

Fifth Circuit Opinion Clarifies Legal Claims Distinction under ERISA

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In *Manuel v. Turner Industries Group, L.L.C.*, the U.S Circuit Court of Appeals for the Fifth Circuit (whose jurisdiction includes Texas) considered various claims under ERISA that were brought by Michael Manuel, a former employee of Turner Industries (*Turner*). His claims were brought against Turner and Prudential, the insurer and claims fiduciary under Turner's long-term disability benefits plan, and related to a denial of benefits to Manuel under that plan. One of his claims was for breach of fiduciary duty asserted against Turner under Section 502(a)(3) of ERISA (the *Equitable Relief Provision*) based on Manuel's argument that the plan's SPD omitted the pre-existing condition exclusion contained in the plan document that was the basis for Prudential's denial of his benefits claim, and thus Manuel relied to his detriment on a deficient SPD. Citing Fifth Circuit and U.S. Supreme Court precedent under ERISA, the Fifth Circuit reiterated the standing rule that a claim for relief cannot be brought under the Equitable Relief Provision when an adequate remedy is afforded under Section 502(a)(1)(B) of ERISA (the *Plan Terms and Benefits Provision*). The Plan Terms and Benefits Provision provides that a participant may bring a civil action to recover benefits due to him *under the terms of his plan*, to enforce his rights *under the terms of the plan*, or to clarify his rights to future benefits *under the terms of the plan*. (emphasis added) The Fifth Circuit found that Manuel did not have an adequate remedy available under the Plan Terms and Benefits Provision because Prudential made its benefits denial decision based on the terms of the plan, not the allegedly deficient SPD. In another claim brought against Prudential under the Equitable Relief Provision, Manuel argued that Prudential breached its fiduciary duty by failing to comply with the requirements of ERISA's claims regulations when reviewing and deciding his benefits claim, thereby denying him a full and fair review as mandated by the claims regulations. The Fifth Circuit confirmed that, based on Fifth Circuit precedent, problems with administrative claims procedures under ERISA, such as those alleged by Manuel, are redressable under the Plan Terms and Benefits Provision and not the Equitable Relief Provision. In addition to the helpful ERISA claims distinction addressed by the Fifth Circuit in its opinion, the Fifth Circuit also made the following points that sponsors of health and welfare benefit plans under ERISA should be aware of:

- A participant may bring a legal claim under Section 510 of ERISA for interference with his protected rights under ERISA against non-employer parties, including a third party claims administrator.
- ERISA does not require that a plan document provided to a participant upon his request pursuant to Section 104 of ERISA be signed.

View the [Fifth Circuit's opinion](#).