

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

**FROSCH HOLDCO, INC. d/b/a
FROSCH; FROSCH INTERNATIONAL
TRAVEL, LLC d/b/a FROSCH TRAVEL;
and FT TRAVEL, INC.,**

Plaintiffs,

v.

**THE TRAVELERS INDEMNITY
COMPANY and THE CHARTER OAK
FIRE INSURANCE COMPANY,**

Defendants.

Civil Action No. 4:20-cv-01478

COMPLAINT AND JURY
DEMAND

PLAINTIFFS' ORIGINAL COMPLAINT

I. INTRODUCTION

1. Plaintiffs, Frosch Holdco, Inc. d/b/a Frosch; Frosch International Travel, LLC d/b/a Frosch Travel; and FT Travel, Inc. ("Frosch"), files this complaint against Defendants, The Travelers Indemnity Company ("Travelers") and The Charter Oak Fire Insurance Company ("Charter Oak"), for their denial of benefits for the business interruption sustained by Frosch as a result of quarantine, shelter-in-place, and stay-home orders issued in the United States and around the world. Frosch is a travel agency that provides services internationally. As these orders are entered, both personal and business travel are necessarily suspended. According to Oxford Economics, travel industry losses will reach \$355 billion in the United States alone. Frosch has already suffered losses of approximately \$40 million, and that number is rapidly increasing. Despite the extensive interruption of Frosch's business, Defendants summarily denied its claim

which quarantine, shelter-in-place, and stay-home orders were still in effect in the United States and around the world.

II. PARTIES

2. Plaintiff Frosch Holdco, Inc. is a corporation organized under the laws of Texas with its principal place of business at One Greenway Plaza, #800, Houston, Texas 77046.

3. Plaintiff Frosch International Travel, LLC is a limited liability company organized under the laws of Texas with its principal place of business at One Greenway Plaza, #800, Houston, Texas 77046.

4. Plaintiff FT Travel, LLC is a limited liability company organized under the laws of Texas with its principal place of business at One Greenway Plaza, #800, Houston, Texas 77046.

5. Defendant The Travelers Indemnity Company is a corporation organized under the laws of Connecticut, with its principal place of business at One Tower Square, Hartford, Connecticut 06183. Citation may be served through its registered agent for service of process at Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company, 211 East 7th Street, Suite 620, Austin, Texas 78701-3218, Travis County, Texas.

6. Defendant The Charter Oak Fire Insurance Company is a company organized under the laws of Connecticut, with its principal place of business at One Tower Square, Hartford, Connecticut 06183. Citation may be served through its registered agent for service of process at Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company, 211 East 7th Street, Suite 620, Austin, Texas 78701-3218, Travis County, Texas.

7. At all times herein, Defendants acted by and through their duly authorized agents and servants, each acting within the course and scope of his or her employment.

III. JURISDICTION AND VENUE

8. Venue is proper in the Southern District of Texas pursuant 28 U.S.C.A. § 1391 because the insured business that is the subject of the action is situated in the Southern District of Texas.

9. This Court has jurisdiction pursuant to 28 U.S.C. § 1332(a) because the amount in controversy is greater than \$75,000 and plaintiffs and defendants are citizens of different states.

10. This Court has specific jurisdiction over Defendants as their activities were directed toward Texas and injuries complained of resulted from their activities in Texas. Defendants have a substantial connection with Texas and the requisite minimum contacts with Texas necessary to constitutionally permit the Court to exercise jurisdiction.

IV. FACTUAL ALLEGATIONS

A. Frosch Obtains Insurance Coverage for Its Business from Defendants.

11. Frosch is a travel agency headquartered in Houston, Texas that provides travel services throughout the United States and internationally. Frosch has offices in more than 40 locations worldwide and specializes in business travel, entertainment travel, vacations and cruises, energy travel, group travel, conference and event travel, rewards and incentives, private client services, and student travel.

12. Defendants issued commercial policy number P-630-8294B216-COF-19 to Frosch for the policy period of July 1, 2019 to July 1, 2020 (the "Policy"). The Policy, a costume insurance policy prepared for Frosch, One Greenway Plaza #800, Houston TX 77046, is attached hereto as Exhibit A. The Policy identifies 57 locations and buildings covered under the insurance. Exhibit A, IL TO 030496, Pages 1 through 4. The Policy covers named insureds in addition to Frosch

the numbers of reported cases growing exponentially. In the United States alone, tens of thousands of people have died and more than 846,000 confirmed cases of COVID-19 have been reported. The economy has been devastated by business interruptions in Harris County, the State of Texas, the United States, and worldwide.

18. As coronavirus spread around the world and the death toll rose, countries and regions fell under various levels of quarantine orders. Residents were ordered to stay home and business operations were shuttered.

19. Coronavirus cases in Texas spiked in March 2020, Frosch's home, and a growing number of counties and municipalities issued quarantine directives. The numbers of reported Coronavirus cases have spread throughout Texas Counties, curtailing business, social, and economic activities throughout the State. Correspondingly, the entire nation experienced spikes in infections and deaths, with a growing number of citizens subjected to quarantine orders and business shutdowns.

20. The scientific community recognizes the Coronavirus as a cause of real physical loss and damage.

21. The Coronavirus is physically impacting public and private property, and physical spaces in communities around the world.

22. The global pandemic is exacerbated by the fact that the potentially deadly virus physically infects and stays on the surface of objects or materials for weeks. The duration of the virus' lethal staying power, and the conditions upon which the virus can continue to propagate and infect people, are known facts under continued scrutiny by the scientific community. The virus can physically infect and stay on surfaces for weeks, up to twenty-eight days under some estimates. Moreover, because of the ongoing Coronavirus pandemic, a significant component of the public

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