

AD&D BENEFIT DENIAL REVERSED

Hodgson Russ Employee Benefits Newsletter
June 27, 2018

Practices & Industries

Employee Benefits

In this case, a plan participant had his leg partially amputated following an automobile accident. The participant's Accidental Death and Dismemberment claim, however, was denied because the claims administrator determined that the amputation was not the direct and sole cause of the accident, but rather the amputation was contributed to and complicated by the patient's pre-existing diabetic condition. A district court upheld the claims administrator's decision, concluding that coverage is barred because the plan provides that no physical illness can "cause or contribute" to the loss, and that the participant's diabetes contributed to his loss. In reversing the district court's decision, the Ninth Circuit Court of Appeals found that, although the diabetes was a factor in the injury, the factual record does not support a finding that the disease met the applicable standard of substantially contributing to the participant's loss. The court notes that in order to be considered a substantial contributing factor for the purpose of restricting coverage, a pre-existing condition must be more than merely a contributing factor. A mere relationship of undetermined degree is not enough. *Dowdy v. Metro. Life Ins. Co.* (9th Cir. 2018).