

UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF
PENNSYLVANIA

Elizabeth Forward School District v. CM Regent Insurance Company

Elizabeth Forward · No. 2:25-cv-1966 · Decided April 29, 2026

SUMMARY

The United States District Court for the Western District of Pennsylvania denied CM Regent Insurance Company's motion to dismiss Elizabeth Forward School District's statutory bad-faith claim and motion to strike allegations. The court held that the complaint plausibly alleged that CM Regent lacked a reasonable basis for its coverage decisions and failed to properly investigate the insurance claim. The court also concluded that the challenged allegations concerning the insurer's investigation were relevant and not unduly prejudicial.

CASE DETAILS

COURT	United States District Court for the Western District of Pennsylvania
WRITING FOR THE COURT	William S. Stickman IV
JURISDICTION	United States District Court for the Western District of Pennsylvania
DECIDED	April 29, 2026
DOCKET	2:25-cv-1966
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff filed claims for breach of an insurance policy and statutory insurance bad faith in Pennsylvania state court. Defendant removed the action to federal court and moved to dismiss the bad-faith count under Federal Rule of Civil Procedure 12(b)(6) and to strike allegations under Rule 12(f).
STANDARD OF REVIEW	On a Rule 12(b)(6) motion, the court tests the legal sufficiency of the complaint, accepts well-pleaded factual allegations as true, views them in the light most favorable to the plaintiff, and asks whether the complaint states a facially plausible claim. On a Rule 12(f) motion, striking pleading material is a drastic remedy entrusted to the court's discretion and is appropriate when allegations have no possible relation to the controversy, cause prejudice, or confuse the issues.
PRECEDENTIAL VALUE	Unknown; memorandum opinion of a federal district court with no reporter citation.

TOPICS

insurance bad faith

insurance coverage

motions to dismiss

pleadings

civil procedure

PRACTICE AREAS

insurance

insurance bad faith

civil procedure

QUESTIONS PRESENTED

1. Whether the complaint plausibly alleged statutory insurance bad faith under Pennsylvania law.
2. Whether allegations concerning the insurer's consultant and investigation were immaterial, impertinent, scandalous, or prejudicial such that they should be stricken under Federal Rule of Civil Procedure 12(f).

HOLDINGS

1. The complaint plausibly alleged that CM Regent lacked a reasonable basis for its coverage decision and knew of or recklessly disregarded that lack of a reasonable basis. Count II therefore survived the Rule 12(b)(6) motion.
2. The challenged allegations concerning the insurer's consultant and investigation were relevant to the plaintiff's bad-faith theory and were not shown to be scandalous or unduly prejudicial. The motion to strike was denied.

KEY QUOTATIONS

“EFSD does not have to prove its case at this stage. Rather, the only question is whether, taking all of the allegations in the complaint as true, EFSD has pled a plausible bad faith claim.” (unpaginated, Section II.A.2)

“The Court holds that CM Regent has not met its burden to warrant the drastic remedy of striking the allegations targeted by the motion to strike.” (unpaginated, Section II.B.2)

FACTUAL BACKGROUND

A fire destroyed the auditorium of Elizabeth Forward High School and severely damaged adjacent areas. Elizabeth Forward alleged that its insurance policy covered the auditorium and related damage, and that rebuilding at the original location while maintaining the auditorium's former seating capacity and complying with ADA accessibility requirements was not feasible. The insurer's consultants concluded that the pre-fire auditorium held approximately 530 seats rather than the nearly 800 seats alleged by the school district, and the insurer relied on that investigation in making coverage decisions. The school district alleged that the insurer ignored evidence of the auditorium's actual capacity, denied portions of the claim, and acted in bad faith.

PROCEDURAL HISTORY

Elizabeth Forward School District filed a two-count complaint in the Court of Common Pleas of Allegheny County, Pennsylvania. CM Regent Insurance Company removed the action to the United States District Court

for the Western District of Pennsylvania. The district court denied the plaintiff's motion to remand. CM Regent then moved to dismiss Count II and strike specified allegations; the court denied both motions.

DISPOSITION

other

CASES CITED

- Kost v. Kozakiewicz, 1 F.3d 176, 183 (3d Cir. 1993)
- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 555-56 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678, 682 (2009)
- Doe v. Princeton Univ., 30 F.4th 335, 340 (3d Cir. 2022)
- Fowler v. UPMC Shadyside, 578 F.3d 203, 210 (3d Cir. 2009)
- Baraka v. McGreevey, 481 F.3d 187, 195 (3d Cir. 2007)
- Amica Mut. Ins. Co. v. Fogel, 656 F.3d 167, 179 (3d Cir. 2011)
- Terletsky v. Prudential Prop. & Cas. Ins. Co., 649 A.2d 680, 688 (Pa. Super. 1994)
- Rancosky v. Wash. Nat'l Ins. Co., 170 A.3d 364, 377 (Pa. 2017)
- Woistman v. Nationwide Mutual Ins. Co., Civil Action No. 2:19-cv-01279, 2019 WL 13221264, at *3 (W.D. Pa. Dec. 6, 2019)
- Hanover Ins. Co. v. Ryan, 619 F. Supp. 2d 127, 140 (E.D. Pa. 2007)
- Champ v. USAA Casualty Insurance Company, No. 5:20-cv-01238, 2020 WL 1694372, at *2 (E.D. Pa. Apr. 7, 2020)
- Lee v. Eddystone Fire & Ambulance, No. 19-cv-3295, 2019 WL 6038535, at *2 (E.D. Pa. Nov. 13, 2019)
- American Power, LLC v. Speedco., Inc., No. 1:15-cv-2091, 2016 WL 6563671, at *1 (M.D. Pa. Nov. 4, 2016)
- In re Chambers Dev. Sec. Litig., 848 F. Supp. 602, 617 (W.D. Pa. 1993)
- Great West Life Assur. Co. v. Leviathan, 834 F. Supp. 858, 862 (E.D. Pa. 1993)
- DeLa Cruz v. Piccari Press, 521 F. Supp. 2d 424, 428-29 (E.D. Pa. 2007)