UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

Doroshow v. Hartford Life & Accident Insurance Co.

574 F.3d 230 (3d Cir. 2009) · No. No. 08-2836 · Decided July 30, 2009

SUMMARY

Jay Doroshow appealed the denial of long-term disability benefits under an ERISA-governed employee welfare benefit plan issued and administered by Hartford Life and Accident Insurance Company. The United States Court of Appeals for the Third Circuit held that Hartford's decision was reasonable under the abuse-of-discretion standard, considering its conflict of interest as one factor under Metropolitan Life Insurance Co. v. Glenn, and affirmed summary judgment for Hartford.

CASE DETAILS

COURT	United States Court of Appeals for the Third Circuit
WRITING FOR THE COURT	Roth, Circuit Judge; Rendell, Circuit Judge; Jordan, Circuit Judge
JURISDICTION	Federal
DECIDED	July 30, 2009
DOCKET	No. 08-2836
DISPOSITION	affirmed
PROCEDURAL POSTURE	Doroshow appealed the District Court's grant of summary judgment to Hartford in an ERISA action challenging the denial of long-term disability benefits.
STANDARD OF REVIEW	The Court of Appeals exercised plenary review over the grant of summary judgment. Because the plan granted Hartford discretionary authority to determine eligibility and interpret the plan, Hartford's benefits decision was reviewed for abuse of discretion under the arbitrary-and-capricious standard. Any conflict of interest was treated as one factor among several rather than as requiring a heightened form of review.
PRECEDENTIAL VALUE	published and precedential
PARTIES	Jay Doroshow v. Hartford Life and Accident Insurance Company

TOPICS

erisa · employee benefits · insurance coverage · standard of review · appellate procedure

PRACTICE AREAS

ERISA | employee benefits | insurance | appellate procedure

QUESTIONS PRESENTED

1. What standard of review applies to an ERISA benefits determination when the plan grants the administrator discretionary authority and the administrator both funds and administers the plan?
2. Whether Hartford reasonably determined that Doroshow had received medical advice concerning ALS during the applicable look-back period, making ALS a preexisting condition under the plan.

HOLDINGS

1. When an ERISA plan grants the administrator discretionary authority to determine eligibility for benefits, the administrator's decision is reviewed for abuse of discretion under an arbitrary-and-capricious standard; a conflict of interest is considered as one factor among several and does not itself require a heightened standard of review.
2. Hartford reasonably determined that Doroshow received advice pertaining to ALS during the plan's three-month look-back period, so ALS qualified as a preexisting condition and Hartford's denial of long-term disability benefits was not arbitrary and capricious.

KEY QUOTATIONS

> *"Insofar as Glenn implicitly overrules and conflicts with our precedent, requiring courts to apply a heightened arbitrary and capricious review, we will apply the Glenn abuse of discretion standard where a conflict of interest exists."* (234)

> *"Therefore, he had a "suspected condition without a confirmatory diagnosis," which may appropriately be deemed a pre-existing condition."* (236)

FACTUAL BACKGROUND

Doroshow was covered under CVS Corporation's long-term disability plan issued by Hartford, with coverage effective July 1, 2006, and a three-month preexisting-condition look-back period. He was definitively diagnosed with ALS in March 2007, but his medical records reflected earlier evaluation for motor-neuron disease and possible ALS, including a May 16, 2006 visit during the look-back period in which his physician recorded that lumbosacral plexitis was the most recent diagnosis and that ALS was not believed to be the diagnosis. Hartford denied benefits, concluding that the earlier medical advice and evaluation concerning possible ALS made ALS a preexisting condition.

PROCEDURAL HISTORY

Doroshow participated in CVS Corporation's long-term disability plan issued and administered by Hartford. After Hartford denied his claim based on the plan's preexisting-condition exclusion and Doroshow unsuccessfully pursued internal administrative review, he sued under 29 U.S.C. § 1132(a)(1)(B). The Eastern District of Pennsylvania granted Hartford summary judgment, concluding that Hartford's denial was not arbitrary and capricious, and Doroshow appealed.

DISPOSITION

affirmed

CASES CITED

- Firestone Tire & Rubber Co. v. Bruch, 489 U.S. 101 (1989)
- Estate of Schwing v. The Lilly Health Plan, 562 F.3d 522 (3d Cir. 2009)
- Post v. Hartford Insurance Co., 501 F.3d 154 (3d Cir. 2007)
- Pinto v. Reliance Standard Life Insurance Co., 214 F.3d 377 (3d Cir. 2000)
- Metropolitan Life Insurance Co. v. Glenn, 128 S. Ct. 2343 (2008)
- Abnathya v. Hoffmann-La Roche, Inc., 2 F.3d 40 (3d Cir. 1993)
- McLeod v. Hartford Life & Accident Insurance Co., 372 F.3d 618 (3d Cir. 2004)
- Lawson ex rel. Lawson v. Fortis Insurance Co., 301 F.3d 159 (3d Cir. 2002)
- McWilliams v. Capital Telecommunications, Inc., 986 F. Supp. 920 (M.D. Pa. 1997)
- Bullwinkel v. New England Mutual Life Insurance Co., 18 F.3d 429 (7th Cir. 1994)
- Cury v. Colonial Life Insurance Co. of America, 737 F. Supp. 847 (E.D. Pa. 1990)