UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT

Todd Roehr v. Sun Life Assurance Company of Canada

No. 21-1559, United States Court of Appeals for the Eighth Circuit (December 27, 2021)

SUMMARY

In this ERISA long-term disability benefits case, the Eighth Circuit reversed the district court's judgment for Sun Life, holding that the plan administrator abused its discretion by terminating benefits without new significant evidence. The court ruled that Sun Life's reliance on essentially the same medical records it had accepted for a decade—including intermittent tremor findings and a single ambiguous notation—did not constitute substantial evidence to support termination, and that the administrator's failure to follow its own neurologists' recommendations for further evaluation was an abuse of discretion. The decision reinforces that a plan administrator cannot change its mind on the same evidence without a significant change in circumstances, and that a conflict of interest (dual role as administrator and insurer) is weighed as a factor but does not automatically warrant a less deferential standard.

CASE DETAILS

COURT	United States Court of Appeals for the Eighth Circuit
WRITING FOR THE COURT	Erickson; KELLY; ERICKSON; GRASZ
JURISDICTION	Federal
DECIDED	December 27, 2021
DOCKET	21-1559
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Appeal from district court judgment on the record granting Sun Life's motion and denying reinstatement of LTD benefits.
STANDARD OF REVIEW	abuse of discretion (plan administrator's decision reviewed for abuse of discretion; district court's decision reviewed de novo)
PRECEDENTIAL VALUE	published
PARTIES	Todd Jon Roehr v. Sun Life Assurance Company of Canada

TOPICS

erisa · insurance · standard of review · employment law · appellate procedure

PRACTICE AREAS

ERISA Insurance

QUESTIONS PRESENTED

1. Whether the district court erred in granting Sun Life's motion for judgment on the record by applying the correct standard of review.
2. Whether Sun Life abused its discretion in terminating Roehr's long-term disability benefits without substantial evidence of a change in condition.

HOLDINGS

1. Sun Life's termination of Roehr's LTD benefits was an abuse of discretion because it was not supported by substantial evidence; the record lacked any significant change in Roehr's condition from the evidence Sun Life had accepted for nearly a decade.

KEY QUOTATIONS

> *"We will uphold the decision to deny benefits if it is reasonable. We measure reasonableness by whether substantial evidence exists to support the decision, meaning more than a scintilla but less than a preponderance."* (at 8)

> *"While a plan administrator's history of paying benefits to a claimant does not prevent it from changing its mind, unless information available to an insurer alters in some significant way, the previous payment of benefits is a circumstance weighing against the termination of benefits."* (at 9)

> *"Here, Sun Life accepted Roehr's records as proof of a qualifying disability and then later, without expressing any concerns to Roehr, used essentially the same records to find Roehr failed to establish an ongoing, qualifying disability."* (at 9)

> *"Sun Life's about-face requires relevant evidence that a reasonable mind might accept as adequate to support its change in decision. That evidence does not exist in this record."* (at 10)

FACTUAL BACKGROUND

Todd Roehr, a board-certified anesthesiologist, developed intermittent hand tremors in 2004 with a strong family history of Parkinson's disease. After consulting multiple neurologists who could not make a definitive diagnosis, he stopped working in 2006 and applied for long-term disability (LTD) benefits under an ERISA plan administered by Sun Life. Sun Life approved benefits in 2007 and paid them for nearly 10 years, relying on reports from Roehr's primary care physician, Dr. Walczyk, who consistently documented tremors. In 2017, Sun Life terminated benefits based on a review by independent neurologists Dr. Potts and Dr. Hoenig, pointing to a January 2017 exam note from Dr. Walczyk that showed no movement disorder, and the lack of a formal diagnosis or follow-up with specialists. Sun Life's termination letter cited these factors and the opinion that Roehr's condition may have improved, despite the absence of new significant evidence.

PROCEDURAL HISTORY

Roehr filed an action in the United States District Court for the Southern District of Iowa after Sun Life terminated his long-term disability benefits. The district court granted Sun Life's motion for judgment on the record, concluding substantial evidence supported the termination. Roehr appealed.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remand to the district court with directions to order the reinstatement of LTD benefits as of January 27, 2017.

CASES CITED

- Johnston v. Prudential Ins. Co. of Am., 916 F.3d 712 (8th Cir. 2019)
- McClelland v. Life Ins. Co. of N. Am., 679 F.3d 755 (8th Cir. 2012)
- Cooper v. Metro. Life Ins. Co., 862 F.3d 654 (8th Cir. 2017)
- Metro. Life Ins. Co. v. Glenn, 554 U.S. 105 (2008)
- Johnson v. United of Omaha Life Ins. Co., 775 F.3d 983 (8th Cir. 2014)
- Wakkinen v. UNUM Life Ins. Co. of Am., 531 F.3d 575 (8th Cir. 2008)
- McGee v. Reliance Standard Life Ins. Co., 360 F.3d 921 (8th Cir. 2004)
- McOsker v. Paul Revere Life Ins. Co., 279 F.3d 586 (8th Cir. 2002)
- Gunderson v. W.R. Grace & Co. Long Term Disability Income Plan, 874 F.2d 496 (8th Cir. 1989)
- Norris v. Citibank, N.A. Disability Plan, 308 F.3d 880 (8th Cir. 2002)