

Can an ERISA Claims Administrator Engage in Post-Trial Discovery Regarding Benefit Issues? No, Says District Court

In what may be a matter of first impression, Judge Cormac J. Carney of the United States Federal District Court for the Central District of California denied Sun Life and Health Insurance Company's Objections to Proposed Judgment in an ERISA long-term disability insurance claim case handled by McKennon Law Group PC. As detailed here (<http://www.californiainsurancelitigation.com/erisa/mckennon-law-group-wins-disability-insurance-lawsuit-against-sun-life-and-health-insurance-company-f/>), Robert J. McKennon and Scott E. Calvert of the McKennon Law Group secured a victory at trial for their client in an ERISA long-term disability insurance claim lawsuit against Sun Life, with the Court finding that Sun Life abused its discretion in denying Mr. Evans' claim for long-term disability benefits. Following the Court's instructions, Mr. Evans filed a "Proposed Judgment Following Trial." Sun Life offered four separate objections to the Proposed Judgment, all of which were rejected by the Court.

Sun Life first objected that Mr. Evans was not entitled to the full 24 months of benefits provided for by the Plan, because he was not disabled for the entire time. Sun Life relied on "an internet search performed by Sun Life's counsel after" the trial. In rejecting Sun Life's first objection, the Court noted that it was limited to the evidence found in the Administrative Record, and determined that "there is absolutely no evidence in the administrative record to suggest that Mr. Evans was employed during the 24 month period." Further, the Court noted that "Sun Life had the opportunity to conduct discovery on this point prior to trial, yet failed to do so" and that "Sun Life made no attempt to either augment the administrative record, or move to have extrinsic evidence considered at trial." Accordingly, the Court rejected Sun Life's objection.

Sun Life's second objection was based on the allegation that it needed access to Mr. Evans' tax returns so it could determine his income level during the relevant 24-month period. Using the same reasoning outlined above, the Court noted that "Sun Life has failed to develop the administrative record on this point" and provided "no reason why it could not have discovered such information prior to trial." The Court therefore rejected Sun Life's second objection.

The third objection offered by Sun Life was that "Mr. Evans is not entitled to an award of prejudgment interest in excess of the rate for post-judgment interest set forth in 28 U.S.C. § 1961." The Court criticized Sun Life for making this objection, noting that this issue will be properly addressed in Mr. Evans' post-trial motion for attorneys' fees, costs and pre-judgment interest that was not yet filed with the Court.

Finally, the Court rejected Sun Life's fourth objection "that Mr. Evans is not entitled to an award of attorneys' fees," again explaining that the issue of attorneys' fees and costs was not yet before the Court, but would be addressed in Mr. Evans' Motion for Attorneys' Fees.

In light of the Court's decision to reject each and every objection offered by the Sun Life in response to the "Proposed Judgment Following Trial," the Court awarded Mr. Evans \$217,068.00, representing long-term disability benefits under the subject ERISA plan from June 1, 2008 to June 1, 2010.