

Life, Health, Disability & ERISA Litigation Update

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COURT HOLDS A THIRD-PARTY ADMINISTRATOR IS NOT A PROPER PARTY TO AN ERISA BENEFITS CLAIM

In *Shea v. Unum Life Insurance Company of America*, 2024 WL 4593525 (D. Mass. 2024), the U.S. District Court of Massachusetts rejected Shea's attempt to include the third-party administrator of an ERISA benefits plan as a defendant in a claim for benefits.

Shea was a participant in a disability plan provided by her employer, Mass General Brigham, Inc. ("MGB"). The plan was self-insured. MGB entered into an Administrative Services Agreement ("ASO") in which Unum Life Insurance Company of America ("Unum Life") would administer claims and make the initial decision on entitlement to benefits. Any administrative appeal would go to MGB.

After Unum Life denied disability benefits to Shea and it was upheld by MGB, Shea sued in federal court naming both MGB and Unum Life as defendants. Unum Life moved to dismiss itself as a party given its role as a third-party administrator.

The court took into consideration the allegations made in Shea's Complaint as well as the ASO. The court noted that ERISA does not authorize actions against non-fiduciaries of an ERISA plan and went on to find that Unum Life was not a fiduciary because it was not named so in the plan, nor did it function as one in performing its administrative functions.

As a result, the court allowed Unum Life's motion to dismiss itself, as well as its parent, Unum Group, from the litigation.



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J. Christopher Collins represented Unum Life Insurance Company of America and Unum Group.

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