

TENTH CIRCUIT AWARDS A DECEDENT'S LIFE INSURANCE PROCEEDS TO HIS EX-WIFE

Hodgson Russ Employee Benefits Newsletter
March 31, 2021

In a win for the English language, the Tenth Circuit decided “all means all.” The facts of this case are relatively simple. The Plaintiff and her ex-husband decided to get a divorce and, while executing the standard separation form, checked two boxes. The first box said, “The parties agree to the following terms relating to *all* life insurance accounts.” The second box stated, “The [ex-husband] will carry life insurance on [the Plaintiff] as beneficiary until daughter A.S. is 18 years of age.” Accordingly, when the ex-husband died three years later and before their daughter turned 18 years old, the Plaintiff sought to collect under the ex-husband’s life insurance policy through his employer ExxonMobil.

The issue arose when ExxonMobil informed the Plaintiff that she was not a beneficiary under her ex-husband’s life insurance plan and that it determined her divorce decree did not meet the requirements to be a qualified domestic relations order (“QDRO”). In order for a domestic relations order to be qualified as a QDRO, it must clearly specify: 1) the name and the last known mailing address of the participant and each alternate payee; 2) the amount or percentage of the participant’s benefits to be paid by the plan to each such alternate payee, or the manner in which such amount or percentage is to be determined; 3) the number of payments or period to which the order applies; and 4) each plan to which the order applies. 29 U.S.C. § 1056(d)(3)(C).

Following ExxonMobil’s determination, the Plaintiff brought an unsuccessful suit because the district court agreed that the decree was not a QDRO. The district court made this finding for two reasons. First, the court noted “no plan is identified or named in the separation agreement, and ... it is not entirely clear whose life is to be insured and who the intended beneficiary is.” Second, the court said the decree did not clearly identify the amount of the benefit to be paid to the Plaintiff.

On appeal, the Tenth Circuit ruled for the Plaintiff by finding that the decree met all the requirements to be a QDRO. With regard to the second element above, the court said it was clear that the Plaintiff was entitled to 100% of the benefits because no other beneficiary was listed in the second checked box. Moreover, regarding the fourth element, the court said the decree clearly specified that it applies to “all life insurance accounts” pursuant to the first checked box in the separation agreement. It was irrelevant that the decree did not name the ExxonMobil plan since “all means

Attorneys

Michael Flanagan

Richard Kaiser

Ryan Murphy

Amy Walters

Practices & Industries

Employee Benefits

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all.” As a result, the decree was found to be a QDRO and the Plaintiff was entitled to the life insurance proceeds. *Festini-Steele v. ExxonMobil Corp.* (10th Cir. 2021).

