

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF DELAWARE

Amit Jain v. Scottsdale Insurance Company

Jain · No. Civil Action No. 24-1361-RGA · Decided February 4, 2026

SUMMARY

The United States District Court for the District of Delaware denied Amit Jain’s motion for reconsideration of the denial of remand but granted leave to amend the complaint. The court held that the amended pleading adequately alleged a contractual payment obligation and breach, but that amendment could not retroactively affect the propriety of removal, which was assessed based on the complaint at the time of removal. The court also granted leave to file a reply.

CASE DETAILS

COURT	United States District Court for the District of Delaware
WRITING FOR THE COURT	Richard G. Andrews
JURISDICTION	United States District Court for the District of Delaware
DECIDED	February 4, 2026
DOCKET	Civil Action No. 24-1361-RGA
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for reconsideration of the denial of his motion to remand, or alternatively for leave to amend the complaint. The court denied reconsideration, granted leave to amend, and granted leave to file a reply.
STANDARD OF REVIEW	A motion for reconsideration requires an intervening change in controlling law, newly available evidence, or the need to correct a clear error of law or fact or prevent manifest injustice. Leave to amend under Federal Rule of Civil Procedure 15(a)(2) is governed by a liberal standard, subject to undue delay, bad faith, dilatory motive, futility, or unfair prejudice. Futility is assessed under the Rule 12(b)(6) legal-sufficiency standard, accepting pleaded allegations as true and viewing them in the light most favorable to the plaintiff.
PRECEDENTIAL VALUE	unpublished district court memorandum order
PARTIES	Amit Jain v. Scottsdale Insurance Company

TOPICS

motion for reconsideration

motion to amend

insurance coverage

civil procedure

breach of contract

PRACTICE AREAS

civil procedure

insurance coverage

contracts

commercial litigation

QUESTIONS PRESENTED

1. Whether Jain established grounds for reconsideration of the order denying remand.
2. Whether Jain should be granted leave to amend the complaint under Federal Rule of Civil Procedure 15(a)(2).
3. Whether amendment after removal could retroactively invalidate the removal or require remand based on the policy's service-of-suit provision.
4. Whether the amended complaint was futile or made in bad faith.

HOLDINGS

1. Reconsideration was properly denied because Jain identified no intervening change in controlling law, newly discovered evidence, clear error of law or fact, or manifest injustice.
2. Leave to amend was granted because the motion was timely, was not made in bad faith or for a dilatory purpose, the amendment was not futile, and the amendment would not unfairly prejudice Scottsdale.
3. The post-removal amendment did not retroactively invalidate Scottsdale's removal or require remand because remand is assessed based on the complaint at the time of removal, and the condition precedent to the policy's service-of-suit provision was not satisfied until after removal.
4. The service-of-suit provision did not require remand because its condition precedent was not met when the case was removed, and allowing remand after amendment would circumvent the provision's plain and ordinary meaning.

KEY QUOTATIONS

“The purpose of a motion for reconsideration is to correct manifest errors of law or fact or to present newly discovered evidence.” (unpaginated)

“In the absence of undue delay, bad faith, or dilatory motives on the part of the moving party, the amendment should be freely granted, unless it is futile or unfairly prejudicial to the non-moving party.” (unpaginated)

“Ruling on whether an action should be remanded to the state court from which it was removed, the district court must focus on the plaintiff’s complaint at the time the petition for removal was filed.” (unpaginated)

“Permitting amendment of the complaint does not retroactively invalidate the removal.” (unpaginated)

FACTUAL BACKGROUND

Jain was the beneficiary of a directors' and officers' insurance policy issued by Scottsdale and was sued in California for actions taken while serving as CEO of a Delaware corporation. Scottsdale initially agreed to provide coverage but later advised Jain that little indemnity coverage appeared to remain. Scottsdale then filed a

declaratory judgment action in the Central District of California, and Jain filed the Delaware action asserting insurance coverage and contract claims.

PROCEDURAL HISTORY

Jain filed suit in Delaware Superior Court alleging insurance-related declaratory judgment and contract claims. Scottsdale removed the action to the District of Delaware on diversity grounds. The court denied Jain's motion to remand because the policy's service-of-suit provision contained a condition precedent that had not been alleged. Jain then sought reconsideration or leave to amend; the court denied reconsideration, allowed amendment, and held that the amendment did not retroactively invalidate removal.

DISPOSITION

other

CASES CITED

- DailyGobble, Inc. v. Jain, et al., No. 22STCV15317 (Cal. Super. Ct.)
- Scottsdale Insurance Co. v. Jain, No. 2:24-cv-09352 (C.D. Cal.)
- U.S. ex rel. Schumann v. AstraZeneca Pharms. L.P., 769 F.3d 837, 848-49 (3d Cir. 2014)
- Howard Hess Dental Lab's Inc. v. Dentsply Int'l, Inc., 602 F.3d 237, 251-52 (3d Cir. 2010)
- Foman v. Davis, 371 U.S. 178, 182 (1962)
- In re Burlington Coat Factory Secs. Litig., 114 F.3d 1410, 1434 (3d Cir. 1997)
- Dole v. Arco, 921 F.2d 484, 487 (3d Cir. 1990)
- Great W. Mining & Min. Co. v. Fox Rothschild, LLP, 615 F.3d 159, 175 (3d Cir. 2010)
- M/S Bremen v. Zapata Off-Shore Co., 407 U.S. 1, 10 (1972)
- Foster v. Chesapeake Ins. Co., 933 F.2d 1207, 1214-19 (3d Cir. 1991)
- Steel Valley Auth. v. Union Switch & Signal Div., 809 F.2d 1006, 1010 (3d Cir. 1987)
- Pullman Co. v. Jenkins, 305 U.S. 534, 538 (1939)
- Ariel Land Owners, Inc. v. Dring, 351 F.3d 611, 615 (3d Cir. 2003)
- New Jersey v. Merrill Lynch & Co., 640 F.3d 545, 548 (3d Cir. 2011)

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