MetLife Cannot Require an IME After Failing to Comply with ERISA Deadlines Following a Remand of Disability Claim

In *Kroll v. Kaiser Foundation Health Plan Long Term Disability Plan*, 2012 U.S. Dist. LEXIS 25063 (N.D. Cal. February 10, 2012), the Court refused to require that the plaintiff appear for an independent medical examination ("IME") because Metropolitan Life Insurance Company ("MetLife") failed to request the IME within 45 days, as required by 29 C.F.R. § 2560.503-1. With the ruling, the District Court confirmed that the time limits set forth in the Department of Labor regulation apply to claims that are remanded to an ERISA administrator following litigation.

On May 13, 2011, the Court ruled that MetLife abused its discretion and improperly denied plaintiff's claim for long-term disability ("LTD") benefits made under an ERISA-governed employee welfare benefit plan. With the ruling, the Court ordered that MetLife pay all benefits due under the policy's "own occupation" definition of disability, and remanded the claim back to MetLife for a determination under the "any occupation" definition.

In connection with the remand, plaintiff's counsel wrote to MetLife's counsel requesting the forms needed to pursue the remanded LTD claim. On May 16, 2011, he was informed that MetLife would let him know what documents and information would be required. Unwilling to wait for MetLife to act, in June 2011, plaintiff sent MetLife just under 1,000 pages of medical records in connection with her claim. Five months later, in October 2011, MetLife finally provided plaintiff with claim forms and requested information to review the claim. MetLife also ordered the plaintiff to appear for an IME, but her counsel objected that the request was untimely pursuant to 29 C.F.R. § 2560.503-1(f)(3). With the plaintiff refusing to appear for the IME, MetLife filed a motion to compel the examination.

While MetLife argued that 29 C.F.R. § 2560.503-1 did not apply to its actions because the disability claim was remanded to MetLife following litigation, the District Court noted that MetLife failed to provide any authority to support that position. The Court ultimately rejected MetLife's argument, explaining that the plain language of the regulation, which "sets forth minimum requirements for employee benefit plan procedures pertaining to claims for benefits by participants and beneficiaries," applies to the remand of the LTD claim.

In denying MetLife's motion, the District Court explained that:

> Pursuant to 29 C.F.R. § 2560.503-1(f)(3), Defendants had until June 27, 2011, to either make a determination on Plaintiff's claim, or make a determination that more time was needed to resolve Plaintiff's claim *and* notify Plaintiff. Defendants did neither. After hearing nothing from Defendants, Plaintiff, on her own initiative, sent over her medical records to Defendants. The first time Defendants indicated that they needed more information was in October 2011, five months after the Court remanded the claim for consideration.

Given MetLife's failure to act within the time limits set by 29 C.F.R. § 2560.503-1, the District Court held that "it is too late for [MetLife] to further delay by seeking an IME." Finally, the District Court ruled that "[p]ursuant to 29 C.F.R. § 2560.503-1(l), Plaintiff's claim for long term disability benefits under the 'any occupation' standard is deemed exhausted," and the plaintiff could therefore initiate further litigation regarding MetLife's failure to pay benefits under the "any occupation" definition.

This case highlights a claimant's remedies when a claims administrator/insurer does not follow the applicable ERISA deadlines. It is nice to see the courts protecting claimants when insurers such as MetLife blatantly violate the applicable ERISA and Department of Labor deadlines.