UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA

Robert Helton v. USAA General Indemnity Company, et al.

Helton v. USAA General Indemnity Company, et al., No. CV-25-03822-PHX-KML (D. Ariz. Dec. 17, 2025) · No. No. CV-25-03822-PHX-KML · Decided December 17, 2025

SUMMARY

The United States District Court for the District of Arizona denied Robert Helton's motion to remand his underinsured-motorist coverage, breach-of-contract, and bad-faith action against USAA General Indemnity Company. The court held that the amount in controversy exceeded $75,000 based on Helton's pre-suit damages calculations, with potential punitive damages and attorneys' fees providing additional support for diversity jurisdiction.

CASE DETAILS

COURT	United States District Court for the District of Arizona
WRITING FOR THE COURT	Krissa M. Lanham
JURISDICTION	United States District Court for the District of Arizona
DECIDED	December 17, 2025
DOCKET	No. CV-25-03822-PHX-KML
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved to remand an insurance-coverage action removed from Arizona state court on diversity-jurisdiction grounds, arguing that the amount in controversy did not exceed $75,000.
STANDARD OF REVIEW	After the amount in controversy was contested, the parties were required to submit proof, and the court determined by a preponderance of the evidence whether the amount-in-controversy requirement was satisfied.
PRECEDENTIAL VALUE	unpublished, nonprecedential district-court order

TOPICS

subject matter jurisdiction · civil procedure · insurance coverage · uninsured motorist · insurance bad faith

PRACTICE AREAS

civil procedure | insurance coverage | underinsured motorist benefits | removal and remand | diversity jurisdiction

QUESTIONS PRESENTED

1. Whether USAA established by a preponderance of the evidence that more than $75,000 was in controversy for purposes of diversity jurisdiction.
2. Whether Helton's pre-suit damages demand and the damages alleged in his complaint established the amount in controversy without a detailed valuation of punitive damages or attorney's fees.

HOLDINGS

1. The amount in controversy exceeded $75,000 because Helton's undisputed pre-suit communications established at least $198,230.42 in compensatory damages before accounting for the $100,000 paid by State Farm.
2. Prospective attorney's fees must be included in the amount-in-controversy analysis when recoverable under a statute or contract, although the court did not need to calculate them because compensatory damages alone satisfied the threshold.

KEY QUOTATIONS

> *"To remove the case from state court, USAA's notice of removal was required to "include only a plausible allegation that the amount in controversy exceeds the jurisdictional threshold.""* (at 2)

> *"Without Helton disputing his own estimate of damages, that estimate is sufficient to establish the amount in controversy."* (at 4)

FACTUAL BACKGROUND

In October 2023, Robert Helton was injured when a car struck him while he was riding a bicycle. The driver's insurer paid Helton its $100,000 policy limit, after which Helton sought underinsured-motorist benefits under his USAA policy. Before filing suit, Helton claimed at least $198,230.42 in medical expenses and lost earnings, and his complaint also sought contractual benefits, punitive damages, and attorney's fees.

PROCEDURAL HISTORY

Helton filed suit against USAA General Indemnity Company in Maricopa County Superior Court in September 2025, asserting claims for declaration of rights, breach of contract, and bad faith. USAA removed the case to the United States District Court for the District of Arizona based on diversity jurisdiction. The court denied Helton's motion to remand and denied as moot the parties' stipulation to stay.

DISPOSITION

other

CASES CITED

- Rieke v. ManhattanLife Assurance Co. of America, No. CV-20-00724-PHX-GMS, 2020 WL 3056123, at *1 (D. Ariz. June 9, 2020)
- Dart Cherokee Basin Operating Co., LLC v. Owens, 574 U.S. 81, 88-89 (2014)
- Ibarra v. Manheim Investments, Inc., 775 F.3d 1193, 1198 (9th Cir. 2015)
- Arias v. Residence Inn by Marriott, 936 F.3d 920, 922 (9th Cir. 2019)
- Cohn v. Petsmart, Inc., 281 F.3d 837, 840 (9th Cir. 2002)
- Greene v. Harley-Davidson, Inc., 965 F.3d 767, 772 (9th Cir. 2020)
- Fritsch v. Swift Transportation Co. of Arizona, LLC, 899 F.3d 785, 794, 796 (9th Cir. 2018)

OPINION

WO IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF ARIZONA Robert Helton, No. CV-25-03822-PHX-KML Plaintiff, ORDER v. USAA General Indemnity Company, et al., Defendants. Defendant USAA General Indemnity Company removed this case from state court based on diversity jurisdiction. Plaintiff Robert Helton seeks remand, arguing USAA failed to establish more than $75,000 is in controversy.

Before filing his suit Helton indicated his total damages approached $200,000, not including punitive damages and attorneys’ fees. The motion to remand is denied. I. Factual and Procedural Background In October 2023, Helton was riding his bicycle when he was hit by a car. (Doc. 1-2 at 10.)

The driver of that car was insured by non-party State Farm. Based on Helton’s injuries, State Farm paid Helton the applicable policy limit of $100,000. That amount did not “adequately compensate [Helton] for his injuries, medical expenses, lost earnings and general damages.” (Doc. 1-2 at 10.) Helton therefore made a claim for underinsured motorist benefits under his own policy with USAA.

(Doc. 1-2 at 11.) Helton’s underinsured policy limits were “$100,000/$300,000.” (Doc. 1-2 at 9.) USAA offered Helton $25,000 despite knowing the “contractual benefit it owed [Helton] under his policy [was] more than $25,000.” (Doc. 1-2 at 11.) Confusingly, Helton alleges USAA “was willing to pay the full contractual benefit” which was more than $25,000, but USAA “failed to offer and/or disclose said amount.” (Doc.

1-2 at 11.) In September 2025, Helton filed suit against USAA in Maricopa County Superior Court. Helton requested his suit be classified as “Tier 2.” See Rieke v. ManhattanLife Assurance Co. of Am., No. CV-20-00724-PHX-GMS, 2020 WL 3056123, at *1 (D. Ariz. June 9, 2020) (explaining “tier system” in state court). A Tier 2 suit is one of “intermediate complexity.” Ariz. R. Civ.

P. 26.2(b)(2). The tier assignment can be “based on the damages claimed in the action,” with Tier 2 encompassing those actions “claiming more than $50,000 and less than $300,000 in damages,” not including “claims for punitive damages, interest, attorney’s fees... and costs.” Ariz. R. Civ. P. 26.2(c)(3), (e). But the basis for tier assignment is the expected complexity of the case, such as the amount of evidence and witnesses that will be required, not simply the amount of damages at issue.

Ariz. R. Civ. P. 26.2(b). Helton’s complaint contains three claims: “declaration of rights”; breach of contract; and bad faith. (Doc. 1-2 at 11-12.) In terms of relief related to the “declaration of rights,” the complaint requests a “declaration of the full benefit of the contract.” (Doc. 1-2 at 13.) USAA reads that language to mean Helton’s complaint is seeking the $100,000 policy limit.

(Doc. 11 at 4.) Helton claims that language merely indicates he is seeking all the benefits under the contract that he is entitled to recover, which may or may not be the policy limit. (Doc. 12 at 2.) Whichever reading is correct, the complaint seeks an unspecified amount in compensatory damages, punitive damages, and attorneys’ fees. Based on the Tier 2 designation, the possible compensatory and punitive damages, as well as the award of attorneys’ fees, USAA concluded more than $75,000 was in controversy and removed the case to federal court.

There is no dispute the parties are completely diverse, but Helton argues the case must be remanded because USAA has not established more than $75,000 is in controversy. Given his own pre-suit communications that he does not disavow, this position has no factual or legal basis. II. Analysis To remove the case from state court, USAA’s notice of removal was required to “include only a plausible allegation that the amount in controversy exceeds the jurisdictional threshold.” Dart Cherokee Basin Operating Co., LLC v. Owens, 574 U.S. 81, 89 (2014).

Now that Helton has disputed the amount in controversy, both parties must “submit proof” for the court to decide “by a preponderance of the evidence, whether the amount-in-controversy requirement has been satisfied.” Id. at 88.

The relevant “proof” may include “the reality of what is at stake in the litigation, using reasonable assumptions underlying the defendant’s theory of damages exposure.” Ibarra v. Manheim Invs., Inc., 775 F.3d 1193, 1198 (9th Cir. 2015). And “when a statute or contract provides for the recovery of attorneys’ fees, prospective attorneys’ fees must be included in the assessment of the amount in controversy.” Arias v. Residence Inn by Marriott, 936 F.3d 920, 922 (9th Cir.

2019). To meet its burden, USAA points to the amount of compensatory damages Helton demanded before filing suit, the demand in the complaint that can be read as seeking the $100,000 policy limit, the value of punitive damages, and the value of past and future attorneys’ fees. Helton’s pre-suit communications outlined compensatory damages that far exceed $75,000, meaning those compensatory damages alone are sufficient to establish more than $75,000 is in controversy.

The possibility of punitive damages and an award of attorneys’ fees only provide additional evidence the amount in controversy requirement is met. In April 2025, Helton’s counsel sent a demand letter to USAA claiming the accident resulted in Helton incurring $39,558.42 in medical expenses. (Doc. 11-1 at 6.)

The accident had also caused Helton to miss 36 weeks of work and, when he was able to return to work, Helton had to take a different position that paid less. Before the accident Helton earned an average of $3,410 per week, meaning the 36 weeks of lost earnings equaled $102,672. When he returned to work in May 2024 at a different position, Helton was paid $800/week less than before the accident.

Assuming Helton returned to work on May 1, 2024, there are 70 weeks between that date and September 3, 2025, the date Helton filed this suit. Assuming a loss of $800 per week, that is $56,000 in additional lost earnings.

Thus, based on Helton’s own calculations and demands, he experienced at least $198,230.42 ($39,558.42 + $102,672 + $56,000) in compensatory damages before he filed suit. Even accounting for the $100,000 paid by State Farm, there is significantly more than $75,000 in controversy. Helton does not argue his pre-suit communications were “inflated and not an honest assessment of damages.” Cohn v. Petsmart, Inc., 281 F.3d 837, 840 (9th Cir.

2002). Nor has Helton made any “attempt to disavow his [communications] or offer contrary evidence” calling the amount of his compensatory damages into question. Without Helton disputing his own estimate of damages, that estimate is sufficient to establish the amount in controversy. Id. Accordingly, there is no need to assess in detail the possible values of the punitive damages or attorneys’ fees Helton seeks to recover, but both would add to the already-sufficient amount in controversy.

Cf. Greene v. Harley-Davidson, Inc., 965 F.3d 767, 772 (9th Cir. 2020) (punitive damages can be included “if it is reasonably possible that [defendant] may be liable for the proffered punitive damages amount”); Fritsch v. Swift Transportation Co. of Arizona, LLC, 899 F.3d 785, 794 (9th Cir. 2018) (when attorneys’ fees are recoverable by statute the court “must include future attorneys’ fees... when assessing whether the amount-in-controversy requirement is met.”).

Helton’s only argument on attorneys’ fees is that they are too speculative, but the Ninth Circuit has explicitly rejected that concern. Fritsch, 899 F.3d at 796. A small amount of attorneys’ fees, such as $10,000, is overwhelmingly likely should Helton prevail. That amount only adds to an amount in controversy that easily exceeds $75,000. Accordingly, IT IS ORDERED the Motion to Remand (Doc.8) is DENIED.

IT IS FURTHER ORDERED the Stipulation to Stay (Doc. 13) is DENIED AS MOOT. The parties shall file their Rule 26(f) Joint Case Management as required by Doc. 5 within ten days of this order. Dated this 17th day of December, 2025. Ada M.A Honorable Krissa M. Lanham United States District Judge