law, the Court, for the following reasons, **DENIES** Defendant's Motion for Partial Summary Judgment on the Issue of Roof Coverage and **GRANTS IN PART AND DENIES IN PART** Defendant's Motion for Partial Summary Judgment on Plaintiffs' Extracontractual Claims.

BACKGROUND

This action arises from an insurance coverage dispute over wind and hail damage to Plaintiffs Bradford and May-Ling Love's ("Plaintiffs") property located at 3000 E 17th Street, Austin, TX 78702 (the "Property"). (Dkt. # 1-1 at 6.) State Farm insured the Property under Homeowner Policy No. 53-E6-U808-6 (the "Policy"). (Dkt. # 25-1 at 48.)

On or about September 24, 2023, Plaintiffs opened a claim under the Policy for damage to their Property caused by a hailstorm, including alleged damage to the Property's metal roof system. (Dkt. # 25-1 at 4.) That hailstorm created, among other damage, slight openings in the seams between the panels of the Property's metal roof. (Dkt. # 28-4 at 16, 18.)

On October 12, 2025, State Farm inspected the Property. (Dkt. # 25-1 at 4.) After the inspection, State Farm determined that while some loss was covered, any hail damage to the metal roof was excluded from coverage pursuant to the Policy's endorsement HO-2722 Metal Roof Exclusion for Hail (the "Metal Roof Exclusion"), which states, in relevant part:

> ***We*** also will not pay for any loss to the property described in Coverage A that consists of, or is directly and immediately caused by hail damage to any ***metal roof*** except as provided in **SECTION I – ADDITIONAL COVERAGES, Metal Roof**, regardless of whether the loss occurs abruptly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of the perils listed in 1.a. through 1.m.

* * * * *

> The following is added to **SECTION I – ADDITIONAL COVERAGES:**
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> **Metal Roof.** ***We*** separately insure individual ***metal roof*** components on a covered building or structure for accidental direct physical loss directly and immediately caused by hail, but only if hail creates an opening that completely penetrates through that individual component. Coverage is limited to repairing or replacing the individual ***metal roof*** components with material of similar construction.

(Id. at 4–6, 102.) Per the terms of the Metal Roof Exclusion, a "metal roof" collectively includes various explicitly listed individual components, such as panels, vents, and turbines, as well as "any other metal roofing component comprising part of the overall roof system." (Id. at 102.) Following its determination that the alleged damage to the Property's metal roof was not a covered loss, State Farm issued an initial payment of $1,567.93. (Dkt. # 26-1 at 020.)

In December of 2023, Plaintiffs retained King Adjusting Services LLC ("King Adjusting") to inspect the Property. See (Dkt. # 25-1 at 114.) Thereafter, on State Farm received King Adjusting's January 8, 2024 estimate, which totaled $48,878.13 and included a full replacement of the Property's metal roof system. (Dkt. # 26-1 at 22–31.) After reviewing this estimate, State Farm revised its original assessment and, on January 17, 2024, issued a supplemental payment of $3,310.84 for additional repairs to the exterior of the dwelling and another structure. (Id. at 45.) State Farm's revised estimate did not include coverage of the damage to the metal roof. (Id.)

A dispute ensued regarding the scope of coverage under the Policy. On May 8, 2024, Plaintiffs filed suit against State Farm in the 250th Judicial District of Travis County, Texas. (Dkt. # 1-1 at 1.) Plaintiffs' petition alleged claims for breach of contract, breach of the duty of good faith and fair dealing, violations of the Texas Deceptive Trade Practices Act, violations of the Texas Prompt Payment Act, and other violations of the Texas Insurance Code. On June 12, 2024, State Farm removed the case to this Court on the basis of diversity jurisdiction. (Dkt. # 1 at 2.) On July 29, 2025, State Farm moved for partial summary judgment on Plaintiffs' roof coverage claim and extra-contractual claims. (Dkts. ## 25, 26.)

LEGAL STANDARD

Summary judgment is proper only if there is no genuine issue as to any material fact and the movant is entitled to judgment as a matter of law. FED. R. CIV. P. 56(a). A genuine issue of material fact exists when the "evidence is such that a reasonable jury could return a verdict for the nonmoving party." Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248 (1986). The movant bears the initial burden of "informing the district court of the basis for its motion, and identifying those portions of [the record] which it believes demonstrates the absence of a genuine issue of material fact." Celotex Corp. v. Catrett, 477 U.S. 317, 323 (1986). While the movant must demonstrate the absence of a genuine issue of material fact, it does not need to

negate the elements of the nonmovant's claim. Id. A party may move for summary judgment on a claim or defense or part of a claim or defense. FED. R. CIV. P. 56(a).

Once the movant has met its burden, the burden shifts to the nonmovant to identify specific facts showing that there is a genuine issue for trial. Matsushita Elec. Indus. Co. v. Zenith Radio Corp., 475 U.S. 574, 587 (1986). At the summary judgment stage, the court draws all reasonable inferences in the light most favorable to the nonmovant. Wease v. Ocwen Loan Servicing, LLC, 915 F.3d 987, 992 (5th Cir. 2019). However, "unsubstantiated assertions, improbable inferences, and unsupported speculation are not sufficient to defeat a motion for summary judgment." United States v. Renda Marine, Inc., 667 F.3d 651, 655 (5th Cir. 2012).

The interpretation of an unambiguous insurance policy is a question of law and is therefore appropriate for summary judgment. See Royal Ins. Co. of Am. v. Hartford Underwriters Ins. Co., 391 F.3d 639, 641 (5th Cir. 2004). However, summary judgment is not proper if the policy is ambiguous and raises a material issue of fact. Amoco Prod. Co. v. Texas Meridian Res. Exploration Co., Inc., 180 F.3d 664, 669 (5th Cir. 1999).

DISCUSSION

I. The Issue of Roof Coverage

State Farm moves for partial summary judgment on Plaintiffs' breach of contract claim on the grounds that the Policy unambiguously excludes coverage

of the damage to the Property's metal roof. (Dkt. # 25 at 5–6.) Plaintiffs argue that this position rests on an objectively unreasonable interpretation of the Policy's language. (Dkt. # 27 at 3–5.) Alternatively, Plaintiffs argue that the Policy is ambiguous because it is susceptible to more than one reasonable interpretation. (Id. at 5–8.)

A. Applicable Principles of Contract Interpretation

Under Texas law, insurance policies are interpreted according to the same rules that govern contract interpretation generally. See State Farm Lloyds v. Page, 315 S.W.3d 525, 527 (Tex. 2010). The primary goal is to ascertain the parties' intent through the policy's written language. Id. In doing so, courts must give effect to every word, clause, and sentence, and avoid constructions that render any provision within the policy inoperative. Id.

When the interpretation of a contract is at issue, the trial court must determine whether the provisions in question are ambiguous. Nicol v. Gonzales, 127 S.W.3d 390, 394 (Tex. App.—Dallas 2004, no pet.) (citing Coker v. Coker, 650 S.W.2d 391, 394 (Tex. 1983)). Ambiguity is a question of law for the court to decide. Tremont LLC v. Halliburton Energy Servs., Inc., 696 F. Supp. 2d 741, 839–40 (S.D. Tex. 2010) (citing Coker, 650 S.W.2d at 393). The court's ambiguity determination is made by looking at the contract as a whole in light of the circumstances present when the parties entered the contract and the contract's express language. Italian

Cowboy Partners, Ltd. v. Prudential Ins. Co. of Am., 341 S.W.3d 323, 333 (Tex. 2011). When considered as a whole, a contract is ambiguous only if "its meaning is uncertain and doubtful or it is reasonably susceptible to more than one meaning." Coker, 650 S.W.2d at 393 (citation omitted). "If a contract is worded in such a manner that it can be given a definite or certain legal meaning, then it is not ambiguous." Friendswood Dev. Co. v. McDade & Co., 926 S.W.2d 280, 282 (Tex. 1996) (citing Nat'l Union, 907 S.W.2d at 520; Coker, 650 S.W.2d at 393).

"Courts interpreting unambiguous contracts are confined to the four corners of the document, and cannot look to extrinsic evidence to create an ambiguity." Tex. v. Am. Tobacco Co., 463 F.3d 399, 407 (5th Cir. 2006) (citing Sun Oil Co. v. Madeley, 626 S.W.2d 726, 732–33 (Tex. 1982); Gen. Accident Ins. Co. v. Unity/Waterford–Fair Oaks, Ltd., 288 F.3d 651, 657 (5th Cir. 2002)). Lack of clarity or inartful drafting alone will not render an agreement ambiguous. In re D. Wilson Const. Co., 196 S.W.3d 774, 781 (Tex. 2006) (citation omitted); Universal Health Servs., Inc. v. Renaissance Women's Grp., P.A., 121 S.W.3d 742, 746 (Tex. 2003); DeWitt Cnty. Elec. Co–op., Inc. v. Parks, 1 S.W.3d 96, 100 (Tex. 1999). A policy is also not ambiguous simply because the parties disagree over its meaning. Page, 315 S.W.3d at 527. If an insurance contract is determined to be ambiguous after applying the pertinent rules of construction, it is construed in favor of the insured. Kinsale

Ins. Co. v. Flyin' Diesel Performance, 99 F.4th 821, 827 (5th Cir. 2024) (applying Texas law).

B. Analysis

In the Court's view, the interpretive dilemma here concerns the meaning of the phrase "openings that completely penetrate through [an] individual metal roof component" and the scope of coverage that phrase affords under the Policy. The only openings alleged in the pleadings are separations along the seams between metal roof panels. (See Dkt. # 27 at 4, 6–8.) Applying the plain grammatical meaning of the text, State Farm argues that these separations are not covered because they do not constitute the type of "complete penetration" contemplated by the Policy. (Dkt. # 25 at 6.) State Farm further contends that the alleged openings are not *through* any "individual metal roof component," but rather occur *in between* multiple components, and therefore do not trigger coverage. (Dkt. # 30 at 4.)

Plaintiffs respond that State Farm's interpretation is objectively unreasonable because it would require hail to "puncture" the roof "ballistically," a condition that Plaintiffs claim is physically impossible. (Dkt. # 27 at 4–5.) Alternatively, Plaintiffs argue that, even if State Farm's interpretation is reasonable, the Policy is ambiguous. (Dkt. # 27 at 6.)

Though the Policy does not expressly define the term "individual metal roof component," the term's meaning is contemplated in the Policy's definition of "metal roof," included below:

> "***Metal roof***" collectively includes, but is not limited to the following individual components:
>
> a. exterior metal shingle or metal roof panel;
> b. metal underlayment panel;
> c. metal roof vent;
> d. metal turbine;
> e. metal skylight components;
> f. metal flashing panel or strip; and
> g. any other metal roofing component comprising part of the overall roof system.

(Dkt. # 25-1 at 102.)

Policy language is given its plain grammatical meaning unless doing so would defeat the parties' intent. Phila. Indem. Ins. Co. v. SSR Hospitality, Inc., 459 F. App'x 308, 313 (5th Cir. 2012) (citing DeWitt County Elec. Coop., Inc. v. Parks, 1 S.W.3d 96, 101) (Tex. 1999)). To determine plain meaning, courts may consult dictionary definitions and ordinary usage. (Id.)

At first glance, the plain language of the Policy appears to support State Farm's position. First, to "penetrate" means "to pass into or through."[1] Under this definition, dents in metal panels that result in separations along the seams between panels would not constitute penetration, as this damage does not "pass into or

[1] "Penetrate," Merriam-Webster, https://www.merriam-webster.com/dictionary/penetrate (last visited March 12, 2026).

through" the metal panels themselves. The only way to trigger coverage under the plain meaning of the Policy language, then, is if a metal seam may reasonably be construed as an "individual metal roof component."

The term "individual" is commonly defined as "existing as a distinct entity,"[2] connoting something separate and independent. This understanding is consistent with the Policy's definition of "metal roof," which references individual components—such as panels, vents, and turbines—that are singular, discrete parts of the overall roofing system. See (Dkt. # 25-1 at 102.) A metal seam, by contrast, is not a separate component, but rather the junction where multiple components meet. Accordingly, the plain grammatical meaning of the Policy's language does not support coverage for the seam separations at issue here.

But the analysis cannot end here. Next, the Court must consider whether this construction of the Policy would render coverage under the endorsement illusory. Courts applying Texas law consistently refuse to construe insurance policies in ways that would render coverage under the policy illusory. See, e.g., ATOFINA Petrochemicals, Inc. v. Cont'l Cas. Co., 185 S.W.3d 440, 444 (Tex. 2005) (rejecting insurer's proposed interpretation of policy exclusion where interpretation "would render coverage under the endorsement largely illusory"). An

[2] "Individual," Merriam-Webster, https://www.merriam-webster.com/dictionary/individual (last visited March 12, 2026).

insurance policy is not illusory merely because it does not extend coverage to claims the policyholder thought it would cover, but there must be at least some potential factual scenario where coverage under the endorsement would be triggered. See Balfour Beatty Constr. v. Liberty Mut. Fire. Ins. Co., 968 F.3d 504, 515 (5th Cir. 2020) (finding that coverage was not illusory where it could be extended to numerous potential factual scenarios).

Whether there exist potential factual scenarios in which coverage under the endorsement may be triggered depends on the type of damage that hail might realistically cause. The plain grammatical meaning of the text seems to suggest that the hail must completely pass through the metal itself to trigger coverage—something Plaintiffs claim, and State Farm does not rebut, is physically impossible. (Dkt. # 27 at 4–5.)

Notably, State Farm itself is unwilling to commit to this interpretation of the Policy language. In its motion for summary judgment, State Farm seems to lean into the plain grammatical meaning of the text and defends its position by citing evidence that there were no openings that penetrated through the roof "like a bullet," "like a puncture wound," or "in the shape of a hail." (Dkt. # 25 at 7.) Yet, when confronted with the argument that interpreting the Policy to require a "ballistic puncture" would render coverage under the endorsement illusory, State Farm replied that it offers no interpretation of the Policy, that it does not contend that hail must

"ballistically puncture" the roof to trigger coverage, and that it is simply asking the Court to apply the text of the Policy as written. (Dkt. # 30 at 1.) Furthermore, State Farm has not cited evidence to refute Plaintiffs' claim that it is physically impossible for hail to penetrate a metal roof in the manner suggested by the plain meaning of the Policy language, nor has it offered potential factual scenarios where coverage would be triggered under the endorsement. It is also worth noting State Farm's own summary judgment evidence suggests a potential ambiguity regarding whether a metal seam qualifies as a "roofing component." In the October 27 letter sent to Plaintiffs, State Farm's agent admitted there was damage to Plaintiffs' "metal roof and roofing components," but determined that such damage was "cosmetic in nature"—a condition which does not defeat coverage under the express terms of the endorsement. See (Dkt. # 25-1 at 102); (Dkt. # 26-1 at 4.)

At the summary judgment stage, the Court must draw all reasonable inferences in the light most favorable to the nonmovant. Wease, 915 F.3d at 992. Assuming, as Plaintiffs contend, that hail cannot physically "completely penetrate" an "individual metal component" in the manner suggested by the plain grammatical meaning of the Policy's language, a strictly literal application of the Metal Roof Exclusion would result in coverage that is effectively illusory—that is, the endorsement would never trigger coverage. Under these circumstances, the language of the Policy cannot be given its plain grammatical meaning because doing

so would defeat the parties' intent, which is presumably to provide coverage in at least some possible factual scenario. See Phila. Indem. Ins. Co., 459 Fed. App'x at 313 ("The language contained in the contract should be given a plain grammatical meaning unless to do so would defeat the parties' intent."). The Court therefore concludes that the endorsement is ambiguous because its plain text cannot be given a definite legal meaning and it is susceptible to more than one reasonable interpretation, and thus, summary judgment is inappropriate on this basis. See Amoco Prod. Co., 180 F.3d at 669.

Accordingly, State Farm's motion for partial summary judgment on the issue of roof coverage is **DENIED**. (Dkt. # 25.)

II. Extra-Contractual Claims

State Farm moves for summary judgment on Plaintiffs' extra-contractual claims for violations of the common law duty of good faith and fair dealing, the Texas Insurance Code, and the Texas Deceptive Trade Practices Act (the "DTPA"). Because State Farm does not seek summary judgment of Plaintiffs' claim under § 542.058 of the Prompt Payment of Claims Act, see (Dkt. # 30 at 3–4), the Court does not consider that issue at this time.[3]

[3] As their tenth cause of action, Plaintiffs seek statutory interest on their Prompt Payment of Claims Act claim pursuant to § 542.060 of the Texas Insurance Code. See (Dkt. # 1-1 at 15–16); TEX. INS. CODE § 542.060(c) (providing that if an insurer that is liable for a claim under an insurance policy is not in compliance with the Prompt Payment of Claims Act, the insurer is liable to pay the policy holder simple

A. Bad Faith Claims

First, the Court considers Plaintiffs' bad faith claims made pursuant to the common law duty of good faith and fair dealing, sections 541.060(a)(2)(A) and 541.060(a)(7) of the Texas Insurance Code, and the DTPA.

Insurers owe a common law duty to "deal fairly and in good faith" in processing and paying claims. Republic Ins. Co. v. Stoker, 903 S.W.2d 338, 340 (Tex. 1995). An insurer breaches this duty if it denies a claim when its liability has become reasonably clear. State Farm Fire & Cas. Co. v. Simmons, 963 S.W.2d 42, 44 (Tex. 1998). To prevail, a plaintiff must show that the insurer (1) had no reasonable basis for denying or delaying benefits under the policy and (2) knew or should have known that no reasonable basis existed. Stoker, 903 S.W.2d at 340. This same standard is imputed to statutory liability under chapter 541 of the Texas Insurance Code and the DTPA. Bernstien v. Safeco Ins. Co., No. 05-13-01533-CV,2015 Tex. App. LEXIS 6699, at *5 (Tex. App.—Dallas June 30, 2015) (mem. op.). Texas law renders it an unfair settlement practice for an insurance company to fail to "attempt in good faith to effectuate a prompt, fair, and equitable settlement of a claim with respect to which the insurer's liability has become reasonably clear."

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interest on the amount of the claim). State Farm does not seek summary disposition of this claim. See (Dkts. # 26 at n.1; # 30 at 3–4.)

TEX. INS. CODE § 541.060(a)(2)(A). And an insurer cannot deny a claim "without conducting a reasonable investigation." Id. at § 541.060(a)(7).

Although the issues of bad faith and the reasonableness of an insurer's conduct are ordinarily questions of fact for the jury, a court may determine as a matter of law that the undisputed record establishes a reasonable basis for denial. See Dadfar v. Liberty Mut. Ins. Co., No. A-20-CV-00071-DH, 2022 U.S. Dist. LEXIS 234360, at *12–*13 (W.D. Tex. Nov. 10, 2022). If the insurer meets its summary judgment burden, the burden shifts to the insured to present evidence sufficient to support a bad faith claim. Id.

State Farm argues that the record shows, at most, a bona fide coverage dispute. "Evidence that merely shows a bona fide dispute about the insurer's liability on the contract does not rise to the level of bad faith." Transp. Ins. Co. v. Moriel, 879 S.W.2d 10, 17 (Tex. 1994). Courts must distinguish between the contract dispute and the tort inquiry, as bad faith focuses on the reasonableness of the insurer's conduct, not merely whether coverage ultimately exists. See Nieto v. State Farm, 722 F. Supp. 3d 653, 658 (S.D. Tex. 2024).

Viewed in the light most favorable to Plaintiffs, the summary judgment record suggests more than a bona fide dispute over policy interpretation. First, Plaintiffs contend that State Farm's explanation for the denial of coverage was unreasonable because it was grounded on an untenable interpretation of the Policy

language. Specifically, Plaintiffs argue that State Farm denied coverage on the basis that a covered "opening" under the Policy requires a puncture through a metal roofing component itself, and that it is physically impossible for hail to produce such an opening. (Dkt. 28 at 4–5.) Assuming, as Plaintiffs contend, that such a condition is physically impossible, then coverage under the Metal Roof Exclusion is rendered effectively illusory, meaning it could never be triggered in practice. A reasonable factfinder could infer that reliance on a policy requirement incapable of practical satisfaction supports a finding that the denial lacked a reasonable basis and that State Farm knew or should have known as much.

Next, Plaintiffs have raised a genuine issue of material fact as to whether State Farm conducted a reasonable investigation of the claim. The summary judgment record shows that on October 12, 2023, State Farm responded to Plaintiffs' claim and sent an adjuster to inspect the property. (Dkt. # 26-1 at 4.) Shortly thereafter, State Farm issued an estimate reflecting $1,567.93 in covered damages. (Id. at 21.) Plaintiffs disagreed with this valuation and retained Kings Adjusting, which concluded that additional covered damage existed, including damage warranting full roof replacement totaling 48,878.13. (Id. at 22–31.) State Farm reviewed the Kings Adjusting estimate and revised its own estimate to include certain additional repairs but maintained that the metal roof was not covered under the Policy. (Id. at 32–44, 45.) Notably, Plaintiffs point to evidence that State Farm's

own adjuster initially estimated a higher claim amount that was reviewed and overridden. (Dkt. # 28-3 at 30–31.)

Conflicting damages estimates, without more, show only a bona fide dispute regarding the extent of liability. Chavez v. State Farm Lloyds, 746 F. App'x 337, 342 (5th Cir. 2018), *abrogated on other grounds by* Agredano v. State Farm Lloyds, 975 F.3d 504, 506–07 (5th Cir. 2020). But Plaintiffs show more than a disagreement over valuation—they present evidence that calls into question the reasonableness of the investigation itself. See, e.g., State Farm Lloyds v. Nicolau, 951 S.W.2d 444, 448 (Tex. 1997) (holding that bad faith liability may arise when an insurer's reliance on a report was unreasonable).

That State Farm's denial of coverage was supported by its experts' investigative reports does not automatically entitle it to summary judgment. An insurer's reliance on an expert is not shielded from bad faith liability when the evidence shows that the report was not objectively prepared or that reliance on it was unreasonable. Nicolau, 951 S.W.2d at 448. Here, Plaintiffs contend that State Farm's investigation proceeded under the premise that only a puncture through a metal roofing component constitutes a covered "opening"—a condition which, Plaintiffs argue, is physically impossible. (Dkt. # 28 at 4–5.) If such a condition is not realistically capable of occurring, then a reasonable factfinder could conclude

that the investigation was structured around a foreclosed interpretation of coverage and that reliance on reports generated under that premise was unreasonable.

Additionally, Plaintiffs point to evidence that State Farm reduced its own adjuster's initial draft estimate before issuing its final position. (Dkt. # 28-3 at 30–31.) When viewed in the light most favorable to Plaintiffs, that evidence, combined with State Farm's potentially untenable understanding of the Metal Roof Exclusion, raises a fact issue as to whether the investigation or resulting report was outcome-oriented. See Nicolau, 951 S.W.2d at 458 (explaining that an insurer fails to reasonably investigate when the investigation is conducted as a pretext for denial or is outcome-oriented).

For the above reasons, the Court finds that Plaintiffs have raised a genuine issue of material fact regarding State Farm's alleged bad faith in the investigation and settlement of their claim. Accordingly, the Court **DENIES** State Farm's motion for partial summary judgment on Plaintiffs' bad faith claims under the common law, the Insurance Code, and the DTPA.

B. Misrepresentation Claims

Next, the Court considers Plaintiffs' claims for alleged misrepresentations brought under the DTPA and sections 541.051, 541.060, 541.061, and 542.056 of the Texas Insurance Code. State Farm moves for summary judgment on these claims, contending that it made no actionable misrepresentations and that

any alleged statements occurred post-loss, such that Plaintiffs are foreclosed from recovery because they cannot prove causation and reliance.

In their Original Petition, Plaintiffs identify the following statements as actionable misrepresentations under various provisions of the Texas Insurance Code and the DTPA: (1) State Farm's October 27th estimate concluding that the hail damage to Plaintiffs' roof did not completely penetrate through a metal roofing component and therefore did not trigger coverage; (2) State Farm's January 19th estimate providing additional coverage while continuing to deny coverage for the roof; and (3) State Farm's March 7th letter advising Plaintiffs that coverage was denied pursuant to the Metal Roof Exclusion. (Dkt. # 1-1 at 9–10.)

"An affirmative misrepresentation of insurance coverage may give rise to claims under the DTPA and the Texas Insurance Code." Jajou v. Safeco Ins. Co. of Ind., No. SA-20-CV-00839-XR, 2022 U.S. Dist. LEXIS 12924, at *21 (W.D. Tex. Jan. 24, 2022). To proceed on such claims, an insured must "point to an express misrepresentation or an omission relating to an insurance policy that the insurer allegedly made." Id. (quoting Ramirez v. GEICO, 548 S.W.3d 761, 775 (Tex. App.—El Paso 2018, pet. denied)).

To establish a violation of § 541.060(a)(1), a plaintiff must show that the insurer misrepresented (1) a material fact or policy provision that (2) relates to the coverage at issue. Dadfar, 2022 U.S. Dist. LEXIS 234360 at *9 (quoting

Olschwanger v. State Farm Lloyds, No. 4:19-CV-00933-SDJ-CAN, 2021 U.S. Dist. LEXIS 163786, at *5 (E.D. Tex. July 30, 2021), report and recommendation adopted, 2021 U.S. Dist. LEXIS 163238 (E.D. Tex. Aug. 30, 2021)). Additionally, "post-loss misrepresentations do not give rise to Insurance Code liability where the insured takes no action based on the representation to its injury or damage." Id. at *11; see also Nunn v. State Farm Mut. Auto. Ins. Co., 729 F. Supp. 2d 801, 813 (N.D. Tex. 2010) (noting that recovery under §§ 541.051 and 541.061 requires proof that the alleged misrepresentation was a producing cause of the plaintiff's damages). Accordingly, to avoid summary judgment, Plaintiffs must raise "a fact issue of an 'unbroken causal connection' between the misrepresentation . . . and [their] injuries." See Doe v. Boys Clubs of Greater Ball., Inc., 907 S.W.2d 472, 481 (Tex. 1995)). Absent evidence of such reliance, any alleged misrepresentations are not actionable under either the Texas Insurance Code or the DTPA. See Weyerts v. S. Farm Bureau Life Ins. Co., No. P:19-CV-19-DC, 2020 U.S. Dist. LEXIS 204501, at *12 (W.D. Tex. Sept. 14, 2020); see also Jajou, 2022 U.S. Dist. LEXIS 12924, at *24 (noting that the DTPA allows consumers to bring private actions when they rely to their detriment on a misleading representation and such reliance is a producing cause of economic damages).

State Farm argues that Plaintiffs have failed to identify any actionable misrepresentation. See (Dkt. # 26 at 8–11.) The Court agrees. "[W]here the alleged

misrepresentations pertain to [the insurer's] failure to comply with the terms of the policy as Plaintiff interprets it, 'such a failure is properly characterized as a breach of contract, not a misrepresentation.'" Frias v. Allstate Vehicle & Prop. Ins. Co., No. SA-25-CV-00395-OLG, 2025 U.S. Dist. LEXIS 211543, at *4 (W.D. Tex. Oct. 24, 2025) (quoting Partain v. Mid-Continent Speciality Ins. Servs., Inc., 838 F. Supp. 2d 547, 563 (S.D. Tex. 2012), aff'd sub nom., Graper v. Mid-Continent Cas. Co., 756 F.3d 388 (5th Cir. 2014)). The alleged misrepresentations in the October 27th, January 19th, and March 7th correspondence pertain to State Farm's perceived failure to comply with the terms of the Policy as Plaintiffs interpret it. Such statements are not actionable misrepresentations; rather, they concern the parties' competing interpretations of the Policy and are better addressed under Plaintiffs' breach of contract claim. See Effinger v. Cambridge Integrated Servs. Grp., 478 F. App'x 804, 807 (5th Cir. 2011) (holding that a policy's promise to promptly compensate does not become a misrepresentation merely because an insurance carrier disputes whether an injury is compensable and delays payment).

Moreover, even assuming that the challenged statements did qualify as misrepresentations, Plaintiffs have produced no evidence of reliance or producing cause.[4] It is well established law that post-loss statements regarding coverage do not

[4] "A producing cause is 'an efficient, exciting, or contributing cause, which in a natural sequence, produced injuries or damages complained of, if any.'" Nast v.

give rise to liability under either the Texas Insurance Code or the DTPA absent proof that the insured relied on the alleged misrepresentation to their detriment. See Frias, 2025 U.S. Dist. LEXIS 211543, at *4 (explaining that alleged misrepresentations made by an insurer regarding coverage under the policy are not actionable absent evidence of reliance); Nunn, 729 F. Supp. 2d at 813 (explaining that a claim under the Texas Insurance Code for misrepresentation requires proof that the alleged misrepresentation caused the plaintiff's damages); Carper v. State Farm Lloyds, No. 3-01-CV-1979-M, 2002 U.S. Dist. LEXIS 17485, at *31 (N.D. Tex. Sept. 13, 2002) (granting summary judgment as to plaintiffs' misrepresentation claims where there was no evidence of reliance and causation); Davis v. State Farm Lloyds, No. 3:15-CV-0596-B, 2015 U.S. Dist. LEXIS 95086, at *13 (N.D. Tex. July 21, 2015) (noting that DTPA liability is imposed only when "the agent misrepresents specific policy terms prior to a loss, and the insured's reliance upon that misrepresentation actually causes the insured to incur damages.") (quoting Griggs v. State Farm Lloyds, 181 F.3d 694, 701 (5th Cir. 1999)). Plaintiffs' alleged injury is the underpayment of policy benefits. The challenged communications occurred after that claimed loss, such that Plaintiffs could not have relied on the alleged misrepresentations to their detriment.

State Farm Fire & Cas. Co., 82 S.W.3d 114, 121 (Tex. App.—San Antonio 2002, no pet.) (quoting Union Pump Co. v. Allbritton, 898 S.W.2d 773, 775 (Tex. 1995)).

For the above reasons, the Court finds that Plaintiffs have failed to raise a genuine issue of material fact regarding State Farm's alleged misrepresentations. Accordingly, the Court **GRANTS** State Farm's motion for partial summary judgment on Plaintiffs' misrepresentation claims.

C. Breach of an Express or Implied Warranty Under the DTPA

Next, Plaintiffs allege in their Petition that State Farm breached an express or implied warranty that hail damage would be covered under the Policy, in violation of section 17.50(a)(2) of the DTPA. (Dkt. # 1-1 at 19.) State Farm does not expressly address this claim in its Motion for Summary Judgment. Instead, it subsumes the allegation within Plaintiffs' broader misrepresentation claims, see (Dkt. # 26 at 9), which are governed by a different legal standard than breach of warranty claims. See, e.g., Nast, 82 S.W.3d at 121–23 (analyzing misrepresentation and breach of implied warranty claims separately).

Accordingly, the Court finds that State Farm failed to meaningfully address the breach of warranty claim and did not identify an absence of summary judgment evidence demonstrating that no genuine issue of material fact exists at this stage of the litigation. See Celotex Corp., 477 U.S. at 323 (holding that the summary judgment movant bears the initial burden of showing the absence of a genuine issue of material fact). Moreover, the Court's determination that a genuine issue of material fact precludes summary judgment on Plaintiffs' breach of contract claim

further counsels against granting summary judgment on the breach of express warranty claim. See Medical City Dallas, Ltd. v. Carlisle Corp., 251 S.W.3d 55, 60 (Tex. 2008) (explaining that although breach of express warranty is distinct from breach of contract, both are contractual in nature and analyzed similarly).

Because the parties have not sufficiently briefed the issue to the extent that the Court may determine as a matter of law that no cause of action exists for breach of warranty under the DTPA, it would be improper to grant summary judgment on Plaintiffs' breach of warranty claim at this stage of the litigation. Accordingly, State Farm's motion for partial summary judgment on Plaintiffs' warranty claim under section 17.50(a)(2) of the DTPA is **DENIED**.

D. Intentional Violation Claims Under the DTPA

Finally, the Court considers Plaintiffs' claims that they are entitled to recovery of exemplary damages on the basis that State Farm's alleged DTPA violations were committed "intentionally." See (Dkt. # 1-1 at 12–15.) A prevailing consumer may recover additional damages under the DTPA if the factfinder determines that the defendant acted "knowingly" or "intentionally." TEX. BUS. & COM. CODE § 17.50(b)(1). Under the DTPA:

> "Intentionally" means ***actual awareness*** of the falsity, deception, or unfairness of the act or practice . . . giving rise to the consumer's claim, coupled with the ***specific intent that the consumer act in detrimental reliance*** on the falsity or deception or in detrimental ignorance of the unfairness. Intention may be inferred from objective manifestations that indicate that the person acted intentionally or from facts showing that a

> defendant acted with flagrant disregard of prudent and fair business practices to the extent that the defendant should be treated as having acted intentionally.

Id. at § 17.45(13) (emphasis added).

Plaintiffs have produced no evidence creating a genuine issue of material fact on this heightened standard. In their Response, the only evidence cited in support of their allegations of intentional conduct is that State Farm adjuster Angela Henderson initially sought authority to issue a payment of $7,200.77 that was later reviewed and reduced. (Dkt. # 28-3 at 30–31.) At most, this evidence raises a fact issue on the reasonableness of State Farm's investigation of the claim. It does not, without more, demonstrate actual awareness of falsity or deception, nor does it show a specific intent that Plaintiffs act in detrimental reliance on the alleged falsity or deception or in detrimental ignorance of the unfairness.

For the reasons above, the Court finds that Plaintiffs have failed to raise a genuine issue of material fact on the issue of State Farm's alleged intentional violations of the DTPA. Accordingly, the Court **GRANTS** State Farm's motion for partial summary judgment on Plaintiffs' intentional violation claims.

CONCLUSION

For the reasons stated, the Court **DENIES** State Farm's Partial Motion for Summary Judgment on the Issue of Roof Coverage (Dkt. # 25) and **DENIES IN PART AND GRANTS IN PART** State Farm's Motion for Summary Judgment on

Plaintiffs' Extracontractual Claims (Dkt. # 26). Specifically, Defendant's Motion for Summary Judgment on Extracontractual Claims is **GRANTED** as to Plaintiffs' claims under sections 541.051, 541.060(a)(1), 541.060(a)(3), 541.061, and 542.056 of the Texas Insurance Code and sections 17.46 and 17.50(b)(1) of the Texas Deceptive Trade Practices Act, and such claims are **DISMISSED**. Defendant's Motion is **DENIED** in all remaining aspects, leaving Plaintiff's claims for bad faith under the common law, Insurance Code, and DTPA, warranty claim under section 17.50(a)(2) of the DTPA, and any claims on which State Farm did not seek summary judgment surviving. Trial in this case will be set by separate order.

IT IS SO ORDERED.

DATED: Austin, Texas, March 12, 2026.

David Alan Ezra
Senior United States District Judge