

COURT HALTS ERISA SUIT REGARDING WELFARE FUND'S BENEFIT CAPS

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Superior Dairy, Inc., its president-CEO, and union steward, brought a suit against the Fleet Owners Insurance Fund (the “fund”), a multi-employer welfare benefit plan, alleging, among other things, that the fund violated the Employee Retirement Income Security Act of 1974 (“ERISA”) by imposing annual and lifetime benefit limits in violation of the Patient Protection and Affordable Care Act of 2010 (“ACA”). The Sixth Circuit Court of Appeals, in affirming a district court ruling, held that, regardless of whether the benefit caps existed, the plaintiffs lacked standing to sue because they did not demonstrate an injury-in-fact. The court explained that an injury-in-fact must be (1) concrete and particularized and (2) actual or imminent, not speculative or hypothetical. Here, the court found that the plaintiffs argued in “extreme generalities,” failing to demonstrate any actual or real risk of harm. Simply arguing that the benefit caps existed without more, the plaintiffs could not satisfy the concreteness prong of the injury-in-fact showing. Accordingly, the plaintiffs lacked standing to sue the fund under ERISA for monetary and injunctive relief. Plaintiffs also brought fiduciary breach claims under ERISA against the fund’s trustees, alleging that they exposed the plan to possible future enforcement action and liability of \$15 million in the future. The court similarly dismissed this allegation for lack of standing, finding that the plaintiffs had not shown any actual or imminent harm to the fund. The court found that alleging a speculative risk of an enforcement action, rather than showing that a penalty was imposed, paid, or at least contemplated, was too speculative to demonstrate an injury-in-fact. *Soehrlen v. Fleet Owners Insurance Fund* (6th Cir. 2016).