

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF  
TENNESSEE

Marcus D. Stinnett, et al. v. Commonwealth Annuity & Life  
Insurance Company, et al.

No. 2:25-CV-00096-DCLC-CRW, United States District Court for the Eastern District of Tennessee (March 3, 2026)

SUMMARY

The United States District Court for the Eastern District of Tennessee grants Plaintiffs’ motions to remand an insurance-related action to the Circuit Court of Cocke County, Tennessee. The court concludes that Plaintiffs have a colorable basis for claims against nondiverse Tennessee defendants and that factual disputes concerning the policy representations and accrual of the claims preclude a finding of fraudulent joinder. The court therefore determines that complete diversity is lacking and remands the case.

CASE DETAILS

|                       |                                                                                                                                                                                                                                                 |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COURT                 | United States District Court for the Eastern District of Tennessee                                                                                                                                                                              |
| WRITING FOR THE COURT | Clifton L. Corker                                                                                                                                                                                                                               |
| JURISDICTION          | United States District Court for the Eastern District of Tennessee, Greeneville Division                                                                                                                                                        |
| DECIDED               | March 3, 2026                                                                                                                                                                                                                                   |
| DOCKET                | 2:25-CV-00096-DCLC-CRW                                                                                                                                                                                                                          |
| DISPOSITION           | remanded                                                                                                                                                                                                                                        |
| PROCEDURAL POSTURE    | Motion to remand after removal from state court based on fraudulent joinder of non-diverse defendants.                                                                                                                                          |
| STANDARD OF REVIEW    | Whether removing defendants established federal subject-matter jurisdiction by a preponderance of the evidence, applying a narrow fraudulent joinder inquiry to determine if a colorable cause of action exists against non-diverse defendants. |
| PRECEDENTIAL VALUE    | unpublished                                                                                                                                                                                                                                     |
| PARTIES               | Marcus D. Stinnett, et al. v. Commonwealth Annuity & Life Insurance Company, et al.                                                                                                                                                             |

## TOPICS

subject matter jurisdiction

insurance

## PRACTICE AREAS

civil procedure

insurance

## QUESTIONS PRESENTED

1. Whether the Tennessee Defendants were fraudulently joined, thereby destroying complete diversity and requiring remand to state court.
2. Whether Plaintiffs stated colorable negligence and misrepresentation claims against the Tennessee Defendants.
3. Whether Plaintiffs' claims were time-barred under the applicable statute of limitations.

## HOLDINGS

1. The Tennessee Defendants were not fraudulently joined because Plaintiffs asserted at least a colorable cause of action against them, defeating complete diversity.

## KEY QUOTATIONS

*“The relevant inquiry is whether there is a colorable basis for predicting that a plaintiff may recover against a defendant.”*

*“Because Plaintiffs have asserted at least a colorable cause of action against the Tennessee Defendants, complete diversity is lacking. This Court therefore lacks subject-matter jurisdiction under 28 U.S.C. § 1332.”*

## FACTUAL BACKGROUND

In 1988, plaintiffs' parents purchased a \$500,000 life insurance policy based on agent Sidbury's representations that it required only a one-time premium and would maintain its face value. After the policyholder deaths, the insurer refused to pay the full \$500,000, leading to state court litigation against both the insurer and Tennessee-based agencies allegedly responsible for Sidbury's conduct.

## PROCEDURAL HISTORY

Plaintiffs filed suit in Tennessee state court. Defendants removed to federal court, asserting diversity jurisdiction based on fraudulent joinder of non-diverse Tennessee Defendants. Plaintiffs moved to remand.

## DISPOSITION

remanded

## REMAND INSTRUCTIONS

The case is remanded to the Circuit Court of Cocke County, Tennessee. The Clerk is directed to transmit a certified copy of this Order to the state court and close this case.

#### CASES CITED

- Everett v. Verizon Wireless, Inc., 460 F.3d 818 (6th Cir. 2006)
- Long v. Bando Mfg. of Am., Inc., 201 F.3d 754 (6th Cir. 2000)
- Coyne v. Am. Tobacco Co., 183 F.3d 488 (6th Cir. 1999)
- Casias v. Wal-Mart Stores, Inc., 695 F.3d 428 (6th Cir. 2012)
- Walker v. Philip Morris USA, Inc., 443 F. App'x 946 (6th Cir. 2011)
- Wolf v. Bankers Life & Cas. Co., 519 F. Supp. 2d 674 (W.D. Mich. 2007)
- Pacheco de Perez v. AT&T Corp., 139 F.3d 1368 (11th Cir. 1998)
- John Martin Co. v. Morse/Diesel, Inc., 819 S.W.2d 428 (Tenn. 1991)
- Chavez v. Broadway Elec. Serv. Corp., 245 S.W.3d 398 (Tenn. Ct. App. 2007)
- Med. Educ. Assistance Corp. v. State ex rel. E. Tennessee State Univ. Quillen Coll. of Med., 19 S.W.3d 803 (Tenn. Ct. App. 1999)
- Am. Gen. Life Ins. Co. v. Underwood, 85 F. Supp. 3d 944 (E.D. Tenn. 2015)
- Webber v. State Farm Mut. Auto. Ins. Co., 49 S.W.3d 265 (Tenn. 2001)
- Hira v. New York Life Ins. Co., 144 F. Supp. 3d 977 (E.D. Tenn. 2015)
- Pero's Steak and Spaghetti House v. Lee, 90 S.W.3d 614 (Tenn. 2002)
- Foster v. Harris, 633 S.W.2d 304 (Tenn. 1982)
- Gaul v. Neurocare Diagnostic, Inc., No. 02-CV-2135, 2003 WL 230800 (E.D. Pa. 2003)
- McIntosh v. Blanton, 164 S.W.3d 584 (Tenn. Ct. App. 2004)