

UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF
ILLINOIS

Board of Trustees of the University of Illinois v. Insurance Corp. of
Ireland, Ltd.

747 F. Supp. 1260 (N.D. Ill. 1989) · Decided December 20, 1989

SUMMARY

The court sua sponte dismisses the action for lack of subject matter jurisdiction. It concludes that the complaint failed to adequately allege Marsh & McLennan's principal place of business and that the University of Illinois and Marsh were both Illinois citizens, destroying complete diversity; dismissal was without prejudice to refiling in state court.

CASE DETAILS

COURT	United States District Court for the Northern District of Illinois
WRITING FOR THE COURT	Milton I. Shadur
JURISDICTION	Illinois
DECIDED	December 20, 1989
DISPOSITION	dismissed
PROCEDURAL POSTURE	The federal district court sua sponte dismissed the diversity action for lack of subject matter jurisdiction after reviewing the complaint and answers.
STANDARD OF REVIEW	The court independently reviewed the pleadings to determine whether subject matter jurisdiction was properly alleged and existed.
PRECEDENTIAL VALUE	Published federal district court memorandum opinion; persuasive authority rather than binding circuit precedent.
PARTIES	Board of Trustees of the University of Illinois v. Insurance Corporation of Ireland, Ltd., Marsh & McLennan, Inc.

TOPICS

- subject matter jurisdiction
- civil procedure
- insurance
- commercial litigation
- pleadings

PRACTICE AREAS

- civil procedure
- insurance
- commercial litigation

QUESTIONS PRESENTED

1. Whether the complaint adequately established diversity jurisdiction with respect to Marsh & McLennan, Inc.
2. Whether the University of Illinois's shared Illinois citizenship with Marsh destroyed complete diversity and required dismissal for lack of subject matter jurisdiction.

HOLDINGS

1. Complete diversity was absent because the University of Illinois and Marsh were both citizens of Illinois; their shared citizenship destroyed diversity jurisdiction and required dismissal.
2. The court could and should independently review the complaint for subject matter jurisdiction and dismiss the action when federal jurisdiction was absent.

KEY QUOTATIONS

“When a plaintiff sues more than one defendant in a diversity action, the plaintiff must meet the requirements of the diversity statute for each defendant or face dismissal.” (1262)

FACTUAL BACKGROUND

The Board of Trustees of the University of Illinois sued Insurance Corporation of Ireland, Ltd. and Marsh & McLennan, Inc. The complaint alleged that the University of Illinois was incorporated and had its principal place of business in Illinois, that Insurance Corporation of Ireland was a corporation of Ireland, and that Marsh was incorporated in Delaware and maintained an office in Chicago. The complaint did not allege Marsh's principal place of business, and the court determined that Marsh was an Illinois citizen, creating nondiverse citizenship with the University of Illinois.

PROCEDURAL HISTORY

The action was reassigned to Judge Shadur following the recusal of another judge. Insurance Corporation of Ireland and Marsh had answered the complaint, and the plaintiff had filed a briefed motion to dismiss Insurance Corporation of Ireland's rescission counterclaim. Before ruling on that motion, the court independently reviewed the pleadings, determined that diversity jurisdiction was absent, and dismissed the action.

DISPOSITION

dismissed

CASES CITED

- *Strawbridge v. Curtiss*, 7 U.S. (3 Cranch) 267, 2 L. Ed. 435 (1806)
- *Wisconsin Knife Works v. National Metal Crafters*, 781 F.2d 1280, 1282 (7th Cir. 1986)
- *Wojan v. General Motors Corp.*, 851 F.2d 969, 971 (7th Cir. 1988)
- *Newman-Green, Inc. v. Alfonzo-Larrain R.*, 490 U.S. 826, 109 S. Ct. 2218, 104 L. Ed. 2d 893 (1989)
- *Newman-Green, Inc. v. Alfonzo-Larrain R.*, 832 F.2d 417 (7th Cir. 1987)

- *Newman-Green, Inc. v. Alfonzo-Larrain* R., 854 F.2d 916 (7th Cir. 1988) (en banc)

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