

INSURANCE LAW BULLETIN

Re: Federal Court Dismisses Amended Complaint Because Plaintiff Who Filed The Complaint Lacked Standing

The United States District Court for the District of Maryland recently dismissed an amended complaint filed by a plaintiff with standing because the original complaint, removed to federal court, was filed by a plaintiff who lacked standing. Since no justiciable controversy existed at the time of removal, the action was dismissed.

A trust filed a state court action against an insurer claiming ownership of a life insurance policy. The insurer removed the action to federal court and moved to dismiss because the trust lacked capacity to sue. In response, the trustee filed an amended complaint. The insurer moved to dismiss the amended complaint for lack of jurisdiction.

The trustee argued against dismissal on the grounds he had standing and the amendment related back to the filing of the original complaint under Federal Rule of Civil Procedure 15. The Court, however, rejected that argument, finding jurisdictional standing is determined at the time of removal. Since the original plaintiff lacked standing, no justiciable controversy existed and this jurisdictional defect cannot be cured by amendment.

If you need assistance in Maryland, Pennsylvania, the District of Columbia, or Virginia, or have any questions concerning this decision, please contact Bryan D. Bolton (bbolton@fblaw.com) or 410.659.7754, who represented the insurer in this matter.

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