Courts May Admit Additional Evidence in Review of ERISA Denials

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U.S. Court of Appeals for the Ninth Circuit

In *Muniz v. Amec Const. Management, Inc.*, ___ F.3d ___, 2010 WL 4227877 (9th Cir. (Cal.) Oct. 27, 2010), the Ninth Circuit Court of Appeals held that when a court reviews a plan administrator's ERISA benefits denial decision under the de novo standard of review, the burden of proof is on the claimant. The Ninth Circuit also held that the court may consider evidence beyond the administrative record, especially when a claim involves complex medical questions or issues of medical expert credibility. Under that standard, the court held that Dierro Muniz, a man diagnosed with HIV, did not qualify for continued total disability benefits under his insurance plan.

Muniz was insured under a long-term disability insurance plan issued by Connecticut General Life Insurance Company (CGLIC), enabling him to continue to receive benefits after 24 months if he is "totally disabled," or "unable to perform all the essential duties of any occupation for which [he is] or may reasonably become qualified." Muniz had been receiving total disability benefits under the CGLIC plan due to the effects of his HIV infection from 1992 until 2005, when his claim was reviewed. After reviewing his claim and medical records, CGLIC determined that Muniz was not totally disabled. Muniz's treating physician disagreed with the decision and provided supplemental documentation, but CGLIC found that the records were incomplete.

The district court found that the administrative record was insufficient for it to determine whether Muniz was totally disabled. The parties agreed to appoint an independent expert to evaluate Muniz and his functional capacity. Upon review of this independent evaluation, the district court concluded that Muniz was not "totally disabled" under the terms of the plan.

The Ninth Circuit affirmed. The court held that the burden of proof lies with the claimant when disability benefits are terminated after an initial grant. The court further found that when considering the denial of ERISA benefits, a court may admit additional evidence, including the opinion of an independent expert. The court stated that because Muniz's treating physician's records were inconsistent and incomplete, the opinion of an independent expert to evaluate Muniz's functional capacity was not an abuse of discretion. Not only did Muniz wait until after the district court issued its order to object to the independent evaluation, but he also did not contend that his condition had substantially changed from the time his benefits were denied to the time the independent evaluation took place. Accordingly, the court held that he was not denied a "full and fair review of his claim" and that he did not meet his burden of proving that he was "totally disabled" under the terms of the CGLIC plan due to the lack of medical documentation supporting a determination of total disability.

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