

inter alia, the Selection Form executed by the Corbetts is valid and enforceable under relevant statutes and case law. In bringing this action, however, the Insurer wishes to circumvent the arbitration clause contained in its contract with the Corbetts.¹ The Court hereafter considers the Insureds' Motion to Dismiss and the Insurer's responses thereto.

II. LEGAL STANDARD

When considering a motion to dismiss a complaint for failure to state a claim under Rule 12(b)(6),² this Court must "accept as true the facts alleged in the complaint and all reasonable inferences that can be drawn from them. Dismissal under Rule 12(b)(6) . . . is limited to those instances where it is certain that no relief could be granted under any set of facts that could be proved." Markowitz v. Northeast Land Co., 906 F.2d 100, 103 (3d Cir. 1990) (citing Ransom v. Marrazzo, 848 F.2d 398, 401 (3d Cir.

¹ The arbitration clause of the parties' contract states in relevant part as follows:

Arbitration

- A. If we and an insured do not agree:
1. Whether the insured is legally entitled to recover damages or
 2. As to the amount of damages which are recoverable to the insured;
- From the owner or operator of any underinsured motor vehicle then the matter may be arbitrated.

(Compl. at Ex. B, p. 26).

² Rule 12(b)(6) provides that:

Every defense, in law or fact, to a claim for relief in any pleading . . . shall be asserted in the responsive pleading thereto if one is required, except that the following defenses may at the option of the pleader be made by motion: . . . (6) failure to state a claim upon which relief can be granted

Fed. R. Civ. P. 12(b)(6).

1988)); see H.J. Inc. v. Northwestern Bell Tel. Co., 492 U.S. 229, 249-50 (1989). A court will only dismiss a complaint if "it is clear that no relief could be granted under any set of facts that could be proved consistent with the allegations.'" H.J. Inc., 492 U.S. at 249-50 (quoting Hishon v. King & Spalding, 467 U.S. 69, 73 (1984)). Nevertheless, a court need not credit a plaintiff's "bald assertions" or "legal conclusions" when deciding a motion to dismiss. See Morse v. Lower Merion Sch. Dist., 132 F.3d 902, 906 (3d Cir. 1997).

III. DISCUSSION

The Insureds put forth two arguments for dismissal: (1) The Insurer's Complaint does not confer jurisdiction on this Court as the \$75,000 jurisdictional minimum is not satisfied; and (2) the parties' controversy is not subject to judicial review as the parties' insurance contract includes a valid and enforceable arbitration clause which requires the parties to submit this dispute to arbitration. The Court hereafter considers each argument.

A. Jurisdictional Minimum

The Insureds contend that this Court lacks subject matter jurisdiction as the amount in controversy does not satisfy the requisite \$75,000 minimum. A reasonable reading of the Complaint demonstrates that the Insureds' argument is meritless as they

ultimately seek up to \$100,000 in coverage. As a minimum of \$100,000 is potentially involved, the requisite jurisdictional minimum is satisfied. See Feldman v. New York Life Ins. Co., No. CIV.A. 97-4684, 1998 WL 94800, at *4 (E.D. Pa. March 4, 1998). Accordingly, the Insureds' Motion to Dismiss is denied as to this argument.

B. Arbitration Clause

The Insureds contend that pursuant to the arbitration clause of the parties' contract, the instant controversy should be decided by an arbitrator. As a preliminary matter, the Insureds' argument is facially valid as neither party argues that the contract's arbitration clause is invalid or that the issue in controversy is beyond the ambit of the clause's plain meaning. Under Pennsylvania law, there is a general rule concerning the enforcement of an insurance contract's arbitration clause; where there exists a valid arbitration agreement in an insurance contract, disputes which arise under the contract and which are encompassed by an arbitration clause contained therein must be referred to arbitrators. See, e.g., Brennan v. General Accident Fire & Life Assurance Corp, Ltd., 574 A.2d 580, 583 (Pa. 1990). Nevertheless, as with all general rules, there is at least one exception to the aforesaid rule; where the disputed issue is whether a particular provision of an insurance policy is contrary to a constitutional, legislative, or administrative mandate, the controversy may be

subject to judicial review. See, e.g., Warner v. Continental/CNA Ins. Cos., 688 A.2d 177, 181 (Pa. Super. Ct. 1996).

The Insurer does not allege that a provision of its policy is potentially contrary to a "constitutional, legislative, or administrative mandate." The Insurer's prayer for relief, however, requests "a declaration from the Court . . . that the Selection Form executed by the Corbetts is valid and enforceable and in compliance with the MVFRL." (Compl. at 8). The Complaint cannot survive Rule 12(b)(6) scrutiny because (1) a prayer for relief is not equivalent to an allegation, and (2) the Insurer fails to make any allegation which cannot be resolved by an arbitrator.

This Court's Final Judgment follows.

