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* ADMITTED IN PENNSYLVANIA AND NEW JERSEY ONLY
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INSURANCE LAW BULLETIN

Re: **Court Sustains Removal Jurisdiction After Dismissing Fraudulently-Joined Parties**

The United States District Court for the District of Maryland recently sustained removal of an action filed against an insurer after dismissing claims asserted against the non-diverse codefendants.

Following termination of a group life insurance policy, plaintiff sued the insurer, its employee, and a related company in state court, alleging fraud, negligent misrepresentation, and breach of contract. The insurer removed the action to federal court based on diversity jurisdiction, alleging fraudulent joinder of the non-diverse employee and related company. Plaintiff moved to remand and to amend the allegations against the non-diverse defendants.

The Court denied plaintiff's motion to amend because jurisdiction is determined at the time of removal. The Court also denied the motion to remand, holding that the employee and related company were fraudulently joined because (i) they were not parties to the insurance contract, and (ii) the misrepresentation claims were not stated with particularity.

For further information or a copy of the Court's opinion, please contact **Michael P. Cunningham**, who represented the insurer in this matter, at 410.659.4979 or mcunningham@fblaw.com. Please visit our website at www.fblaw.com.

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