

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF
PENNSYLVANIA

**Carmen Ciotola, as assignee of Quarterback Transportation, Inc. v.
RSA Insurance Group, PLC, et al.**

Ciotola · No. 3:21-1020 · Decided March 2, 2026

SUMMARY

The United States District Court for the Middle District of Pennsylvania denied Carmen Ciotola's request to reopen the case after arbitration so he could proceed with breach-of-contract and bad-faith claims against RSA Insurance Group and related defendants. The court held that its prior order required all of Ciotola's claims to be arbitrated and that the arbitrator's determination that the assignment from Quarterback Transportation was invalid left Ciotola without standing to pursue the claims.

CASE DETAILS

COURT	United States District Court for the Middle District of Pennsylvania
WRITING FOR THE COURT	Malachy E. Mannion
JURISDICTION	United States District Court for the Middle District of Pennsylvania
DECIDED	March 2, 2026
DOCKET	3:21-1020
DISPOSITION	dismissed
PROCEDURAL POSTURE	Plaintiff requested that the district court reopen an administratively closed insurance action after completion of court-ordered arbitration so that he could pursue assigned breach-of-contract and bad-faith claims.
PRECEDENTIAL VALUE	Unpublished memorandum decision; limited precedential value

TOPICS

insurance bad faith breach of contract standing arbitration assignment and delegation

PRACTICE AREAS

insurance insurance bad faith contracts civil procedure arbitration

QUESTIONS PRESENTED

1. Whether the court's prior arbitration order required all of Ciotola's breach-of-contract and bad-faith claims, rather than only coverage issues, to be resolved in arbitration.
2. Whether the arbitrator's determination that the assignment was invalid left Ciotola without standing to pursue claims against RSA.
3. Whether a plaintiff lacking contractual rights under an insurance policy may pursue a statutory or common-law bad-faith claim arising from that policy.

HOLDINGS

1. The court's prior memorandum and order required all of Ciotola's claims, including the breach-of-contract and bad-faith claims, to be resolved through arbitration because they were coverage-related disputes within the RSA policy's arbitration clause.
2. Ciotola lacked standing to pursue his breach-of-contract and bad-faith claims because the assignment of Quarterback's rights under the RSA policy was invalid and had no legal effect against RSA.

KEY QUOTATIONS

“In its entirety, the court’s memorandum and order make it clear that all of Ciotola’s claims were found to be covered by the arbitration clause.” (II)

“As a result, Ciotola lacks legal standing to proceed with his claims in this instant action.” (III)

FACTUAL BACKGROUND

Quarterback Transportation was insured under a \$7 million primary policy and a \$1 million RSA excess-liability policy when it was involved in a Pennsylvania motor-vehicle accident with Ciotola. After Ciotola sued Quarterback, Quarterback settled by consenting to a \$9 million judgment, agreeing to pay Ciotola \$500,000, and attempting to assign its potential claims against RSA to Ciotola. The arbitrator later determined that the assignment was invalid under the policy's non-assignment clause and Ontario law, and Ciotola sought to reopen his action for breach of contract and bad faith.

PROCEDURAL HISTORY

Ciotola filed an insurance action against RSA alleging breach of contract and bad faith. The court compelled arbitration under the RSA policy's arbitration clause, stayed the claims, and administratively closed the case. The arbitrator found that the assignment from Quarterback to Ciotola was a nullity with no legally binding effect on RSA, although Quarterback was entitled to indemnity for \$500,000 paid in settlement. Ciotola then sought to reopen the case; after briefing on standing, the court denied the request.

DISPOSITION

dismissed

CASES CITED

- Ciotola v. Star Transportation & Trucking, LLC, 481 F. Supp. 3d 375 (M.D. Pa. 2020)
- Strutz v. State Farm Mutual Insurance Co., 609 A.2d 569, 571 (Pa. Super. Ct. 1992)
- Bonenberger v. Nationwide Mutual Insurance Co., 791 A.2d 378, 383 (Pa. Super. Ct. 2002)

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