

policy."¹ (Mem. and Order dated April 27, 2000 at 3-4 n.4.) The court found that BHC's "dispute over the increase in premium rates, the related threat to cancel the policy and the contractual dispute over the payment of a dividend [was] not conduct that relates to the handling or payment of claims or benefits under an insurance policy." Mem. and Order dated February 5, 1999 at 5-7 (citations omitted) (recognizing that statute's focus on handling and payment of claims underscores conclusion that statute's provisions make sense only in claim handling and payment context). Thus, the court determined that such issues should be decided as part of Belmont's breach of contract claim rather than as a bad faith claim under § 8371. Id. at 7. The February 5, 1999 Order did not dismiss BHC's bad faith claim to the extent that the relief sought was premised on the manner in which claims were handled under the policy. Id. at 7-8.

¹ Section 8371 states:

In an action arising under an insurance policy, if the court finds that the insurer has acted in bad faith toward the insured, the court may take all of the following actions:

- (1) Award interest on the amount of the claim from the date the claim was made by the insured in an amount equal to the prime rate of interest plus 3%.
- (2) Award punitive damages against the insurer.
- (3) Assess court costs and attorney fees against the insurer.

42 Pa. Cons. Stat. Ann. § 8371.

Then, in its April 27, 2000 Order, the court granted Unicare's motion to dismiss BHC's claim for bad faith under § 8371, finding that BHC lacked standing to bring a claim under the statute on behalf of its employees. Mem. & Order dated April 27, 2000 at 8-9. On May 11, 2000, BHC filed the instant motion for reconsideration. On May 31, 2000, Unicare filed its opposition thereto. On June 9, 2000, BHC filed a motion for leave to file a reply brief in support of its motion for reconsideration.

For the reasons set forth below, BHC's motion to file a reply brief will be granted and its motion for reconsideration will be denied.

II. LEGAL STANDARD

The Federal Rules of Civil Procedure allow a party to move the court for reconsideration. See Fed. R. Civ. P. 59(e) (stating that motion to alter or amend judgment shall be filed no later than 10 days after the entry of judgment). "The purpose of a motion for reconsideration is to correct manifest errors of law or fact or to present newly discovered evidence." Harsco Corp. v. Zlotnicki, 779 F.2d 906, 909 (3d Cir. 1985). "Because federal courts have a strong interest in the finality of judgments, motions for reconsideration should be granted sparingly." Continental Cas. Co. v. Diversified Indus., Inc., 884 F.Supp. 937, 943 (E.D. Pa. 1995). Courts will reconsider an issue only "when there has been an intervening change in the controlling law, when new evidence has become available, or when there is a

need to correct a clear error or prevent manifest injustice." NL Indus., Inc. v. Commercial Union Ins. Co., 65 F.3d 314, 324 n. 8 (3d Cir. 1995). Mere dissatisfaction with the Court's ruling is not a proper basis for reconsideration. Glendon Energy Co. v. Borough of Glendon, 836 F.Supp. 1109, 1122 (E.D. Pa. 1993).

III. DISCUSSION

Count VI of BHC's Amended Complaint alleged a claim for bad faith under 42 Pa. Cons. Stat. § 8371. In its April 27, 2000 Memorandum and Order, the court found that BHC lacked standing to bring a cause of action under Pennsylvania's bad faith statute. In its motion for reconsideration under Rule 59(e) of the Federal Rules of Civil Procedure, BHC asserts that the April 27, 2000 Order presents a manifest injustice because the court relied on disputed language when it determined that BHC does not have standing under § 8371. BHC asserts yet again that claims under § 8371 are not limited to those who are "insureds" under a policy and that the statute applies to "other claims" besides those for improper claims handling. (Pl.'s Brief in Supp. of Mot. for Recons. at 7-9.)

In its April 27, 2000 Memorandum and Order, the court stated that: "[t]he crux of a bad faith claim under § 8371 is the denial of coverage by an insurer when there is no reasonable basis to do so." Mem. & Order dated April 27, 2000 at 6 (citing Jung v. Nationwide Mut. Fire. Ins. Co., 949 F. Supp. 353, 356 (E.D. Pa. 1997)). The court observed that "[t]he purpose of the bad faith

statute is 'to provide a statutory remedy to an insured when an insurer den[ies] benefits in bad faith.'" Id. (citing General Accident Ins. Co. v. Federal Kemper Ins. Co., 682 A.2d 819, 822 (Pa. Super. Ct. 1996)). The court found that, under Pennsylvania law, it is "clear that the insurer's duty to act in good faith belongs to those persons who qualify as 'insureds' under the policy." Id. at 7 (citing Seasor v. Liberty Mut. Ins. Co., 941 F. Supp. 488, 490 (E.D. Pa. 1996) & Dercoli v. Pennsylvania Nat'l Mut. Ins. Co., 554 A.2d 906 (1989)). Thus, the court concluded that BHC had standing under the bad faith statute only if it was an "insured" under the policy.

BHC's repetitive and costly motion again asks the court to reconsider the Order dated February 5, 1999 that limited BHC's bad faith claims to claims handling.² BHC raises no intervening change in the controlling law, no new evidence, and no need to correct a clear error or prevent manifest injustice. The court declines to revisit this issue, and reiterates that motions for reconsideration "are not intended merely to relitigate old matters." Burger King Corp. v. New England Hood and Duct Cleaning Co., NO.CIV.A. 98-3610, 2000 WL 133756 (E.D. Pa. Feb. 4, 2000) (citations omitted). Rather, "efficient disposition . . . demands that each stage of the litigation build on the last, and not afford an opportunity to reargue every previous ruling."

² In its April 27, 2000 Memorandum and Order, the court found that because BHC lacked standing under § 8371, BHC's motion for reconsideration of the February 5, 1999 Order was moot. (Mem. & Order dated April 27, 2000 at 4 n.4.)

Mem. & Order dated April 27, 2000 at 4 n.4 (citations omitted).

BHC's motion for reconsideration also asserts that, in determining that BHC was not an "insured" under its policy with Unicare, the court mistakenly relied upon language in documents that do not comprise the contract. In its April 27, 2000 Memorandum and Order, the court noted that language found in the original policy's Insuring Agreement and policy definitions does not refer to BHC as the "insured." Id. at 7-8. In the instant motion for reconsideration, BHC argues that this language does not form its contract with Unicare. (Pl.'s Brief in Supp. of Mot. for Recons. at 3.) The April 27, 2000 Memorandum and Order also quoted from the Group Benefit Plan booklet which states:

[t]his section tells you how you may become insured. . . . To obtain personal insurance you need to be a qualified employee. You are a "qualified employee" only if you meet all of these requirements: (1) you are a full-time employee of the plan sponsor . . . and you are in a covered employment class named in the group policy.

Id. at 8. In the instant motion, BHC contends that although some language of the Group Benefit Plan booklet forms part of the contract, the language quoted above does not. (Pl.'s Brief in Supp. of Mot. for Recons. at 4.)

The court also cited the Minimum Premium Plan Letter of Financial Agreement ("MPP") which BHC attached as an exhibit. BHC contends that this document is part of the contract between the parties. Mem. & Order dated April 27, 2000 at 7-8; Pl.'s Brief in Supp. of Mot. for Recons. at 5 & Ex. 1. The court relied on the MPP's language in determining that BHC was not the

"insured." (Mem. & Order dated April 27, 2000 at 8.) The MPP refers to General Refractories Company, BHC's predecessor, as the "policyholder" rather than as the "insured." Id. (citing BHC's Resp. to Unicare's Mot. to Dismiss Ex. 6.) The MPP goes on to state that: "General Refractories Company ("Policyholder") [BHC's predecessor] has an employee benefit plan ("Plan") that provides medical benefits to covered employees" Id. In its April 27, 2000 Memorandum and Order, the court determined that the references to BHC as the "policyholder" did not establish that BHC was the "insured" under the policy. Id. at 8.

Thus, even if the parties dispute which documents constitute the contract, it is, in fact, uncontroverted that none of the documents that BHC contends comprise the group insurance policy contract between it and Unicare refer to BHC or its predecessors as the "insured" under the policy.

BHC asserts that, since none of the documents that it contends form the contract define "insured," the court should construe the term to include "policyholder." (Pl.'s Brief in Supp. of Mot. for Recons. at 6.) However, as the court stated in its February 5, 1999 Memorandum and Order, the purpose of § 8371 is to "provide a statutory remedy to an insured when the insurer denied benefits in bad faith." Mem. and Order dated February 5, 1999 at 5 (citations omitted). Further, as stated in the April 27, 2000 Memorandum and Order, BHC has not cited one case in which an employer asserted or had standing to assert a "bad faith" claim for benefits on behalf of its employees under §

8371.³ (Mem. and Order dated April 27, 2000 at 9.) Accordingly, the court found that BHC did not have standing to bring a "bad faith" claim under § 8371. Because BHC does not raise new evidence or a need to correct clear error of law, the court will deny BHC's motion for reconsideration.

III. CONCLUSION

For the reasons set forth above, BHC's motion to file a reply brief will be granted and its motion for reconsideration of the Order dated April 27, 2000 will be denied.

An appropriate Order follows.

³ BHC cites Rottmund v. Continental Assur. Co., 813 F.Supp. 1104 (E.D. Pa. 1992) for the proposition that the court erroneously concluded that only an "insured" has standing to bring an action under § 8371. (Pl.'s Brief in Supp. of Mot. for Recons. at 8.) In Rottmund, the plaintiff was the executrix of the estate of her murdered husband, who sought to recover the proceeds of a life insurance policy that was issued on his life. Id. at 1106. The named beneficiary had murdered the deceased. Id. Under the Pennsylvania Slayer's Act, when a slayer is the named beneficiary, payment under a life insurance policy is made to the deceased's estate. Id. The plaintiff sued the insurer for "bad faith" based on its alleged wrongful refusal to pay the proceeds to the estate. BHC argues that because the estate sued under § 8371, BHC, as the purchaser of the policy for its employees, has standing. (Pl.'s Brief in Supp. of Mot. for Recons. at 8.) The case is inapposite. The estate in Rottmund stood in the shoes of the named beneficiary and sued for the bad faith denial of its claim for benefits.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

BELMONT HOLDINGS CORPORATION	:	CIVIL ACTION
	:	
v.	:	
	:	
UNICARE LIFE & HEALTH INSURANCE COMPANY	:	NO. 98-2365

ORDER

AND NOW, TO WIT, this day of December, 2000, upon consideration of plaintiff Belmont Holdings Corporation's ("BHC") motion for reconsideration of the Order dated April 27, 2000; defendant Unicare Life and Health Insurance Company's ("Unicare") response thereto; and BHC's motion to file a reply brief in support of its motion for reconsideration, IT IS ORDERED that:

- 1) BHC's motion for leave to file a reply brief in support of its motion for reconsideration (Doc. #75) is GRANTED. BHC's reply brief is hereby incorporated into the motion for reconsideration; and
- 2) BHC's motion for reconsideration of the Order dated April 27, 2000 (Doc. #71) is DENIED.

LOUIS C. BECHTLE, J.