

9/20/2017 | Articles

UM/UIM Plaintiff Fails to State Bad Faith Claim, Federal Judge Rules

A Pennsylvania federal judge has ruled that a UM/UIM insured has failed to state a bad faith claim against State Farm Insurance arising out of the handling of her UIM claim. In *Myers v. State Farm Mutual Automobile Ins. Co.*, No. 17-3509, 2017 U.S. Dist. LEXIS 143794 (E.D. Pa. Sept. 6, 2017), federal judge R. Barclay Surrick granted State Farm's 12(b)(6) motion to the complaint but granted the insured plaintiff leave to file an amended complaint.

The insured filed a UIM claim with her insurer after sustaining injuries in an auto accident. After failing to reach agreement on the settlement of her UIM claim, the insured filed breach of contract and bad faith claims against State Farm in Philadelphia County Common Pleas Court. In the complaint, the insured alleged State Farm's failure to act with reasonable promptness or to act with reasonable fairness, as well as the failure to conduct a proper investigation.

State Farm removed the action to the Eastern District of Pennsylvania and filed a motion to dismiss the bad faith claim pursuant to Federal Rule of Civil Procedure 12(b)(6). Judge Surrick, in granting the motion, observed that “[t]o survive a motion to dismiss, [the insured’s] complaint must include factual allegations from which the Court may plausibly infer the unreasonable and intentional or reckless denial of benefits.” The judge found the plaintiff's allegations to be conclusory at best, observing that the complaint failed to describe the ways and means in which the insurer allegedly failed to properly investigate her claim. The complaint also, Judge Surrick observed, failed to cite to any specific transactions or contact between the insured and the insurer which would factually make out a bad faith claim.

The Court concluded that even if it took the averments in the insured’s complaint as true, it was unable to “plausibly infer from those facts that [insurer] acted unreasonably and intentionally or recklessly in denying benefits to [the insured].” The plaintiff was granted leave to attempt to amend her complaint to allege sufficient factual support for her bad faith claims.



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