

[DO NOT PUBLISH]

IN THE UNITED STATES COURT OF APPEALS  
FOR THE ELEVENTH CIRCUIT

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No. 20-11664  
Non-Argument Calendar

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D.C. Docket No. 3:16-cv-00658-ECM-SRW

MT. HEBRON DISTRICT MISSIONARY BAPTIST ASSOCIATION OF  
ALABAMA, INC.,

Plaintiff-Appellee,

versus

LANDON ALEXANDER, SR.,

Defendant-Appellant.

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Appeal from the United States District Court  
for the Middle District of Alabama

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(November 3, 2020)

Before JORDAN, GRANT, and LUCK, Circuit Judges.

PER CURIAM:

In 2016, a tornado came through Alabama and destroyed one of the  
buildings on the property of the Mt. Hebron District Missionary Baptist

Association of Alabama. Landon Alexander, Sr., a former board member of Mt. Hebron, had helped construct the building. After the insurance company issued a check payable to both Mt. Hebron and Alexander, Mt. Hebron sued to recover the full proceeds. The insurance company asked the district court to determine who had a right to the proceeds, and Mt. Hebron filed a motion for summary judgment. The district court granted Mt. Hebron's motion and, after careful review, we affirm.

I.

Mt. Hebron, an association of multiple churches, began building a new facility on its land sometime in 2005-2006. The plan was to use the facility for social gatherings and other functions. Running low on capital, Mt. Hebron enlisted the help of some of its members to finish construction. Alexander, a pastor and (at the time) board member of the association, contributed his time, money, and physical labor to the construction; Mt. Hebron agreed to compensate him in return. The parties dispute the amount owed: Mt. Hebron contends that it agreed to pay Alexander \$148,000 for his work, but Alexander claims the amount is closer to \$500,000. To date, Mt. Hebron has paid Alexander approximately \$160,000.

Alexander described himself as the “general contractor” of the project, but he was not a licensed contractor in the state of Alabama.

Construction finished, and Mt. Hebron purchased an insurance policy from Sentinel Insurance Company in 2010 to cover the building. The policy listed Mt. Hebron as the insured party, and, at times, included Alexander as having an “additional interest” as a “mortgagee.” Mt. Hebron renewed the policy annually through 2016. Alexander apparently paid some of the premiums, but the parties dispute how many and whether he was reimbursed.

Then, the storm. A tornado destroyed Mt. Hebron’s building, and Sentinel issued a check payable to both Mt. Hebron and Alexander to cover the loss. After unsuccessfully attempting to deposit the check without Alexander’s endorsement, Mt. Hebron initiated this action against Sentinel to recover the full proceeds.

Sentinel, denying any wrongdoing, asserted a counterclaim against Alexander and a complaint in interpleader, asking the district court to adjudicate the competing claims to the policy proceeds. For his part, Alexander brought counterclaims against Mt. Hebron for not paying him money owed for his work on the construction. Mt. Hebron then moved for summary judgment as to the interpleader claim and Alexander’s counterclaims.

The district court granted summary judgment for Mt. Hebron with respect to the interpleader claim, finding that Alexander had no insurable interest in the

building because of an Alabama law voiding contracts with unlicensed general contractors. It then declined to exercise supplemental jurisdiction over Alexander's state law counterclaims and dismissed them without prejudice to his right to pursue them in state court. Alexander now contends that the district court erred in granting summary judgment to Mt. Hebron on the interpleader claim, arguing on appeal that his contract with Mt. Hebron and his work constructing the building gave rise to an insurable interest. We disagree, and therefore affirm the district court's judgment.

## II.

We review a district court's grant of summary judgment *de novo*, applying the same standards as the district court. *McKnight Constr. Co., Inc. v. Dep't of Def.*, 85 F.3d 565, 569 (11th Cir. 1996). Summary judgment is appropriate "if the movant shows that there is no genuine dispute as to any material fact and the movant is entitled to judgment as a matter of law." Fed. R. Civ. P. 56(a).

Our consideration of the central issue here—whether Alexander had an insurable interest in the building—is controlled by Alabama law. *Hanna v. Plumer*, 380 U.S. 460, 465 (1965). In Alabama, an insured must have "an insurable interest in the insured property" at the time of loss to receive benefits under a property insurance contract. *Hunter v. State Farm Fire & Cas. Co.*, 543 So. 2d 679, 680 (Ala. 1989) (citation and internal quotation marks omitted). An

insurable interest is “any actual, lawful and substantial economic interest in the safety or preservation of the subject of the insurance free from loss, destruction or pecuniary damage or impairment.” Ala. Code § 27-14-4(b). A fee title is not required, but the insured must suffer “economic disadvantage” upon the destruction of the property. *Hunter*, 543 So. 2d at 680–81 (citation omitted).

Here, Alexander’s construction contract with Mt. Hebron could not establish an insurable interest because it was void and unenforceable. Alabama law defines a general contractor as someone who undertakes to construct a building for a fee where the cost of the undertaking is \$50,000 or more. Ala. Code § 34-8-1(a). And Alabama law is clear that a contract with an unlicensed general contractor to provide general contracting services is void. *Cooper v. Johnston*, 219 So. 2d 392, 396 (Ala. 1969). To determine whether a person was performing general contracting services, Alabama courts consider, among other factors, the intent of the parties and the type of work performed. *Allstate Ins. Co. v. Hugh Cole Builder, Inc.*, 127 F. Supp. 2d 1235, 1238 (M.D. Ala. 2001).

Under Alabama’s framework, Alexander fits squarely within the definition of a general contractor: he helped construct a building for a fixed fee, and the cost of the undertaking was more than \$50,000. Ala. Code § 34-8-1(a). What’s more, the evidence shows that the parties intended for him to act as a general contractor; in fact, he identified himself at his deposition as a “general contractor.” Although

Alexander appears to have changed his position in recent briefing, he cannot point to evidence in the record supporting his new argument that he was not a general contractor.

Alexander also admits that he did not hold a general contractor's license in the state of Alabama. That matters, because a license is required for a contract with a general contractor to be enforceable. Alexander's contract with Mt. Hebron, therefore, was unenforceable and void as a matter of public policy under Alabama law. And a void contract such as this one cannot give rise to an insurable interest. *Pope v. Glens Falls Ins. Co.*, 34 So. 29, 30 (Ala. 1903).

In addition, Alexander did not have an insurable interest merely from contributing time and labor to the construction. He needed to show that he would suffer financial loss if the building were destroyed. *Hunter*, 543 So. 2d at 680. But even if Alexander invested substantial time and labor into constructing the property, and even if he was still owed money for that work, that does not show that he would suffer financial loss from the property being destroyed. Alexander needed to demonstrate that he had an actual, lawful, and substantial economic interest in the preservation of the facility, which he could not do.

In sum, even after resolving all doubts in Alexander's favor, no reasonable jury could find that he had an insurable interest in the property. Accordingly, the judgment of the district court is **AFFIRMED**.