IN THE SUPERIOR COURT OF THE STATE OF DELAWARE

STANISLAUS GORAK, and KIM GORAK,	)	
Plaintiffs,	)	
v.	)	C.A. No. N25C-05-249 SKR
STATE FARM FIRE AND CASUALTY COMPANY,	)	
Defendant.	)	

Submitted: May 27, 2026
Decided: August 4, 2026

MEMORANDUM OPINION AND ORDER

Upon Consideration of Plaintiffs' Motion for Partial Summary Judgment on Count II of the Amended Complaint:
DENIED.

Upon consideration of Defendant's Motion for Partial Summary Judgment:
GRANTED in part and DENIED in part.

Upon consideration of Plaintiffs' Motion to Defer Ruling on Defendant's Motion for Summary Judgment on Punitive Damages:
DENIED.

Daulton Gregory, Esq., MARIN & GREGORY LLC, Wilmington, Delaware, *Attorney for Plaintiffs.*

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RENNIE, J.

I. INTRODUCTION

This insurance coverage dispute arises from a significant water intrusion event at a residential property owned by Plaintiffs Stanislaus and Kim Gorak (the "Goraks"). On February 3, 2025, a ceiling collapsed into the first floor of the property following extensive water damage, which was allegedly caused by a ruptured pipe during a period of winter weather. Defendant State Farm Fire and Casualty Company ("State Farm"), the Goraks' homeowners insurance provider, subsequently denied coverage for the loss, citing policy exclusions related to frozen pipes and a failure to maintain heat in an unoccupied dwelling. Months of contentious correspondence and an investigation ensued, culminating in the operative litigation.

The matter is now before the Court on cross-motions for summary judgment. Despite ongoing discovery, the Goraks move for partial summary judgment on the issue of bad faith. State Farm opposes the Goraks' motion and files a cross-motion for full summary judgment, asserting a total defense to liability under the policy. Following the completion of briefing on the cross-motions, the Goraks filed an additional, ancillary motion requesting that the Court defer ruling on the availability of punitive damages.

For the reasons articulated below, the Goraks' motion for summary judgment on bad faith is **DENIED**, and their motion to delay the ruling on punitive damages is **DENIED** as moot. State Farm's cross-motion for summary judgment is **GRANTED** in part as to the claim of bad faith and punitive damages and **DENIED** in part as to the breach of contract claim, as genuine issues of material fact remain regarding the cause of the loss and compliance with policy conditions.

II. BACKGROUND[1]

A. The Parties and Affected Property

The Goraks own a residential property located at 246 Sheats Lane, Middletown, Delaware 19709 (the "Property").[2] At all times relevant to this dispute, the Property was insured under a homeowners insurance policy (the "Policy") issued by State Farm.[3]

In June 2024, Mr. Gorak suffered a stroke, which severely impaired his mobility and made it difficult for him to move about the Property.[4] Consequently, the Goraks decided to reside primarily at a single-story residence they owned elsewhere.[5] Although they maintained furniture, personal property, and active utility accounts at the Property,[6] it is undisputed that they spent the vast majority of their time living at their other residence leading up to the loss.[7]

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[1] The facts below are from the parties' briefing on the motions for summary judgment and the documents attached thereto. D.I. Nos. 28 ("Mot."), 35 ("Opp'n"), and 38 ("Reply").
[2] *See* Mot., Ex. A (available at D.I. No. 29).
[3] *Id.*
[4] Mot., Ex. B at 23:2–27:11.
[5] *Id.* at 27:12–28:14.
[6] *See id.* at 44:1–47:9; 136:8–137:2.
[7] *See id.* at 26:24–27:11.

B. Discovery of the Loss

On February 3, 2025, Dolores Kanavel, a neighbor, heard an audible alarm emanating from the Property.[8] Aware that the Goraks were residing elsewhere, Ms. Kanavel inspected the premises.[9] Looking through the Property's sliding glass back doors, she observed water pouring down the interior walls.[10] She further noted a substantial accumulation of ice covering the outside of a utility meter on the Property.[11]

Ms. Kanavel immediately called the Goraks to inform them of the issue.[12] Upon receiving the call, Mr. Gorak contacted the municipal water provider to request an emergency shut-off of the water service [13] He also informed State Farm, who thereafter opened a claim file and issued an initial correspondence requesting that the Goraks provide diagnostic contractor estimates and photographs of the damage.[14]

C. State Farm's Initial Investigation

State Farm initiated an investigation into the water loss, though initial structural inspections were delayed due to electrical hazards and scheduling

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[8] Mot., Ex. D at 10:12–11:8.
[9] *Id.*
[10] *Id.* at 11:9–11:24.
[11] *Id.* at 12:20–13:5.
[12] *Id.* at 12:1–19.
[13] Mot., Ex. B at 34:9–35:23.
[14] Opp'n, Ex. A (hereinafter the "Weinacht Aff.") at Ex. 1. Although the Goraks have previously challenged whether this letter is consistent with the timeline of events under separate cover, D.I. No. 41, the citations the Goraks rely on only relate to the actions of State Farm Claim Representative Randall Purnell rather than the wider actions of State Farm.

conflicts.[15] On February 21, 2025—eighteen days after the loss was reported—State Farm Claim Representative Randall Purnell ("Purnell") accessed the Property using a key left by the insureds.[16]

Because he was conducting the inspection alone and did not want to risk further damage to the Property, Purnell did not reactivate the main water line to locate the precise source of the leak.[17] Based on visual observations of water patterns and debris, Purnell concluded that water had come from the second floor bathroom[18] and believed the cause of the leak to have been a frozen pipe.[19] He did not, however, visually isolate a burst pipe during this visit.[20]

Purnell further deduced that the Property had been unoccupied for some time prior to the leak,[21] based in part on the presence of rodent droppings in the bedroom and bathroom areas.[22]

D. Denial of Coverage

On February 24, 2025, State Farm issued a coverage denial letter.[23] State Farm Team Manager Michelle Weinacht ("Weinacht") reviewed and adopted Purnell's

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[15] Mot., Ex. E at 38:4–39:22; 63:5–15; Weinacht Aff. at ¶ 8.
[16] Mot., Ex. E at 33:3–14; Weinacht Aff. at ¶ 9.
[17] Mot., Ex. E at 33:3–34:11.
[18] *Id.* at 18:18–20:1.
[19] *Id.* at 30:15–22.
[20] *Id.* at 30:23–31:7.
[21] *Id.* at 44:11–45:9.
[22] *Id.* at 42:15–43:3.
[23] Mot., Ex. F.

filed conclusions.[24] State Farm determined that the Property had been unoccupied,[25] the Goraks had failed to maintain heat at or above 55 degrees Fahrenheit, and that the loss was caused by freezing—an excluded peril under the Policy under those conditions.[26] The denial letter specifically identified the bathroom sink supply line, although there were three pipes to the bathroom.[27] Purnell subsequently conceded that this level of specificity was an error, as he had not visually confirmed which of the three bathroom water lines had ruptured.[28]

Despite the formal denial, State Farm indicated a willingness to reconsider its position upon receipt of corroborating evidence.[29] During an April 3, 2025 telephone conference between Weinacht and the Goraks, Weinacht requested historical occupancy details and mitigation documentation.[30] Although the Goraks exhibited reticence in providing these details, State Farm agreed to maintain an open file for reinvestigation.[31] That same day, Purnell reviewed utility data confirming that the Property had consumed negligible amounts of natural gas and electricity in the

[24] *See* Weinacht Aff. at ¶ 10.
[25] While the relevance of inoccupancy to the Policy is the subject of some dispute, Reply at ¶ 13, the fact that the house was unoccupied would tend to support a conclusion that the temperature inside the house had not been maintained above 55 degrees.
[26] Mot., Ex. F.
[27] *Id.*
[28] Mot., Ex. E at 20:2–22:22; 30:7–22.
[29] *See* Mot., Ex .F; Weinacht Aff. at ¶ 12.
[30] Weinacht Aff. at ¶ 12.
[31] *See* Mot., Ex. E at 76:4–77:7.

months preceding the loss, corroborating State Farm's theory that the interior had not been adequately heated. [32]

E. Post-Denial Investigation and Cooperation Disputes

On April 4, 2025, Purnell sent a letter to Mr. Gorak requesting a certified plumber's report and pictures of the ruptured water line.[33] The Goraks indicated via email on April 8, 2025, that they were attempting to secure a plumber's assessment.[34]

To expedite the evaluation, State Farm retained American Leak Detection to inspect the premises on April 9, 2025.[35] However, on April 14, 2025, Mrs. Gorak cancelled the scheduled inspection.[36] In response, State Farm issued a reservation of rights letter, explicitly questioning whether the Goraks were complying with their post-loss duties and cooperation requirements under the Policy.[37]

Subsequent communications yielded further friction. On April 18, 2025, Purnell learned from American Leak Detection that Mrs. Gorak refused to permit an inspection unless an unnamed public adjuster was present.[38] On April 21, 2025, Mrs. Gorak informed Purnell that they would not proceed without an unnamed attorney present.[39]

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[32] Mot., Ex. E at 78:6–80:3; Weinacht Aff. at ¶ 13.
[33] Weinacht Aff. at Ex. 2.
[34] Weinacht Aff. at ¶ 16.
[35] *Id.* at ¶ 17.
[36] *See id.* at ¶ 17.
[37] *Id.* at Ex. 3.
[38] *Id.* at ¶ 19.
[39] *Id.* at ¶ 19.

On May 2, 2025, State Farm notified the Goraks that it was administratively closing the claim file due to a lack of necessary documentation, reiterating that it would reopen the matter upon receipt of the requested plumber's report and photographs.[40]

The file was briefly reopened on June 6, 2025, following a Delaware Department of Insurance inquiry regarding a separate issue of policy non-renewal.[41] State Farm sent additional correspondence to the Goraks emphasizing that coverage remained an open, disputed question and renewed its requests for documentation.[42] On July 10, 2025, State Farm issued another demand letter, noting that utility records it received continued to reflect minimal energy usage.[43] State Farm instructed the Goraks to cease any structural repairs until an independent inspection could occur.[44] A subsequent reservation of rights letter was issued on July 13, 2025.[45]

On August 6, 2025, after being served with the Plaintiffs' Amended Complaint in the instant action, State Farm received the first photograph of the ruptured pipe from the Goraks' counsel.[46] State Farm maintains that the physical characteristics of

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[40] *Id.* at Ex. 4.
[41] *Id.* at ¶ 21.
[42] *Id.* at Ex. 5.
[43] *Id.* at Ex. 6.
[44] *Id.*
[45] *Id.* at Ex. 7.
[46] *Id*. at ¶ 24.

the pipe shown in the photograph are entirely consistent with catastrophic failure caused by freezing.[47]

F. Procedural History

On May 22, 2025, the Goraks initiated this action by filing a *pro se* complaint against State Farm,[48] which was not served.[49] Thereafter, the Goraks retained counsel[50] and filed an Amended Complaint,[51] which streamlined their various initial claims into two distinct causes of action: breach of contract under the Policy (Count I) [52] and breach of the implied covenant of good faith and fair dealing (Count II).[53] State Farm timely filed its Answer,[54] and the Court subsequently entered a Trial Scheduling Order establishing a discovery deadline of November 16, 2026.[55]

On March 8, 2026, notwithstanding the unexpired discovery period, the Goraks moved for partial summary judgment on the issue of bad faith.[56] State Farm opposed the motion and filed a cross-motion for full summary judgment, seeking

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[47] *Id.* at ¶ 25.
[48] D.I. No. 1.
[49] *See* D.I. No. 7.
[50] D.I. No. 4.
[51] D.I. No. 5.
[52] *Id.* at ¶¶ 22–26.
[53] *Id.* at ¶¶ 27–31.
[54] D.I. No. 11.
[55] D.I. No. 19 at ¶ 2.
[56] Mot.

resolution of the action in its entirety.[57] The Goraks completed the submission of briefs by filing an opposition to State Farm's cross-motion.[58]

Shortly before the scheduled oral argument, the Goraks moved to defer the Court's ruling on the availability of punitive damages, asserting a need to depose State Farm Team Manager Michelle Weinacht.[59] However, the Goraks failed to submit the mandatory supporting affidavit detailing the specific reasons why they could not present facts essential to justify their opposition.[60] State Farm opposed any such deferral.[61] The Court heard oral argument on all pending motions on May 27, 2026.[62]

III. STANDARD OF REVIEW

Pursuant to Superior Court Civil Rule 56, summary judgment is appropriate only where the record demonstrates that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law.[63] When evaluating a motion for summary judgment, the Court must view the evidence and draw all reasonable inferences in the light most favorable to the non-moving party.[64]

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[57] Opp'n
[58] Reply.
[59] D.I. No. 54.
[60] *See* Super. Ct. Civ. R. 56(f).
[61] D.I. No. 63.
[62] *See* D.I. No. 70.
[63] *See, e.g., Precision Med. Gp. Hldgs., Inc. v. Endurance Am. Specialty Ins. Co.*, 2025 WL 2490593, at *3 (Del. Super. Aug. 11, 2025).
[64] *Id.*

III. ANALYSIS

A. Breach of the Policy (Count I)

Only State Farm moves for summary judgment on Count I, which alleges a breach of the Policy.[65] It is undisputed that State Farm has declined to cover the structural losses to the Property.[66] In moving for summary judgment, State Farm argues that its contractual obligation to provide coverage was extinguished because the Goraks failed to comply with certain conditions precedent.[67] Specifically, State Farm points to the post-denial timeline, asserting that the Goraks failed to cooperate with its continuing investigation after the initial February 24, 2025 denial letter.[68]

Under Delaware law, insurance policies are governed by general principles of contract construction.[69] It is foundational that an insured must comply with all explicit conditions precedent set forth within a policy to trigger an insurer's performance.[70] However, State Farm's argument misapprehends the timing of the alleged breach. State Farm does not raise a colorable argument that the Goraks failed

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[65] *Compare* Opp'n *with* Mot. In opposing summary judgment on this point, the Goraks argued that they paid their premium, suffered a covered loss, gave proper notice to State Farm, and cooperated with the investigation pre-denial. Reply at ¶¶ 2–7.
[66] *See* Mot. at ¶ 1; Opp'n at ¶ 1.
[67] Opp'n at ¶ 28.
[68] *Id.*
[69] *See, e.g., Monzo v. Nationwide Prop. & Cas. Ins. Co.*, 249 A.3d 106, 118 (Del. 2021).
[70] *Marrero v. State Farm Fire and Cas. Co.*, 2015 WL 5440513, at *2 (Del. Super. Sep. 14, 2015).

to fulfill their post-loss cooperation duties prior to the issuance of the February 24, 2025 denial.[71]

While State Farm subsequently demonstrated a commendable willingness to reopen and reconsider the claim upon the receipt of further evidence, a cause of action for breach of contract accrues when liability is first denied.[72] An insurer cannot retroactively justify a prior denial of coverage by pointing to a subsequent breakdown in cooperation during post-denial negotiations. Because genuine issues of material fact remain concerning the core issue of coverage—specifically, whether the water loss fell within the Policy's freezing exclusion at the time of the loss—summary judgment is inappropriate. Accordingly, State Farm's cross-motion for summary judgment as to Count I is **DENIED**.

B. Bad Faith (Count II)

Both parties seek summary judgment on Count II. The Goraks contend that State Farm lacked any reasonable basis to deny their claim on February 24, 2025, and that its investigation was deliberately superficial.[73] Conversely, State Farm

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[71] Opp'n at ¶ 28. State Farm argues only two instances of pre-denial non-cooperation: (1) difficulties scheduling Purnell's inspection, Opp'n at ¶ 5; and (2) an omission of requested photographs and a "diagnostic contractor repair estimate[.]" *Id.* at ¶ 4. Notably, the initial denial letter made no mention of these administrative delays. *See* Mot., Ex. F.

[72] *Megill v. Atlantic States Ins. Co.*, 2020 WL 7385252, at *2 (Del. Super. Dec. 16, 2020).

[73] Mot. at ¶¶ 26–28. The Court notes that Purnell identified that his denial mistakenly identified which pipe caused the leak but rejects the Goraks' assertion that "Purnell admitted the denial was a mistake[,]" Mot. at ¶ 27, as unsupported by Purnell's testimony. Mot., Ex. E at 20:2–22:22; 30:7–31:7; 55:14–56:4; 64:20–66:1; 70:17–71:11; 73:11–23; 104:6–106:3; 108:11–109:8.

maintains that its initial coverage determination was thoroughly grounded in a reasonable assessment of the facts available at the time.[74]

Delaware law recognizes that an implied covenant of good faith and fair dealing is embedded in every insurance contract.[75] A claim for bad faith processing of an insurance claim is actionable where the insured can demonstrate that the insurer's denial of benefits was "clearly without any reasonable justification."[76] The threshold inquiry for the Court is whether, at the time the insurer denied liability, there existed a set of facts or circumstances known to the insurer that created a *bona fide* dispute, thereby presenting a meritorious defense to liability.[77]

The public policy animating bad faith jurisprudence is to deter insurers from forcing policyholders to endure unconscionable procedural hurdles to secure coverage, absent a legitimate liability dispute.[78] Where an insurer possesses an

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[74] Opp'n at ¶¶ 29–30.

[75] *See, e.g., Clear Channel Outdoor Hldgs., Inc. v. Illinois Nat'l Ins. Co.*, 2026 WL 1347392, at *18 (Del. Super. Apr. 28, 2026).

[76] *Geico Gen. Ins. Co. v. Green*, 308 A.3d 132, 144 (Del. 2022) (quoting *Tackett v. State Farm Fire and Cas. Ins. Co.*, 653 A.2d 254, 264 (Del. 1995)).

[77] *Casson v. Nationwide Ins. Co.*, 455 A.2d 361, 369 (Del. Super. 1982). *See also Clear Channel,* 2026 WL 1347392 at *20 ("The reasonableness of an insurer's coverage position is assessed at the time of denial.").

[78] *See Int'l Fid. Ins. Co. v. Delmarva Sys. Corp.*, 2001 WL 541469, at *3 (Del. Super. May 9, 2001) ("[T]he whole purpose of insurance is defeated if an insurance company can refuse or fail, without justification, to pay a valid claim.") (quoting *Dodge v. Fid. and Deposit Co. of Maryland*, 778 P.2d 1240, 1243 (Ariz. 1989)).

objectively reasonable basis to contest a claim, it cannot be held liable for bad faith, even if its ultimate coverage interpretation is later proven legally incorrect.[79]

Because State Farm issued its formal denial on February 24, 2025, the Court restricts its bad faith analysis to the evidentiary record known to State Farm on that date.[80] Following his February 21, 2025 physical inspection, Claim Representative Purnell observed extensive water damage and structural debris originating directly from the second-story bathroom.[81] He noted that the interior ambient temperature of the Property was cold[82] and documented the presence of rodent droppings,[83] which strongly indicated that the Property had been left vacant for an extended period of time. Further, through initial scheduling difficulties, Purnell was aware that the Goraks were residing primarily at an alternative property.[84]

As a matter of common sense, the massive volume of water in the house allowed a reasonable investigator to conclude that the main water valve was left open and the plumbing system was not drained before the winter freeze. Based on these matching facts, any reasonable investigator could conclude that a water pipe inside the unheated, empty home had frozen and burst.

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[79] *See Forte Biosciences, Inc. v. Wesco Ins. Co.*, 2026 WL 66768, at *10 (Del. Super. Jan. 8, 2026) ("A coverage denial does not lack reasonable justification simply because a court ultimately disagrees with [the] insurer's position.") (citation modified).
[80] *See Casson*, 455 A.3d at 369.
[81] Mot., Ex. E at 18:18–20:1.
[82] *Id.*
[83] *Id.* at 42:15–43:3.
[84] *Id.* at 38:4–39:22.

While Purnell later made a mistake by guessing the exact pipe that broke, that error does not change the clear, objective facts supporting State Farm's defense that the loss was caused by freezing. Because there was a real and legitimate dispute over coverage on February 24, 2025, State Farm's initial decision to deny the claim was not "clearly without any reasonable justification."[85]

Therefore, State Farm's motion for summary judgment on Count II is **GRANTED**, and the Goraks' motion for partial summary judgment is **DENIED**.[86]

C. Punitive Damages

The Goraks request that the Court defer ruling on the issue of punitive damages pursuant to Superior Court Civil Rule 56(f), asserting that additional discovery—specifically the deposition of Team Manager Michelle Weinacht—is necessary to fully develop this claim. State Farm opposes the request, arguing that further discovery is futile.

As an initial matter, the Goraks' motion is procedurally defective. Rule 56(f) explicitly requires the moving party to submit a supporting affidavit detailing the

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[85] *Geico Gen. Ins. Co. v. Green*, 308 A.3d 132, 144 (Del. 2022) (quoting *Tackett v. State Farm Fire and Cas. Ins. Co.*, 653 A.2d 254, 264 (Del. 1995)).

[86] The Goraks also request and award of attorneys' fees. Mot. at ¶ 28. However, because the underlying issue of breach of contract remains unresolved, any determination regarding the availability or award of such fees is premature.

precise reasons why they cannot currently present facts essential to justify their opposition.[87] The Goraks failed to append any such affidavit to their motion.[88]

Substantively, the Goraks' request cannot survive the dismissal of their bad faith claim. Under Delaware law, a claim for punitive damages against an insurance company cannot stand on its own. To seek punitive damages, an insured must first prove that the insurer acted in bad faith with malice or reckless indifference.[89] Because the Court has already determined that State Farm had a reasonable basis to dispute coverage, more discovery regarding individual supervisors will not change the outcome. No amount of additional evidence could establish the bad faith or fraud necessary to support punitive damages. Accordingly, the Goraks' motion to delay the ruling is **DENIED**, and summary judgment is **GRANTED** in favor of State Farm on the issue of punitive damages.

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[87] Super. Ct. Civ. R. 56(f). *See also Parkway Gravel, Inc. v. C&M Constr. Co., LLC*, 2022 WL 1164857, at *2 (Del. Super. Apr. 20, 2022).

[88] *See* D.I. No. 54 (incorporating a bevy of exhibits but failing to include a relevant affidavit).

[89] *See Moore v. State Farm Fire and Cas. Co.*, 2024 WL 1253642, at *2 (Del. Super. Mar. 25, 2024) ("In sum, for a plaintiff to recover punitive damages on bad faith claims in a breach of insurance contract case, the plaintiff must show egregious behavior on the part of the insurer without reasonable justification. . . . Logically, the existence of such a bona fide dispute as to coverage means that State Farm's denial of coverage was not egregious or unreasonable.").

IV. CONCLUSION

For the foregoing reasons, the Goraks' Motions for Partial Summary Judgment and to Defer Ruling on Punitive Damages are **DENIED**, and State Farm's Motion for Summary Judgment is **GRANTED in part** and **DENIED in part**.

IT IS SO ORDERED.

Sheldon K. Rennie, Judge