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GRAYS HARBOR CO.  
KYM FOSTER  
COUNTY CLERK

SUPERIOR COURT OF THE STATE OF WASHINGTON  
FOR GRAYS HARBOR COUNTY

QUINAULT BEACH RESORT & CASINO,

Plaintiff,

v.

STEADFAST INSURANCE COMPANY,

Defendant.

NO. 21-2-140-14

COMPLAINT

21-2-00140-14  
CMP 1  
Complaint  
9932513



Quinault Beach Resort & Casino ("Quinault") brings this action against Steadfast Insurance Company ("Steadfast") and alleges as follows:

**I. PARTIES**

1.1. **Plaintiff Quinault Beach Resort & Casino.** Plaintiff Quinault is wholly owned and operated business enterprise of the Quinault Indian Nation ("Nation"), a federally-recognized sovereign Indian tribe, that is formed under the laws of the Nation and is the Named Insured under the Policy. Plaintiff operates the Quinault Beach Resort & Casino Ocean Shores ("Beach Resort & Casino"), which is insured under the Policy. The Beach Resort & Casino is located on Quinault Trust land in Grays Harbor County, Washington.

COMPLAINT - 1

GORDON 600 University Street  
TILDEN Suite 2915  
THOMAS Seattle, WA 98101  
CORDELL 206.467.6477

1           1.2.   **Defendant Steadfast Insurance Company.** Defendant Steadfast is an insurance  
2  
3 company incorporated in the State of Delaware. Steadfast is licensed to sell, and does sell,  
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5 insurance in the State of Washington, including the insurance policy issued to Quinault that is the  
6  
7 subject of this lawsuit.  
8

## 9                                   **II. JURISDICTION AND VENUE**

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11           2.1   **Subject Matter Jurisdiction.** This Court has subject matter jurisdiction over this  
12  
13 action pursuant to RCW 2.08.010 and RCW 7.24.020.  
14

15           2.2   **Personal Jurisdiction.** The Court has personal jurisdiction because Steadfast  
16  
17 conducts business in Grays Harbor County and because the actions and events giving rise to this  
18  
19 cause of action occurred in Grays Harbor County.  
20

21           2.3   **Venue.** Venue is proper in this Court pursuant to RCW 48.05.220. It is also  
22  
23 proper under RCW 4.12.025.  
24

## 25                                   **III. FACTUAL BACKGROUND**

26  
27           3.1.   The Beach Resort & Casino opened in May 2000 and offers a 19,000 square foot  
28  
29 gaming floor featuring over 700 Class III gaming machines and twelve gaming tables, four  
30  
31 dining experiences, spa, and ocean-front hotel with 159 rooms. It serves as a location for  
32  
33 weddings, corporate functions, and other events.  
34

35           3.2.   Quinault brings this lawsuit to ensure it receives the insurance benefits to which it  
36  
37 is entitled and for which it paid.  
38

39           3.3.   Steadfast issued one or more insurance policies to Quinault, including policy  
40  
41 No. CPO5720069-00, with an effective date from October 1, 2019 through October 1, 2020  
42  
43 (“Policy”).  
44

45           3.4.   The Policy’s “Named Insureds” include “Quinault Beach Resort & Casino.”

1           3.5.    The Policy's per occurrence limit of liability is \$209,759,462.00, subject to the  
2  
3 certain sub-limits of liability contained in the Policy.  
4

5           3.6.    The Policy is an "all-risk" policy that provides broad property and business  
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7 interruption coverage for "RISKS OF DIRECT PHYSICAL LOSS OF OR DAMAGE TO  
8  
9 PROPERTY" except where excluded. The Policy also provides additional coverages, including  
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11 Time Element Coverage.  
12

13           3.7.    This coverage includes coverage for risks of both damage to and loss of covered  
14  
15 property.  
16

17           3.8.    Quinault paid all premiums for the coverage when due. All conditions under the  
18  
19 Policy have been satisfied, discharged and/or excused.  
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21           3.9.    On or about January 2020, the United States saw its first cases of persons infected  
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23 by COVID-19, which has been designated a worldwide pandemic.  
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25           3.10.   On February 29, 2020, the Governor of the State of Washington ("Governor  
26  
27 Inslee") issued a proclamation declaring a State of Emergency. Governor Inslee issued  
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29 additional proclamations on March 11, 2020 and March 15, 2020 that significantly limited public  
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31 events throughout the State of Washington. Governor Inslee's "Stay Home" orders that  
32  
33 prohibited most public gatherings and directed the citizens of the State of Washington to stay  
34  
35 home were entered in April and extended throughout May 2020.  
36

37           3.11.   The Quinault Business Committee ("QBC"), the elected governing body of the  
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39 Nation, is the sole government with civil authority over the Beach Resort & Casino. The  
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41 Quinault Business Committee declared a Public Health Emergency on March 13, 2020, for the  
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43 Quinault Reservation in response to the global outbreak of COVID-19. The QBC closed all non-  
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45

1 essential governmental operations on March 15, 2020, in order to maximize the health and safety  
2 of Quinault members, and issued a reservation-wide “stay at home order.”  
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5 3.12. On March 17, 2020, the QBC, in coordination with the Quinault Nation  
6 Enterprise Board, announced temporary closures of various Quinault enterprises, including the  
7 Beach Resort & Casino. The Beach Resort & Casino closed at 2 a.m. on March 18, 2020.  
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9

10 3.13. The Beach Resort & Casino reopened with limited capacity on May 26, 2020.  
11  
12

13 3.14. During the closure, the Beach Resort & Casino experienced significant losses,  
14 including time element losses, when its property could not be used for its intended purpose.  
15 These losses total more than \$9 million dollars.  
16  
17

18 3.15. Quinault notified Steadfast of its claim on May 1, 2020.  
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20

21 3.16. Steadfast denied Quinault’s request for coverage under the Policy on July 2, 2020.  
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#### 23 **IV. FIRST CLAIM: DECLARATORY JUDGMENT**

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25 4.1. **Incorporation by Reference.** Quinault realleges the allegations of paragraphs  
26 1.1 through 3.16 above.  
27

28 4.2. **Duty to Pay.** Under the Policy, Steadfast has a duty to pay Quinault for direct  
29 physical loss or damage to insured property occurring during the policy term.  
30  
31

32 4.3. **Breach of Duties under the Policy.** Steadfast has breached its duty to pay by  
33 failing to fully reimburse Quinault for its losses in response to Quinault’s tender, and by refusing  
34 to acknowledge that Quinault’s losses are the result of a covered cause of loss under the all-risk  
35 Policy within Steadfast’s duty to pay under the Policy.  
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39

40 4.4. **Breach of Extra-Contractual Duties.** Steadfast has acted in bad faith and  
41 violated various insurance claim handling regulations and statutes by denying coverage based on  
42 unreasonable, frivolous, or unfounded interpretations of the Policy, failing to deal fairly with  
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1 Quinault and give equal consideration to (and not put its own interests ahead of) Quinault's  
2  
3 financial interests, and failing to conduct a full, fair, and prompt investigation at its own expense.  
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5       **4.5. Actual Controversy.** An actual controversy of a justiciable nature presently  
6  
7 exists between Quinault and Steadfast regarding the proper construction of the Policy and the  
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9 rights and obligations of the parties with respect to Quinault's claim. Issuance of declaratory  
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11 relief by this Court will terminate the existing and any future controversies between the parties.  
12

13       **4.6. Relief Sought.** Quinault seeks a declaratory judgment declaring that:  
14  
15 (a) Quinault's losses and expenses resulting from the interruption of its business are covered by  
16  
17 the Steadfast Policy; (b) Steadfast is responsible for timely and fully paying all such claims;  
18  
19 (c) Steadfast breached the Policy and violated various insurance claims handling regulations and  
20  
21 statutes; and (d) Steadfast is obligated to pay Quinault's reasonable attorney fees, costs, and  
22  
23 disbursements in obtaining coverage.  
24

## 25                   **V. SECOND CLAIM: BREACH OF CONTRACT**

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27       **5.1. Incorporation by Reference.** Quinault realleges the allegations of paragraphs  
28  
29 1.1 through 4.6 above.  
30

31       **5.2. Breach of Contract.** Steadfast has failed to: (1) acknowledge that Quinault's  
32  
33 losses constitute "physical loss or damage" to covered property and are covered under the Policy;  
34  
35 and (2) fully reimburse Quinault for its covered loss.  
36

37       **5.3. Damages.** As a direct and proximate result of Steadfast's breach of its insurance  
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39 contract, Quinault has been deprived of the benefits of its insurance coverage.  
40

41       **5.4. Additional Damages.** As another direct and proximate result of Steadfast's  
42  
43 breach of the Policy, Steadfast has been forced to incur attorney's fees and other expenses to  
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45 prosecute this action.

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**VI. THIRD CLAIM: INSURANCE BAD FAITH**

6.1. **Incorporation by Reference.** Quinault realleges the allegations of paragraphs 1.1 through 5.4.

6.2. **Duty of Good Faith and Fair Dealing.** Steadfast owes Quinault a duty of good faith and fair dealing. Pursuant to that duty, Steadfast was obliged to refrain from taking any action that is unreasonable or unfounded. Steadfast was, likewise, required to conduct a full, fair, and prompt investigation at its own expense. Steadfast was also required to deal fairly with Quinault and give equal consideration to (and not put its own interests ahead of) Quinault's financial interests.

6.3. **Steadfast Acted in Bad Faith.** Steadfast breached its duty of good faith and fair dealing as described in this Complaint.

6.4. **Damages.** As a direct and proximate result of this conduct, Quinault has suffered damages in an amount to be proven at trial.

**VII. FOURTH CLAIM: VIOLATIONS OF THE WASHINGTON**

**CONSUMER PROTECTION ACT, RCW 19.86**

7.1. **Incorporation by Reference.** Quinault realleges the allegations of paragraphs 1.1 through 6.4.

7.2. **Violations of the Unfair Claims Settlement Practices Act.** Washington has adopted the Unfair Claims Settlement Practices Act under Chapter 284-30, *et seq.* of the WAC. Steadfast violated WAC 284-30 *et seq.* as described in this Complaint.

7.3. **Violations of CPA.** Violations of WAC 284-30 *et seq.* are *per se* violations of the Washington Consumer Protection Act, RCW 19.86, entitling Quinault to exemplary

1 damages, attorney fees, and costs. Quinault also committed *non-per se* violations of the  
2  
3 Consumer Protection Act.  
4

5 7.4. **Damages.** As a direct and proximate cause of this conduct, Quinault suffered  
6  
7 damages in an amount to be established at trial.  
8

9 **VIII. RESERVATION OF RIGHT TO AMEND COMPLAINT FOR**  
10 **VIOLATION OF THE INSURANCE FAIR CONDUCT ACT, RCW 48.30.015**  
11

12 8.1. **Incorporation by Reference.** Quinault realleges the allegations of paragraphs  
13  
14 1.1 through 7.4.  
15

16 8.2. **IFCA Notice.** Quinault intends to send an IFCA notice to the Washington Office  
17  
18 of the Insurance Commissioner and to Steadfast.  
19

20 8.3. **Reservation to Amend Complaint.** Quinault reserves the right to amend its  
21  
22 Complaint after the 20-day notice period under IFCA expires.  
23

24 **IX. PRAYER FOR RELIEF**  
25

26 Quinault prays for the following relief:  
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28 9.1. **Declaratory Judgment.** Enter declaratory judgment as stated;  
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30 9.2. **Monetary Damages.** Award Quinault the full benefit of the Policy and recovery  
31  
32 for all of its contractual and extra-contractual damages arising from Steadfast's breach of the  
33  
34 Policy;  
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36 9.3. **Attorneys' Fees and Costs of Suit.** Award Quinault its costs and attorneys' fees  
37  
38 incurred pursuant to *Olympic Steamship Co. v. Centennial Ins. Co.*, 117 Wn.2d 37 (1991) and its  
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40 progeny, the Washington Consumer Protection Act, or under any other basis permitted by law or  
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42 equity;  
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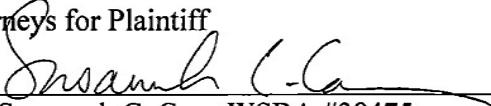
1           9.4.   **Treble Damages Under the Consumer Protection Act.** Award Quinault treble  
2  
3 damages up to \$25,000 under the Consumer Protection Act;  
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5           9.5.   **Interest.** Award Quinault pre-judgment interest on the amount of insurance  
6  
7 benefits awarded; and  
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9           9.6.   **Other Relief.** Grant Quinault such other relief as may be just, legal, equitable,  
10  
11 and proper.  
12

13           DATED this 15th day of March, 2021.  
14

15                           **GORDON TILDEN THOMAS & CORDELL LLP**  
16                           Attorneys for Plaintiff

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27           DATED this 15th day of March, 2021.  
28

29                           **KILPATRICK TOWNSEND & STOCKTON LLP**  
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