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8 UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
9 AT SEATTLE

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11 CHRISTINE FAULDS et al.,

12 Plaintiffs,

13 v.

14 ALLSTATE VEHICLE AND PROPERTY  
INSURANCE COMPANY,

15 Defendant.

CASE NO. 2:24-cv-01705-LK

ORDER TO SHOW CAUSE

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17 This matter comes before the Court sua sponte. On September 19, 2024, Plaintiffs Christine  
18 and Jason Faulds filed their complaint for declaratory, injunctive, and monetary relief in King  
19 County Superior Court. Dkt. No. 1-1 at 9–10. On October 17, 2024, Defendant Allstate Vehicle  
20 and Property Insurance Company removed Plaintiffs’ complaint to this Court on the basis of  
21 diversity jurisdiction. Dkt. No. 1 at 2–6 (citing 28 U.S.C. § 1332(a)(1)). However, the record does  
22 not show that the amount in controversy requirement is met. For the reasons discussed below, the  
23 Court orders Allstate to show cause why this case should not be dismissed for lack of subject  
24 matter jurisdiction.

1 Federal courts “have an independent obligation to determine whether subject-matter  
2 jurisdiction exists[.]” *Arbaugh v. Y&H Corp.*, 546 U.S. 500, 514 (2006). This determination is an  
3 “inflexible” threshold requirement that must be made “without exception, for jurisdiction is power  
4 to declare the law and without jurisdiction the court cannot proceed at all in any cause.” *Ruhrgas*  
5 *AG v. Marathon Oil Co.*, 526 U.S. 574, 577 (1999) (cleaned up). As the party asserting jurisdiction,  
6 Allstate has the burden of establishing it. *See United States v. Orr Water Ditch Co.*, 600 F.3d 1152,  
7 1157 (9th Cir. 2010). “If the court determines at any time that it lacks subject-matter jurisdiction,  
8 the court must dismiss the action.” Fed. R. Civ. P. 12(h)(3).

9 District courts have original jurisdiction when the amount in controversy exceeds \$75,000  
10 and the action is between citizens of different states. 28 U.S.C. § 1332(a)(1). Whether the amount  
11 in controversy exceeds \$75,000 is generally “determined from the face of the pleadings,” and  
12 courts will defer to the amount “claimed by the plaintiff . . . so long as the claim is made in good  
13 faith.” *Crum v. Circus Circus Enters.*, 231 F.3d 1129, 1131 (9th Cir. 2000); *accord Geographic*  
14 *Expeditions, Inc. v. Est. of Lhotka ex rel. Lhotka*, 599 F.3d 1102, 1106 (9th Cir. 2010).

15 The record fails to demonstrate that the \$75,000 threshold is satisfied. In their complaint,  
16 Plaintiffs only request unspecified sums relating to applicable coverage and benefits, which “will  
17 be determined as investigation and discovery continue.” Dkt. No. 1-1 at 5; *see also id.* at 9. Allstate  
18 reasons that the amount in controversy requirement has been met because “[t]he benefits  
19 potentially available to Plaintiffs under the Policy that they seek to recover in this lawsuit exceed  
20 \$300,000,” which include the “dwelling coverage with limits of \$250,000 (of which approximately  
21 \$96,000 of the benefits have been paid),” “personal property coverage with limits of \$187,500”  
22 (of which \$19,689.71 has been paid), and “additional living expense coverage . . . with limits of  
23 \$25,000.” Dkt. No. 1 at 3–4. Allstate avers that the amount in controversy is further increased  
24 because Plaintiffs also seek (1) extra-contractual tort damages for bad faith and violation of the

1 Washington Consumer Protection Act (“CPA”) and Insurance Fair Conduct Act (“IFCA”) that  
2 “are independent of and in addition to policy benefits Plaintiffs seek,” (2) punitive and treble  
3 damages under the CPA and IFCA, (3) “attorneys’ fees and costs incurred in prosecuting this  
4 action under the CPA, IFCA, or applicable law,” and (4) injunctive relief, “which would be  
5 expensive and time-consuming for Allstate to implement.” *Id.* at 3–5. Allstate reasons that “[w]hen  
6 the foregoing is combined, the amount in controversy substantially exceeds the jurisdictional  
7 threshold of \$75,000.” *Id.* at 6.

8 Allstate has not demonstrated that the amount in controversy has been met. When, as here,  
9 the parties dispute the applicability of the policy to a particular occurrence—rather than the validity  
10 of the policy itself—“the jurisdictional amount in controversy is measured by the value of the  
11 underlying claim—not the face amount of the policy.” *Schmale v. State Farm & Cas. Co.*, No.  
12 2:23-cv-01114-GMN-NJK, 2023 WL 7130567, at \*2 (D. Nev. Oct. 30, 2023) (quoting Charles  
13 Alan Wright, Arthur R. Miller & Edward H. Cooper, *Federal Practice and Procedure*, vol. 14B, §  
14 3710, 264 (3d ed., West 1998)). Thus, the value of the claim, not the policy limit, determines the  
15 amount in controversy here. *Id.*; *see also Tesfay v. United Fin. Cas. Co.*, No. 2:22-cv-01687-TL,  
16 2023 WL 2554163, at \*1 (W.D. Wash. Mar. 17, 2023) (noting that “the mere fact that the policy  
17 limits exceed the \$75,000 threshold for diversity jurisdiction does not show what the amount in  
18 controversy in this action actually is”). Additionally, even if the Court considers extra-contractual  
19 tort damages (including any punitive and treble damages), certain attorneys’ fees and costs, and  
20 costs to implement injunctive relief to determine the amount in controversy, Allstate has not  
21 demonstrated that these other forms of relief requested by Plaintiffs sufficiently satisfy the amount  
22 in controversy requirement absent the value of the underlying claim.

1           Accordingly, within 14 days of the date of this Order, Allstate is ORDERED to SHOW  
2 CAUSE why this case should not be dismissed for lack of subject matter jurisdiction. Failure to  
3 do so will result in dismissal. *See* Fed. R. Civ. P. 12(h)(3).

4           Dated this 22nd day of November, 2024.

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7 Lauren King  
8 United States District Judge  
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